Guaranteeing Debt

Money

What you take on by guaranteeing or jointly holding a debt.

A guarantor promises to repay if the borrower does not. A joint borrower is equally liable from the start. In both cases, the full balance can be pursued from one person.

LIABILITY	ON YOUR REPORT	EASY TO EXIT
the whole debt	yes	no

- 'Joint and several' means each party is liable for all of it.
- The debt appears on your own credit report.
- It reduces how much you can borrow yourself.
- A missed payment by the other party damages your record.
- Guarantees are difficult to withdraw from once given.
- A financial association is created between the two reports.

LOOK FOR IT

Guaranteeing a tenancy for a relative can make you liable for the full rent and for damage.

General education, not financial advice. Only guarantee an amount you could afford to repay in full yourself.