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Secured Loan Guide

What is a secured loan?

A secured loan—also known as a second charge mortgage—is a loan which is secured against your property. The loan will rank behind the original mortgage you have on your property (i.e. the first charge), meaning the first lender gets repaid first and then the second charge lender gets paid after that.



A second charge loan may be something you wish to consider if you are looking to:

- Carry out home improvements
- Consolidate existing unsecured loans or credit cards
- Make a cash injection into your business
- Purchase a holiday home
- Purchase an investment property
- Repay a tax bill
- Raise funds to gift to your children
- Borrow for any legal purpose

When could a second charge loan be suitable for you?

- Being tied into your mortgage with heavy redemption penalties.
- Wishing to avoid Early Redemption Charges that a re-mortgage may have.
- Not wanting to lose a competitive mortgage rate.
- Where your income may have changed.
- Where you have an Interest Only Mortgage.
- Needing a larger sum over a longer term to bring the monthly cost down.
- Requiring funds quickly.
- Where you have acquired some adverse credit history since taking out your original mortgage.



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