

Problems paying your mortgage?

We will try and help you. The following explains our process and how we will treat you fairly. It details what steps you should take to help yourself if you are having difficulties or may be about to have difficulties in paying your mortgage.

You may want to talk to a professional adviser, such as a debt counsellor or a lawyer before you change your mortgage arrangements. We would strongly advise you seek independent, free, debt advice.

What you can do

- Tell us as soon as possible if you are having problems meeting your mortgage repayments or if you think you might experience problems.
- Seek debt advice if you would like help with managing your finances.
- Get back to us quickly if we try to contact you.
- Make sure you keep any other people paying the mortgage and anyone guaranteeing the mortgage, up to date with what is happening.
- Keep to any payment plan we agree with you, or tell us if there is a change in your circumstances which may affect the arrangement. If you do not make the agreed payments, we might have to go to court which may result in us repossessing your property.
- Check whether you are eligible and can get any state benefits or tax credits which could help to increase your income.
- If you have an insurance policy, check whether it would help with your payments.
- Tell us if you leave the property and move to a new address.

We will

- Contact you as soon as possible to discuss your situation.
- If you want, we will talk to an agency on your behalf which provides debt advice (for example the Citizens' Advice Bureau).
- Give you reasonable time to pay back the arrears.
- Only start possession proceedings if we cannot resolve the situation with you.
- Only as a last resort will we take possession of your property.

We may be able to

- Arrange a new payment plan with you, taking your personal financial circumstances into account.
- Change the way you make your payments or the date that you make them.
- Allow you to pay back your mortgage over a longer period of time to reduce your monthly payments. We can only do this if you are currently making payments on a repayment basis or repaying the capital and interest, not on an interest only repayment basis.
- Change the type of mortgage you have.

If we can agree one of these options with you we will explain how it would work and give you time to consider it. If we cannot offer any of these options we will tell you why not and we may agree to you remaining in the property to sell the property yourself, depending on your circumstances.

Costs and charges

- If you are in arrears, we may charge you for reasonable administrative and legal costs. We will tell you about what costs there will be and the amount you will have to pay.

If we cannot agree on a solution

- We may send a debt counsellor to see you to discuss your financial circumstances and the cost of this visit may be charged to your mortgage account.
- We may go to court and start proceedings to repossess your home. If proceedings take place, we strongly recommend that you attend the court and that you seek independent debt advice.
- Starting court proceedings does not necessarily mean that we will take possession of your home. We will keep trying to resolve the situation with you. Possession is a last resort.
- Before we take possession of your home, we will remind you that you should get in touch with your local authority to see if they can find you somewhere else to live.

If we take possession of your home

- We will sell it for the best price we can reasonably get. We will market it and try to sell it as soon as possible.
- We will give you reasonable time to remove your possessions from your home.
- We will use the money received from selling your home to pay your mortgage and any other loans or charges or in the case of shared ownership properties, any retained interest of the Housing Association.
- If there is any money left over this will be paid to you.

If selling your home does not raise enough money to pay off the mortgage in full

- If there is not enough money from the sale to pay the whole mortgage, you will still owe us the amount that is left (a shortfall debt). We will tell you what this is as soon as possible.
- We will take account of your income and outgoings when agreeing a payment plan with you for payment of this shortfall debt. If we cannot agree a suitable plan, we may go to court to get the shortfall debt repaid and you may have to pay additional court costs.
- If you bought your home with other borrowers each of you is responsible for all of the money borrowed. This is true even if each of you normally only pay part of the mortgage.
- We will contact you within three years of selling your property to arrange for you to pay back what you still owe.
- If a shortfall debt is not paid it could affect whether you are able to get credit in the future.

Complaints

If you do not think we have treated you fairly, you can complain to us and if your complaint is not dealt with to your satisfaction you may then take it to the Financial Ombudsman.

The Financial Ombudsman Service provides a free and independent service for consumers and can be contacted at:

The Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London E14 9SR

T: 0800 0234567

Other issues

Some companies may offer you new loans or even invite you to sell your property to them and then lease it back as a way of resolving your short term financial difficulty. Please be careful, as such actions may not be in your long term best interests. We would advise you to seek independent advice before entering into any such arrangement.

You may be thinking about handing the keys to the property to us. If you do this, you will still owe us any outstanding debt, we would advise you to discuss this option with us before taking such action.

If you have a shared ownership property, the Housing Association may be able to offer you assistance to enable you to remain in your home. We would strongly suggest you contact them to see if they have any scheme available which would be able to help you.