

Guarantors: When Someone Promises To Pay With You or for You

Exercice



Imagine this: You want to buy a computer desk and the store asks one of your parents to sign the contract at the same times as you. The store might doubt whether you can sign alone. After a conversation with your parents, your mother decides to act as a “guarantor”, also called a “surety” . What does this mean?

Guarantors (Suretyship)

When someone acts as a **guarantor**, this means that she voluntarily commits to **paying someone else’s debts**.

In the case of a person under 18 years old, it is **often a parent who acts as surety** for a purchase. For example, if a father signs the contract for his son’s cell phone, he agrees to pay if his son can’t continue paying for it.

1. You go to the store to buy a new cell phone.
2. The store asks for someone to be a guarantor.
3. You sign a contract promising to pay for your cell phone service.
4. Your father signs the contract too, so he acts as your guarantor.
5. You leave with your new cell phone.

Here are some situations in which you might be asked to have someone be a guarantor for you:

- **You want to buy a cell phone.**
- **You want to get a credit card.**
- **You buy something you'll pay for over a long period of time, such as a new television, in a department store.**
- **You want to rent your first apartment.**
- **You want to buy or lease a car.**

Think twice before signing for a friend!

Have you heard the saying “You sign, you pay”? Well, it's very true.

If a friend asks you to sign with him for something he buys, this means that you are responsible for paying just as much as he is. In short, you're being his guarantor. If your friend has trouble making his payments, you could be asked to pay the full amount your friend owes.

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Quiz

1. What is the purpose of someone acting as a guarantor?

2. For a minor, what are the most common situations for having a guarantor?

3. True or false. Having someone act as a guarantor is only possible when a minor makes a purchase.

4. If you don't earn much money, do you think it would be wise to act as a guarantor for a friend?

Why or why not?
