

What to do if you have difficulty paying your mortgage?

Our advice on keeping up with your mortgage payments.



YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE.

PEOPLE YOU CAN TRUST

Having problems with your mortgage payments?

If you are having trouble paying your mortgage, we will try to help you as much as we can. This leaflet explains how we will treat you fairly and what steps you should take in order to help yourself. It also provides you with useful contact details of organisations that are willing to give you independent, free of charge help and advice.

The Society has experienced staff who are able to discuss any problems you may have in relation to meeting your mortgage repayments.

The Credit Services team can be contacted on 0845 456 7452 and we would ask that you contact us as soon as possible when experiencing financial difficulty. Your call will be treated in the strictest confidence.

HOW WE CAN HELP YOU

There are a number of ways in which we may be able to help you which are listed below:

- Change the due date for payments (as long as it is still within the calendar month).
- Change the way you make your payments.
- Make an arrangement to split the missed payment over a number of months.
- Allow you to pay back your mortgage over a longer period of time to reduce your monthly payments (please note this is only available for repayment mortgages).
- Change the mortgage product, which could mean a reduction in your interest rate and in turn your monthly instalment.
- For those with repayment mortgages we can consider accepting interest only payments for a temporary period.
- We may accept reduced payments on the account for an agreed period, otherwise known as a concession.

For most of the options listed on the previous page, we would require all parties to the mortgage to fill out an income and expenditure form to provide us with an indication of your current circumstances.

If we can't offer you any of these options, we'll tell you why. If we can, we will explain how it would work and give you time to consider it. If we can't offer you any of these options, we may be able to allow you to remain in the property for an agreed time, whilst you sell it yourself, depending on your circumstances.

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

The Society would ask that you do the following:

- Contact any other lenders with whom you have either secured or unsecured loans to discuss options available to you. They may be able to accept reduced payments during the period of difficulty or give you time to seek longer term solutions.
- Check you are receiving all the state benefits and tax credits you are entitled to as this could help increase your income.
- If you have an insurance policy for either your mortgage, loan or credit card, check whether they can help with your payments.

ADVICE

There are a number of organisations which offer free and independent money advice. They can help you assess your financial problems and advise the best course of action to solve them. If you are worried about contacting us direct or if you have multiple debts, these debt advice agencies can help you. We will work with these agencies if they are acting on your behalf.

CHARGES AND CREDIT RATING

As part of the Financial Services Authority guidelines we are required to send a formal notification of arrears to any account which has a full payment or more outstanding. This letter will advise you of your outstanding payment amount, total outstanding mortgage balance and also notify you of the administration fee which is charged to any account which is a full payment or more in arrears.

In addition, should your arrears remain equal to or in excess of one monthly repayment after 30 days of your agreed due date, adverse information will be passed to credit reference agencies.

By contacting us as soon as possible with an offer to reduce your arrears to under a full installment outstanding, you could prevent the administration charge and referral to any credit reference agency.

WHAT HAPPENS IF PAYMENTS ARE MISSED?

Once an account falls a full monthly payment into arrears, the Society will contact you as soon as possible both by telephone and by post in order to discuss your situation.

The Society will allow you a reasonable time to pay back the arrears and only start proceedings to repossess your home if we cannot solve the problem with you.

If there are outstanding payments on your account and you fail to contact the Society after a reasonable period, we may send an Arrears Field Counsellor to see you to discuss your financial circumstances, and the cost of the visit may be charged to your mortgage account.

For those with Buy to Let accounts this may involve a visit to your security address so we can ascertain if the property is tenanted.

LEGAL ACTION

If all other options are exhausted and no satisfactory resolution is found we would instruct solicitors to apply to court to start proceedings to repossess your home.

Starting court proceedings does not necessarily mean that we will repossess your home.

We will continue to assist you in finding a solution to your financial difficulties and would only consider possession as a last resort.

If court proceedings are instigated, you will be called to court for a 'Hearing', we strongly recommend that you attend the court in person and that you seek independent debt advice. In addition, if you want to discuss the court proceedings with any of our credit services advisers, please contact us on 0845 456 7452.

