

Published based on [What Are Endorsed Loans And Who Qualifies For Them.](#)

What Are Endorsed Loans And Who Qualifies For Them.

[Endorsed loans](#) have only just started to become a popular offering by lenders in Great Britain. The main reason behind the rise in popularity has been the increasing difficulty tenants and non-homeowners are experiencing getting finance at the moment due to the effects of the financial credit crunch as banks and lenders tighten their lending criteria. The situation is particularly relevant if there is a history of impaired.

What is [A Guarantor Loan](#)?

A guarantor loan is a form of unsecured loan where an arrangement is made between a guarantor and the Lender that guarantees that the loan will be repaid, should the borrower be unable to repay the loan. This arrangement is a legally binding contract.

Who Are They Best Suited To?

Because the loan is not secured against a property or car or anything else, guarantor loans are particularly suited to anyone over 18 years of age but particularly:-

Non-homeowners, whether private tenants or local authority

Students or people still with their parents or with relatives

Mortgage holders with little or no equity in their home

People with a bad credit record or have been refused finance elsewhere

Will an Adverse Credit History Affect My Chances?

Absolutely not. With a this type of loan, there is no credit search carried out on the applicant, but one is carried out on the guarantor, that is why the co-signee should be a homeowner with a healthy credit record. So having a bad history will not restrict you from taking out a guarantor loan. However, if you are bankrupt or in a debt management or IVA plan, you will not qualify to get a loan.

What Is The Most I Can Borrow?

With endorsed [loans](#) you can take out up to £5,000 depending on your circumstances, over a period of up to 4 years.

Who Can Act as An Endorser?

Anyone can act as a guarantor, but they are required to be a homeowner and have a good credit record. They will also need to have an income of £800 per month or more from any source. If the applicant does not make the repayments on the loan the guarantor will be responsible for the repayments.

Taking out a co-signee loan can help to increase your credit profile so long as you make regular repayments to it, which could help you prospects of arranging finance without the need for a guarantor in the future.