

## Factsheet 9: Mortgage Advice

If you are having difficulty with paying your mortgage you could be at risk of losing your home and becoming homeless.

There are a number of things you can do to prevent this from happening.

### How can I help myself?

- Contact your lender - let them know as soon as possible that you are struggling to pay your monthly mortgage payments. Most lenders are committed to helping homeowners who are having difficulties with their payments. They can agree to change or lengthen the term of your mortgage, or reduce payments as a temporary measure.
- Speak to a free independent advisor – they can advise on any benefits you may be entitled to and help manage your finances. **There is a list of free advice services at the bottom of this leaflet.**
- Ensure that you make payments – devise a household budget, cutting your expenditure and looking at ways of boosting your income. If you show your lender that you are committed to paying as much as you can they may give you more time to resolve your financial issues.
- Speak to other high street mortgage lenders to see if there is a better interest or mortgage package that may be available to you by re mortgaging. It is usually free to speak with other lenders and you do not have to commit unless you are sure re mortgaging will improve your financial situation. **Remember** that other lenders may not consider you if you have not been keeping up with your current mortgage payments.
- Some companies offer rent-back or sell-to-let schemes whereby companies purchase your home, allowing you to remain living there as a rent paying tenant for a fixed term. **Only consider these schemes as a last resort. Please note that such schemes are not regulated by the Financial Services Authority (FSA). Please seek independent advice before you sign up for such a scheme.**

### Support available:

- **Support for mortgage interest (SMI)**

You may be able to get help with the interest part of your mortgage or any loans you've taken out for certain repairs and improvements to your home.

You must be getting one of the following benefits to qualify for Support for Mortgage Interest (SMI):

- [Income Support](#)
- income-based [Jobseeker's Allowance](#)
- income-related [Employment and Support Allowance](#)
- [Pension Credit](#)

If you are eligible this is paid to you as part of your benefit and usually goes directly to your lender. Remember that you can't get help for the amount you borrowed, only the interest.

Contact [Jobcentre Plus](#) or the [Pension Service](#) to check your eligibility for SMI or ask any questions about it.

You can still get financial help if your Income Support, income-based Jobseeker's Allowance or income-related Employment and Support Allowance is going to stop because you are about to:

- return to work full-time
- work more hours
- earn more money

This is called [Mortgage Interest Run On](#) and you may be entitled to it for up to 4 weeks.

- **The Pre-Action Protocol**

The aim of the Protocol is to reduce the number of mortgage repossession and to prevent a case automatically going to court when it could be resolved by other means. Your lender should:

- Provide information of how much money you owe on your mortgage and up to date statements
- consider any reasonable request from you to change the date or how you pay your mortgage
- delay taking action if your property is up for sale, at a reasonable market price
- decline any offers made by you in writing
- If you have made an agreement with your lender and you have been unable to keep to it, your lender must warn you in writing if they plan to start court proceedings, giving you at least 15 working days' notice of the action they plan to take.

Your lender should also provide you with the following:

- the [National Homelessness Advice Service \(NHAS\) booklet on mortgage arrears](#) or
- the Financial Conduct Authority (FCA) leaflet on [arrears](#) or [default](#)

The protocol does require you to cooperate with the lender, act responsibly and make steps to pay off any arrears.

You can find more detailed information at:

[http://england.shelter.org.uk/get\\_advice/repossession/ways\\_to\\_prevent\\_repossession/steps\\_before\\_court\\_action](http://england.shelter.org.uk/get_advice/repossession/ways_to_prevent_repossession/steps_before_court_action)

- **Getting help in court of you are facing repossession**

Try to get help before you are facing repossession through the court, but should you need help assistance it can usually be provided by the Housing Possession Court Duty scheme. Most County Courts in England have a free advisor who can provide you with support during the repossession hearing. This may mean that you can reach an agreement to avoid repossession. You should attend

the repossession hearing – if you do not the court may automatically give the right to evict you from the property.

You can find out which agency provides help at the court by contacting your local authority's housing department, your nearest Citizen's Advice or other independent advice agency.

The Runnymede and Spelthorne CAB are available at Staines County Court on Tuesday mornings to help defend Possession Proceedings.

- **Money Mondays**

Runnymede Borough Council run a financial advice information service on Mondays, usually once a month. The team are based either at the civic offices or at various sites around the borough, including libraries and food banks. For more information contact the housing options team.

## Useful numbers and websites

Advice on Government schemes – <https://www.gov.uk/>

Citizens Advice Bureau – please contact your nearest branch or visit

<https://www.citizensadvice.org.uk/>  
<http://www.randscab.org.uk/>

Community Legal Advice – please call 0845 345 4 345 or visit  
[www.direct.gov.uk/contactCLA](http://www.direct.gov.uk/contactCLA)

Legal Aid - <https://www.gov.uk/legal-aid>

Stepchange (previously consumer credit counselling service) – please call 0800 138 1111 or visit  
<http://www.stepchange.org/>

The Money Advice Service - <https://www.moneyadviceservice.org.uk/en>

National Debtline – please call 0808 808 4000 or visit <https://www.nationaldebtline.org/>

Shelter – The housing and homeless charity – call 0808 800 4444 or visit  
[http://england.shelter.org.uk/get\\_advice/](http://england.shelter.org.uk/get_advice/)