If you are struggling to keep up the repayments on a Buy to Let mortgage the Society in addition to seeking possession through the courts will consider instructing LPA (Law of

Property Act) Receivers to manage your property/properties. This measure would cause minimal disruption to any tenants that may be residing at the address.

IF WE REPOSSESS YOUR HOME

You will be allowed 14 days after an eviction has taken place to contact our estate agents who will allow access to the property so you may collect any possessions from your home. Alternatively, if you can pay the full arrears together with 3 monthly instalments in advance within this 14 day period, the Society may consider allowing you back into the property and for the mortgage to recommence.

Please note such a payment would have to be paid in cleared funds within 14 days of a property being repossessed.

If you are unable to clear your arrears and your house is repossessed, we will try to sell the property as soon as possible, but will always sell it for the best price reasonably obtainable and in line with independent valuations.

We will use the money raised from selling your home to repay your mortgage and any other loans or charges registered against your property.

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 repay the whole mortgage, you will still owe the Society the amount that is left (a shortfall debt). We will tell you what this is as soon as possible following completion of the sale.

If you bought your home with other borrowers, each of you is responsible for all the outstanding debt. This is true even if you normally only pay part of the mortgage.

We have 12 years in which to commence any formal claim for repayment of the outstanding debt but will 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. If we cannot arrange a suitable plan, we may instruct solicitors to obtain a court order to secure payment. This may result in you having to pay additional court costs.

If a shortfall debt is not paid, it could affect whether you are able to get credit in the future.

For clarification on any of the points raised above please do not hesitate to contact a member of our credit services team on 0845 456 7452.

TOP TIPS

If you are experiencing financial difficulties, the following tips may be helpful:

- **Contact your lender immediately and tell them about your financial problems.**
- **Ensure you claim everything you are entitled to – redundancy payments, sickness benefits, state benefits and tax credits.**
- **Check to see if you have payment protection insurance which will cover your mortgage, loan or credit card repayments.**
- **Make a note of all your expenses, separating those that are essential and those you can live without.**
- **Seek professional help. Speak to a debt adviser from an organisation such as Citizens Advice Bureau or the Consumer Credit Counselling Service.**
- **Don't ignore letters and calls from your lender. Respond as soon as possible.**
- **If you receive a summons to attend a court hearing, make sure you attend.**
- **Don't ignore debt problems – they won't go away.**

USEFUL CONTACTS

Advice UK – Telephone: 020 7407 4070.
www.adviceuk.org.uk

National Debtline – Freepost BM 5376.
Telephone: 0808 808 4000. www.nationaldebtline.co.uk

Citizens Advice Bureau – www.adviceguide.org.uk

Consumer Credit Counselling Service – Telephone: 0800 138 111. www.cccs.co.uk

Money Advice Scotland – Telephone: 0141 572 0237.
www.moneyadvicescotland.org.uk

Business Debtline – Telephone: 0800 197 6026.
www.bdl.org.uk

USEFUL CONTACTS (CONTINUED)

Payplan – Telephone: 0800 917 7823. www.payplan.com

The Community Legal Service – www.clsdirect.org.uk

The Pension Service – 0845 60 60 265.
www.thepensionservice.gov.uk

Shelter – www.shelter.org.uk

FSA – www.moneymadeclear.fsa.gov.uk (please refer to their guide 'What to do if you can't pay your mortgage')

COMPLAINTS

If you do not think we have treated you fairly you can contact our Customer Relations team on 0845 338 7256.

Alternatively you can register a formal complaint by writing to us at: Customer Relations, Principal Office, 374 High Street, West Bromwich, West Midlands, B70 8LR.

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

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 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 our Credit Services Department before taking such action.

Braille, audio and large print versions of this leaflet are available upon request. Please contact us on 0845 33 00 611.

To find out more, visit your local branch, call us on 0845 33 00 656 or visit our website at www.westbrom.co.uk



PRINCIPAL OFFICE: 374 HIGH STREET, WEST BROMWICH, WEST MIDLANDS B70 8LR.

Calls cost 7p plus up to 2p per minute from a BT Calling Plan. Mobile and other providers' charges may vary. Calls and electronic communications may be monitored and/or recorded for your security and may be used for training purposes. Your confidentiality will be maintained.

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