



Second Charge Loans product scenario: Debt consolidation

These product scenarios are examples of when Precise Mortgages' second charge loans may provide an option for your customers. They do not reflect actual customers or applications made.



Customer scenario

In addition to their monthly mortgage payment, Mr & Mrs Kilgallon were paying £2,093 a month to maintain an unsecured debt of £50,000



Current situation

Mr & Mrs Kilgallon had struggled to secure finance on the high street due to their growing debts. The couple had three credit cards with balances totalling £15,000 and two bank loans of £19,000 and £16,000.

Their monthly outgoings were £705 per month for the credit cards, and £815 and £573 for the loans. The payment towards their credit cards covered only the minimum amount. The loans had 32 and 29 months outstanding.



The solution

Their adviser contacted Precise Mortgages for a second charge loan for the full £50,000 (plus broker fee and lender fee).

In just 21 days Mr & Mrs Kilgallon were accepted for an 80% LTV Bank of England Base Rate tracker second charge loan, repayable over six years.

The monthly repayments on their £50,000 debt, which had been unsecured, reduced to a variable monthly payment of £958 per month.

Whilst the monthly payments were payable over a longer term the couple were better able to manage their monthly outgoings and further down the line they may be able to remortgage.

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