



Staying in, taking control

Fact Sheet 1:

Mortgage worries



If you are having difficulty making your mortgage repayments, you must get advice as soon as possible to avoid repossession. Find out how to get help with your housing costs and what to discuss with your lender about meeting your mortgage repayments.

Get advice about your mortgage worries first

To avoid repossession you need to pay your mortgage debts before any other debt. Let your lender know immediately if you are worried about your repayments. You should also get advice from a free independent debt adviser at an organisation like the Citizens Advice Bureau or Shelter. They are experts and can help you work through all the options to ensure you stay in your home.

Get help with your housing costs

A debt adviser can help you to manage your housing costs and find ways to pay off some of your debts. When you see the adviser, take information about your monthly household income and costs, any loan payments you are making and any benefits you receive.

The adviser can help you:

- identify benefits you may be eligible for
- put together a plan for managing your debt
- prepare to speak to your lender

Contact your lender if you are able to meet your mortgage payments after looking at your budget - offer to pay any outstanding debts.

Talk to your mortgage lender

You'll increase your chances of keeping your home if you speak to your lender and show that you are willing to meet your repayments.

Don't ignore any letters from your mortgage lender

If you are behind on your repayments, your lender should send you a letter telling you:

- how much money you owe them
- how much of your mortgage you still have to pay
- what interest or charges you'll have to pay because you owe them money

Don't ignore this letter or any phone calls from your lender. If your lender doesn't know why you aren't paying they could start legal action to repossess your home. If you contact your lender, you may still be given extra time to stop you losing your home - even if repossession action begins.

Your lender should communicate with you in a way that you can understand. If you don't understand the letter, contact your lender and meet with them to discuss it. You could also take the letter to an independent debt adviser.

Your lender must treat you fairly and think about what they can do to prevent you losing your home. Find out about the steps your lender has to take before starting action to repossess your home by following the link below.

Discuss your options for repaying your mortgage debt

Your lender should agree with you the best option for managing your repayments. They may:

- agree to change or lengthen the term of your loan
- accept reduced payments from you in the short term
- add any repayment debt to the amount you have borrowed

Before agreeing to a plan, remember that any changes to your mortgage can lead to penalties or charges. You could end up paying more in the long term - speak to an adviser about how you'll be affected by changes to your mortgage.

Whatever you arrange may only be a short-term solution, so keep in regular contact with your lender. Let them know about any changes in your circumstances.

If your lender doesn't agree a plan with you or you can't pay at all speak to an independent adviser immediately.

Homeowners Mortgage Support – see fact sheet 3

If you suffer a temporary drop in your wages, you may be able to get help from Homeowners Mortgage Support (HMS). HMS could help by reducing the monthly interest payments on your mortgage for a fixed time while you get back on your feet.

What to do if you can't keep your home

You may find that you won't be able to keep your home, even after getting advice and finding out about all the help available. Make sure you get advice before taking steps to sell. You'll need to prove you haven't made yourself 'intentionally homeless' or your local council may not be able to help you into a new home.

Mortgage Rescue Scheme – see fact sheet 6

You may get help through the Mortgage Rescue scheme if you are facing repossession and at risk of becoming homeless.

Preventing Repossession Fund – see fact sheet 10

A small loan may be available to help you through a difficult period and give you some breathing space

For more advice about your housing situation or debt please refer to the Useful Contacts sheet