

Using a secured loan to repay other loans or debts

As a responsible lender, we want to help you understand what to consider if you're thinking about using a secured loan or mortgage to repay other loans or debts. The following information could be useful in deciding if doing this is right for you but should not be taken as advice.

When a mortgage or loan is secured on your home:

- it will generally offer a lower interest rate than an unsecured loan
- the term you can take your loan over might be longer, so your monthly payments might be lower, but the total cost of your borrowing may be more
- importantly, if for any reason you're not able to repay a mortgage or secured loan, your home may be at risk of repossession. Think carefully before securing other debts against your home. Your home may be repossessed if you do not keep up repayments on your mortgage.

General guidance:

- HSBC will consider if you can repay the loan, and if it will be affordable for you, by using its own criteria and policies
- you should also make sure you can afford and are comfortable with the monthly payments and think about how your payments may change in the future if interest rates rise
- you should weigh up the convenience of combining existing debts or loans into one monthly payment and the benefit of having reduced monthly payments, against the total overall cost over the term of the borrowing

- there can be other costs involved in arranging your mortgage or secured loan, these could include set up fees such as arrangement, product and/ or booking fees, the cost of the valuation, and legal costs. If you have already received an Illustration or Offer Document, you should refer to it to understand any costs you might have to pay
- with a mortgage or other secured loan, a legal charge will be taken over your property

Other Options:

- there are other things you could consider before taking a mortgage or secured loan to repay other loans or debts. For example, you could use an unsecured loan to consolidate debts, taking care that the monthly payments are and will stay affordable
- if you're in any financial difficulties, you should get in touch with any companies you owe money to. If this includes HSBC, please contact us. You might be able to agree a way to pay off your debts or get more time to work out your situation. Not getting in touch and letting the problems continue could make it harder for creditors to help you

Being in arrears with companies you owe money to could give you difficulties in the future when trying to get credit. Your creditors could also take legal action against you to recover money you owe.

Whatever route you decide you should always consider:

- if you need to take independent financial or legal advice
- reviewing your needs for protection against the unexpected such as redundancy, accident, sickness or death
- taking advice on your interest rate and term options to help make your monthly payments affordable and to help you assess the impact of rates increasing. The monthly payments could be considerably different if interest rates change

Payment difficulties

If you're having payment difficulties, you can find helpful information at [hsbc.co.uk/help/money-worries](https://www.hsbc.co.uk/help/money-worries) or call our Financial Support Team on 0345 850 0622.

Here are some other organisations that can provide advice and information to those experiencing financial difficulties:

StepChange Debt Charity - 0800 138 1111 or online at [StepChange.org](https://www.StepChange.org).

Citizens Advice Bureau -You can find your local Bureau in the telephone directory or by going to [citizensadvice.org.uk](https://www.citizensadvice.org.uk).

National Debt Line - 0808 808 4000 or online at [nationaldebtline.org](https://www.nationaldebtline.org).

MoneyHelper - 0800 138 7777 or online [moneyhelper.org.uk](https://www.moneyhelper.org.uk).

Accessibility

If you need any of this information in a different format, please let us know. **This includes large print, braille, or audio.** You can speak to us using the live chat on our website, by visiting one of our branches, or by giving us a call.

There are also lots of other options available to help you communicate with us. Some of these are provided by third parties who are responsible for the service. These include a Text Relay Service and a British Sign Language (BSL) Video Relay Service, to find out more please get in touch. You can also visit: [hsbc.co.uk/accessibility](https://www.hsbc.co.uk/accessibility) or: [hsbc.co.uk/contact](https://www.hsbc.co.uk/contact).

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