

Neither a Borrower Nor a Lender Be

Both borrowers and lenders in the sub-prime mortgage market are wishing they had listened to the old saying: neither a borrower nor a lender be.

In the US, people with poor credit ratings borrowed \$605 billion in mortgages, a figure that is about 20% of the home-loan market. It includes people who cannot afford to meet the mortgage payments on expensive homes they have bought, and low-income buyers. Lenders include banks like HSBC, which may have lost almost \$7 billion.

Both sides can be blamed. Lenders offered loans with no down payments and without any income verification to people with bad credit histories. They believed that rising house prices would cover them in the event of default. Borrowers ignored the fact that interest rates would rise after an initial period.

So, the housing market will remain weak; borrowers with weak credit histories will find the credit window closed; people with adjustable-rate mortgages will have to spend less so they can meet their increased payments; tighter lending standards and falling home prices will reduce consumers' ability to sell their homes quickly and at a profit.



Ex. 1 Match the words from the two boxes to form collocations:

credit / down / home-loan / interest / lending / low-income / rising / sub-prime
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buyer / market / mortgage / payment / prices / rate / rating / standard

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____

Ex. 2 : Translate these fragments of the text into Polish:

1. Both borrowers and lenders are wishing they had listened to the old saying...
2. It includes people who cannot afford to meet the mortgage payments...
3. Lenders include banks like HSBC, which may have lost almost \$7 billion.
4. They believed that rising house prices would cover them in the event of default.
5. (...) people with adjustable-rate mortgages will have to spend less so they can meet their increased payments

English idioms...

This lesson's reading text deals with the issue of lending and borrowing money. English has a number of idiomatic expressions connected with "lending". Here are some of them:

to lend (someone) a hand (with something) = to help

Could you lend me a hand with this piano? It's very heavy.

to lend an ear to someone = to listen

Lend an ear to me and I will tell you a story.

Lend your money and lose your friend.

= You should not lend money to your friends; if you do, either you will have to tell your friend to repay the loan, which will make your friend stop liking you, or your friend will not repay the loan, which will make you stop liking your friend.

Grammar corner...

The title of this lesson's text is: Neither a Borrower Nor a Lender Be. This title uses a popular grammar structure "neither... nor...", which can be translated as "ani... ani...". The structure has a negative meaning so we have to remember not to use another negation!

Ex. 3. Transform the sentences using this structure:

Example: I don't like meeting and I don't like presentations.
I like neither meetings nor presentations.

1. I don't speak French and I don't speak German.
2. I can't sing and I can't dance.
3. I don't want tea and I don't want coffee.
4. I didn't live in London and I don't live in New York.

GLOSSARY	
borrower	pożyczkobiorca
lender	pożyczkodawca
sub-prime	o zwiększonym ryzyku
mortgage (loan)	hipoteka, (pożyczka hipoteczna)
credit rating	zdolność kredytowa
figure	liczba
home-loan market	rynek pożyczek mieszkaniowych
to include	zawierać, obejmować, uwzględnić
to meet payments	dokonywać spłat
low-income buyer	kupujący o niskich dochodach
to be blamed	być winnym
down payment	zaliczka
income	dochód
verification	weryfikacja
credit history	historia kredytowa
rising	rosnący
to cover	pokryć, zabezpieczyć
in the event of	na wypadek
default	nieuiszczenie należności
interest rate	stopa procentowa
initial	wstępny, początkowy
period	okres
to remain	pozostawać
weak	słaby
increased	tu: wysoki
payment	opłata
tighter	bardziej restrykcyjny
lending standard	kryteria udzielania pożyczek
at a profit	z zyskiem

ANSWER KEY:

Ex.1

1. credit rating
2. down payment
3. home-loan market
4. interest rate
5. lending standard
6. low-income buyer
7. rising prices
8. sub-prime mortgage

Ex. 2

1. Zarówno pożyczkobiorcy jak i pożyczkodawcy żałują, że nie wsłuchali się w stare powiedzenie...
2. Obejmuje to osoby, których nie stać (nie mogą sobie pozwolić) na spłacanie zobowiązań kredytowych
3. Wśród udzielających pożyczek jest bank HSBC, który mógł stracić prawie 7 miliardów dolarów.
4. Wierzyli, że rosnące ceny domów stanowiłyby dla nich zabezpieczenie na wypadek nieuiszczenia należności.
5. osoby mające pożyczki o zmiennej stopie będą musieli mniej wydawać, żeby pokryć wysokie opłaty

Ex. 3

1. I speak neither French nor German.
2. I can neither sing nor dance.
3. I want neither tea nor coffee.
4. I lived neither in London nor in New York.