

The Numbers Are Scary. But Your Clients Don't Have to Be!
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It's hard to ignore the pressures facing UK homeowners right now:

- Moving home costs are at record highs
- Utility bills are set to jump by 25%
- 1.8 million lower fixed-rate mortgages expire by January 2027
- Credit card debt surpassed £80b, pushing total unsecured borrowing over £200b

These statistics naturally create friction points for clients needing capital or struggling with rising monthly outgoings. But daunting numbers don't mean clients are out of options.

When to Consider a Second Charge Mortgage

A second charge offers a powerful alternative when refinancing the primary mortgage isn't practical or cost-effective:

1. **Protecting Low Fixed Rates:** Remortgaging to raise funds risks resetting a client's entire balance to today's higher interest rates. A second charge lets them borrow extra capital separately, leaving their existing rate untouched.
2. **Avoiding Early Repayment Charges (ERCs):** Exit fees on fixed-rate deals can be substantial. Securing a second charge accesses cash without disturbing the main mortgage or triggering penalties.
3. **Higher Loan-to-Value (LTV):** Further advances with main lenders are often limited by strict LTV caps and loan purpose restrictions. Second charge lenders can typically achieve up to 90% LTV and above.
4. **Consolidating High-Interest Debt:** Restructuring expensive credit cards or personal loans into a structured second charge lowers overall monthly outgoings to ease household cash flow.
5. **Affordability:** When mortgage lenders say no, second charge providers offer adaptable underwriting and a pragmatic approach to affordability, often considering income multiples of 6x or more.

Second charges offer a viable solution when traditional borrowing isn't possible or simply doesn't provide the best financial outcome.

Get in touch with our award winning second charge mortgage team:
BrokerSupport@positivelending.co.uk / 01202 850 830 (Option 1)