

# BEEN ASKED TO BE A GUARANTOR?

**Thank you for your support!**

**If you have been asked to be a Guarantor for someone, here's what you need to know.**

We understand there are many reasons why people can't get loans, but it does not mean they are not good people who deserve to be able to make choices about investing in their future.

A Guarantor loan could be used for many purposes, a car to get to a new job, or pay for a training course. Many people use it to tidy up more expensive credit options. All good, positive things that help people improve their lives.

**The person who has asked you is struggling to get the right loan!**

If they have a poor credit rating, multiple Payday Loans, previous repayment issues on loans or simply the value of the loan itself, they are finding obtaining a reasonable unsecured loan a problem.

**What is a Guarantor Loan?**

Guarantor Loans are designed for those who do not have the credit rating or other credentials needed to secure a loan on their own. A Guarantor loan is a quick and simple option. All they need is a friend or family member who knows and trusts them – like you, and who can act as a Guarantor.

Being a guarantor basically means that you promise to make the loan repayments if the borrower doesn't pay.

Guarantor loans aren't a new concept, it's how banks used to lend before computer credit scoring took over. It's quite common for landlords and mortgage companies to still ask for guarantors today.

**What are the benefits of being a Guarantor?**

- A Guarantor Loan enables the borrower to borrow at a reasonable interest rate over a period of time that suits their budget
- So long as they make their repayments on time, they will improve their credit file. That will enable them to borrow responsibly in the future at more competitive interest rates hopefully without a Guarantor
- The Guarantor loan may enable them to settle high cost credit such a Payday Loans and improve their monthly budget
- With George Banco, we will reduce their interest rate and repayments each year subject to them making their repayments on time

**To be a Guarantor you must;**

- Be a relative or friend of the borrower
- Believe that they can afford to meet their repayments and be happy that they are borrowing for a good reason
- Be willing and able to take over the loan if they don't / can't make the payments
- Be financially independent from the borrower – you cannot share finances
- You need to be 25+ years of age
- You must have a UK bank account and a valid UK debit card
- You do not need to be a homeowner