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Difference Between Short and Long Term Loans

1. Short Term Loans are repaid within one year after borrowing while Long Term Loans take years to repay the amount borrowed.
2. Unlike Long term loans, Short term loans can be borrowed and granted without having any collateral which is a must requirement for long term loans.
3. Long term loans are borrowed to offset long term ventures. On the other hand, short term loans are taken to settle urgent liquidity issues.
4. Short term loans in most cases may not require any proof documentation like identification cards, payslips, and so on. As for long term loan identification proof documents, pay proof documents are a must requirement.
5. Long term loans are associated with huge amounts of borrowings as opposed to short term loans where funds borrowed are of low amounts.

Source and more details: <https://askanydifference.com/difference-between-short-and-long-term-loans/>



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