

Debt Consolidation

the second charge
mortgage solution

Your property may be repossessed if you do not keep up repayments on your mortgage.

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2nd Charge Mortgage Solution

With typical credit card balance transfer **rates soaring to 25.9% and 26.9% APR**, a second charge mortgage could be a **cost-effective way to consolidate your personal debts** into a single, lower-interest loan without disrupting your existing mortgage arrangement.



The Benefits

- ✓ Missed mortgage repayments within the last 12 months will be considered.
- ✓ Beneficial if you need access to funds to pay off unsecured credit, credit cards, hire purchase, and loans as most first charge lenders do not accept raising funds for unsecured debt particularly relevant in the current climate.
- ✓ If there are mortgage arrears but a valid explanation and a genuine reason that you can evidence we have lenders who are sympathetic to this and will consider clearing the arrears as part of your credit rebuilding strategy.
- ✓ If you're tied into a current first charge and need funds before end of tie in period you can do without incurring early redemption penalties.
- ✓ Affordability is calculated at 6x Income – higher than the usual 4.5x of traditional high street lenders.

In simple terms a **second-charge mortgage** is a way of unlocking equity in a property, the property acting as security for a lender. **The second-charge sits behind the first mortgage**, more commonly known as the 1st charge mortgage.



2nd Charge Mortgage Debt Consolidation Case Studies

A

- ✓ An individual owed **£30,000 in unsecured debt** and was making monthly credit card payments of **£1,200**.
- ✓ Their loan was repaid with **monthly payments of £189 at a fixed rate of 3.85% over 2 years**.
- ✓ They will be able to remortgage in 2 years without incurring any ERC fees.
- ✓ They can clear the second charge, leaving only the first charge payment.
- ✓ The individuals household received an additional **£1,011 per month** after they cleared the unsecured debt of **£30,000** by transferring it to a second charge.

B

- ✓ The individual needed a **further advance for debt consolidation** but was declined due to debt-to-income ratio.
- ✓ We raised **£30k on a 2nd charge** at 6.99% (just 1.9% above 1st charge rate).
- ✓ Completed on an AVM within **3 weeks**.
- ✓ This **saved the individual around £450 per month**, which can be reinvested into pension.

Other

Uses

- 1 Home Improvements
- 2 Funding Major Expenses
- 3 Business Investment
- 4 Property Investment
- 5 Paying Tax Liabilities
- 6 Emergency Expenses
- 7 Asset Purchase
- 8 Education Costs
- 9 Rate Improvement
- 10 Loans

The **flexibility of second charge** mortgages allows homeowners to leverage their property's equity **for a wide range of financial needs** beyond just debt consolidation. Here are the **top ten common uses**.



2nd Charge Mortgage Process

If a **second charge mortgage** sounds like the option you wish to explore further as a solution to **consolidate your debt**, reach out to me and I will secure the best solution for your needs.

