

## UK Home Owner Loan Application Reasons

If you have or have had a bad credit rating or a credit report which shows missed payments, arrears and County Court Judgements (CCJs), it can be quite difficult for you to get a loan at a reasonable or competitive interest rate. But there is an option available to you with a homeowner loan. A homeowner loan is a secured loan that provides security for lenders and money for borrowers.

A secured loan is a great tool for people with outstanding debts who also own their own home. As long as you have equity in your home, there will be lenders to offer loans. In addition, secured loans have a more competitive interest rate than unsecured loans, because there is less risk to lenders. This can be more cost-effective than managing debt through credit cards or high interest loans.

### How do Homeowner Loans Work

Whether a property is owned outright or mortgaged, the homeowner can borrow against the equity in the property. Most of the lenders require a valuation of the house. Homeowner loans typically allow borrowers to have up to 85% of the value of their home, though there are lenders in the market that will allow you to borrow up to 125% of the value of the home. This will depend on the lender's criteria and is subject to status and the lender's terms and conditions.

### How To Choose your Homeowner Loan

Choosing a homeowner loan is really quite simple and you can probably search for many products and providers of homeowner loan providers from the comfort of your home or your office via the internet. There are many factors that they take into account which include, your home ownership status, the amount you want to borrow, the purpose of the loan as well as other personal details and information.

If you are borrowing more than £25,000, you need to be aware that loans over this amount are not regulated by the Financial Services Authority (FSA). However, you can find out from the FSA whether the lender is reputable. Borrowers should also look very carefully at the terms and conditions as a secured loan gives the loan company a charge over your home. This is how the lenders ensure that the loan will be repaid even if something happens to the borrower.

### What You Can Do With A Homeowner Loan

You may use the money you raise from your homeowner loan for any purpose that you wish. a new car, a holiday home, consolidate your existing debts, and much more and all with one simple homeowner loan.

### How to best manage a Homeowner Loan

The best way to manage your homeowner loan is to ensure that you are comfortable you can fully afford the monthly repayments. Missing payments or paying less than the required amount will seriously damage your credit rating and could result in the loss of your home. Since a homeowner loan is a secured loan, loan companies will be able to claim the money from the value of your house if there is a default. Please assess your financial circumstances and ability to pay before taking out a homeowner loan.

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### About the Author

Mike Trusler. To get more information about secured loans, unsecured loans, remortgages and debt consolidation please visit [Sunset Loans](#) and [Sunrise Loans](#)

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