Title:
Financial Terminology: Jargon Buster A - E

Word Count:
1330

Summary:
A

1. Account holder
The person who has a personal loan account.

2. Advance
The mortgage loan itself is called the advance.

3. APR (Annual Percentage Rate)
An interest rate designed to show you the total annual cost of getting credit. It should inclu

Keywords:
finance,debt consolidation,secured loans,unsecured loans,mortgages,remortgages,bad credit,advi

Article Body:
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3. APR (Annual Percentage Rate)
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4. Applicant
You become an applicant when you complete and submit an application form for a personal loan.

5. Applied or nominal interest rate
The rate used to calculate the interest due on your mortgage.

6. Arrangement fee
The fee payable to the loan provider by you (the applicant) to open the account.

7. Arrears
Mortgage payments which have not been paid and are overdue.

B

1. Bank of England base rate
The Bank of England sets or reviews their interest rate on a monthly basis and this is the mai

2. Buildings insurance
Covers your actual building(bricks and mortar) and is usually required as soon as you exchange

C

1. Capital

The amount you owe excluding costs and any interest outstanding.

2. Capital and interest mortgage
This is when your monthly payments go to pay off the outstanding mortgage in addition to the i

3. Capped rate
This is a mortgage where a maximum interest rate is agreed which the rate cannot go above. Thi

4. Cashback
An amount, either fixed or a percentage of a mortgage, which you can opt to receive when you c

5. Charge-off
The removal of an account from a loan provider's books. When an account is charged off, the lo

6. Closing administration charge
A final charge made by the lender to cover their administration costs when a mortgage is fully

7. Completion
This is end of the mortgage process, when the contracts are signed, all questions have been an

8. Consumer Credit Act (CCA)
The Act which defines how personal loans may be advertised, and what rules need to be followed

9. Contents insurance
Insurance that covers your personal belongings

10. Contract
A contract is a binding agreement between two and more parties. In the context of house buying

11. Conveyancing
The legal work involved in the sale or purchase of land.

12. Credit Reference Agency (CRA)
An agency that gathers and maintains information on the debts and repayment records of individ

13. Credit scoring
The process by which your credit worthiness is checked. Weights or 'scores' are associated wit

D

1. Debt consolidation
The process of combining all outstanding debts in one loan account. For example, you may have

2. Default
Non-payment of an account according to the terms of the loan agreement. If you are declared in

3. Deferred payment
Delayed payment. Also referred to as a deferred start, this facility allows you to delay the c

4. Deposit
The deposit paid towards the total price of the property, normally payable at exchange of cont

5. Direct debit
Apre-authorized debit on the payer's account initiated by the payee. Most loan providers would

6. Discounted rate
This is where the lender makes a guaranteed reduction off the standard variable rate for an ag

7. Drawdown date

The date when the contracts have been completed and the mortgage starts.

E

1. Early repayment charge (ERC) / Early settlement penalty
The charge payable to some loan providers should the loan be repaid in full before the full te

2. Early redemption charges
Redemption is when the borrower pays off the capital and the interest on the mortgage and thus

3. Endowment
Endowments are life assurance policies with an investment element designed to pay off the outs

4. Equity
In housing terminology, equity is the difference between the value of the property and the mor

5. Exchange of contracts
In England and Wales (not Scotland), the point when both buyer and seller are legally bound to