

## Things to consider before becoming a co-borrower

Before you become a co-borrower of a loan, you should consider the following:

- We will not accept you as a co-borrower if, on the information you have provided to us in the course of applying for this loan, you will not receive a substantial benefit from the loan unless:
  - We have taken reasonable steps to ensure that you understand the risks associated with entering into the loan and the difference between being a co-borrower and guarantor, and we have taken into account why you want to be a co-borrower, and
  - We are satisfied that you are not experiencing financial abuse
- Before we accept you as a co-borrower under a loan or other credit facility, we provide you with the following general information for consideration:
  - Understand that when you become a co-borrower you are liable for the full amount owing under the contract. This is referred to as 'joint and several' liability
  - If the other co-borrower(s) do not make payments, you remain responsible for making payments and can be asked to do so alone. You can be asked to pay arrears and, in the worst case, the balance of the loan
  - You should obtain independent legal advice and independent financial advice
- If you are jointly and severally liable for a loan or other credit facility, you may give us written notice to terminate your liability if no credit has been provided or relied upon by any co-borrower
- If credit has been provided, you may give us a written notice to terminate your liability for future financial accommodation. However this right only applies where:
  - We have the right in these circumstances to terminate any obligation to provide further credit to another borrower under the same credit facility, and
  - In the case of a loan for a building project, the project is complete.

Please contact Horizon Bank should you have any queries regarding you becoming a co-borrower.

\*258\_1022