



The intermediary lender of The Co-operative Bank p.l.c.

# Having difficulties paying your mortgage?



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If you are having difficulties paying your mortgage, we are committed to trying to help you. The information below explains how we will treat you fairly, and what steps you can take to help yourself.

### We will

- contact you as soon as possible in writing and if possible by phone to discuss your circumstances.
- give you details of organisations that can give you debt advice (for example, National Debt Line and Citizens Advice) and we will talk to them if you would like us to (see “Useful contacts” at the end of this document).
- only start proceedings to repossess your home, when all other reasonable attempts to resolve your difficulties have been unsuccessful.

### We will endeavour to

- use reasonable efforts to reach an agreement with you over the method of repaying the arrears.
- give you reasonable time to pay back the arrears.
- agree a payment plan which is practical in terms of your circumstances.
- review all options available to you in managing and repaying the arrears for example review your mortgage term, payment date etc.

If we make one of these arrangements with you, we’ll explain how it would work and give you time to consider it. If we cannot offer you any of these options, we will of course tell you why.

### What you should do to help us, help you

- tell us as soon as possible if you’re having problems repaying your mortgage or anticipate you might experience problems in the future.
- seek debt advice if you would like help with managing your finances.
- contact 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 the 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 to get back any money you owe us, or to repossess your property.
- check whether you are entitled to any state benefits or tax credits which could help to increase your income.
- if you have an insurance policy such as payment protection, check whether it would help with your payments.
- tell us if you move to a new address and provide us with an up to date telephone number to make it easier to contact you.

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 that you seek independent, free debt advice. Assistance is available from a number of organisations, (see “Useful contacts” at the end of this document).

### **Costs and charges**

If you are in arrears, we may charge you for administrative and legal costs. We will tell you the amount charged and if you are not able to pay these costs, they will be added to your mortgage balance and interest may be charged.

### **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 the visit will be charged to your mortgage account.
- for Buy to Let mortgages we may appoint a Law of Property Act Receiver as landlord to collect rental income from the tenant which will be paid to us to pay your mortgage.
- we may go to court to start proceedings to repossess your property. 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 repossess your property. We will continue to try to resolve your difficulties with you. Repossession is a last resort.
- we will allow you a reasonable amount of time to sell your property even if you are unable to make full payments.
- before we repossess your property, we will recommend you contact your local authority to see if they can find you somewhere else to live.

### **If we repossess your home**

- we will sell it for the best price we can reasonably get. We will try to sell it as soon as possible.
- we will give you reasonable time to take your possessions from your home.
- we will use the money raised from selling your home to pay your mortgage and any other secured loans or charges.
- if there is any money left over, we will pay it to you.

### **If selling your home does not raise enough money to pay off the mortgage**

- 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.
- if you bought your home with other borrowers, each of you is responsible for all the money borrowed. This is true even if you normally only pay part of the mortgage.
- we can contact you within six years of selling your property (five years in Scotland) to arrange for you to pay back what you still owe.
- we will take account of your income and outgoings when we arrange a payment plan for this shortfall debt with you. However, if we cannot arrange a suitable plan, we may go to court to get our money back. You might have to pay additional court costs. If a shortfall debt is not paid, it could affect whether you are able to get credit in future.

### **PLEASE NOTE**

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 arrangement of this type.

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

## Useful contacts

### Complaints

If you do not think we have treated you fairly, you can complain to:

#### Platform

PO BOX 237  
Plymouth PL1 1WG  
Tel. 01752 236555

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  
Phone: 0845 080 1800

#### National Debtline

[www.nationaldebtline.co.uk](http://www.nationaldebtline.co.uk)  
Tel – 0808 808 4000 (Mon-Friday 9am to 9pm; Sat 9.30am to 1pm + 24-hour voicemail – to request an information pack or factsheet.)

#### CAB Advice Guide

[www.adviceguide.org.uk](http://www.adviceguide.org.uk)  
Find your local CAB online

#### Citizens' Advice Bureaux

[www.citizensadvice.org.uk](http://www.citizensadvice.org.uk)

#### Consumer Credit Counselling Service

[www.cccs.co.uk](http://www.cccs.co.uk)  
Tel – 0800 138 1111 (Mon-Fri 8.00-8.00)  
Mortgage arrears helpline – 0800 975 9558

#### Money Advice Scotland

[www.moneyadvicescotland.org.uk](http://www.moneyadvicescotland.org.uk)  
Tel - 0141 572 0237

#### FSA Money made clear

[http://www.moneymadeclear.fsa.gov.uk/pdfs/mortgage\\_cantpay\\_ink.pdf](http://www.moneymadeclear.fsa.gov.uk/pdfs/mortgage_cantpay_ink.pdf)