

Housing Advice for Home Owners

A practical guide to how to
resolve your housing
difficulties if you own
your own home



Act Now

If you're having trouble, or think you may have trouble making your mortgage payments, you should contact your mortgage lender as soon as possible to discuss your difficulties.

Your lender will need to know the reasons why you cannot or may not be able to make your mortgage payments.

Paying your Mortgage

If you own your own home and you are in arrears with your mortgage payments, your lender will be able to get a County Court possession order and repossess your home.

To stop this from happening, it is vital that you speak to your lender as soon as you start to have problems with making your payments. Even if you cannot pay the full monthly payments on your mortgage, you should pay as much as you can. You may be able to come to an agreement with your lender to help prevent your home from being repossessed.

For example, your lender may agree to let you:

-  **Extend the term (length of time) of your mortgage, so that your monthly payments are reduced**
-  **Pay off your arrears gradually, in instalments**
-  **Pay interest only on your mortgage for a while, until you get out of difficulties**
-  **Change your mortgage type to one that is more affordable**

Get money advice

Some agencies specialise in money problems. They can give you free and independent advice to help you plan and solve your problems. A list of some useful contacts is given at the back of this leaflet.

Work out a budget

List your income and your spending. This will help you work out where your money is going, and plan for the future. Advice agencies may be able to help you with this, you could also use the online budget calculator provided by the Financial Services Agency at the website given at the end of this leaflet. Use this plan to help you prioritise your debts. You should pay all your essential bills first, such as:

-  **Your mortgage (and any other debts secured against your home)**
-  **Utility bills (gas, electricity, water)**
-  **Insurances (Home buildings and contents, car insurance)**
-  **Council tax**
-  **Housekeeping (food, essential clothes, essential travel costs)**

Pay what you can

Even if you can't pay the full amount, you should try to pay as much as you can. This shows your lender that you are willing to make an effort to pay, and may increase your chances of keeping your home.

Your lender should be willing to talk to you about accepting less than the full monthly payments for a short time. Speak to them to see what you can agree.

Things to avoid

You should think seriously before taking out a loan to cover your repayments. These loans can be very expensive and are often secured on your home, putting it at even greater risk. If you are thinking about getting a further loan, you should speak to your local Citizen's Advice Bureau for independent advice.

If you decide to give the keys back to your mortgage lender so that they can sell the house on your behalf you will still be responsible for paying the mortgage until it is sold. If your house sells for less than you owe, your mortgage won't be fully repaid and you will have to pay the difference. Your name will also be on the repossession register and it will be difficult for you to get a mortgage in future. You should get advice before doing this.

Financial help

You may be able to get some financial help through insurance, benefits or other government help.

If you have mortgage protection insurance, you should check to see if your policy covers your circumstances. If it does, you should make a claim straight away.

You may be able to claim Income Support or Jobseeker's Allowance if you are out of work or on a low income. How much you can claim depends on when you took out your mortgage and how long you have been on Income Support or Jobseeker's Allowance. Even if you are entitled to support, this will only help to pay the interest part of your loan. These benefits are paid at a rate set by the Government.

If you or your partner are 60 or over, you may be entitled to Pension Credit, and you may be able to claim an extra amount to cover your mortgage interest.

If you have had a temporary, unexpected drop in income and you're unable to meet your mortgage payments, you may qualify for Homeowners Mortgage Support. You should speak to your mortgage lender to find out if you qualify for this scheme.

You may qualify for a government-backed mortgage rescue scheme if you are likely to become homeless if your home is repossessed. This scheme can arrange for you to sell your home to a social landlord and stay there as a tenant.

For more information about any of these options you can speak to the Housing Options Service or contact your local Citizen's Advice Bureau or the charity Shelter for independent advice.

Selling your home

As a last resort, if you can't afford your mortgage payments and you think your situation won't change in the long term, you may think about selling your home.

Before you do this, you should make arrangements for where you will live. If you will not have anywhere to go when you sell your home you must speak to the Housing Options Team, or seek independent advice, before you take any action.

If you sell your home without doing everything you can to stay there, and without arranging anywhere else to go, you could be found to be intentionally homeless. This will affect the legal duties the council has to help you.

Selling your home and renting it back

Some companies offer to help you if you get into difficulties with your mortgage payments by buying your house and renting it back to you for a fixed period.

Before you agree to sell your home and enter into a rental agreement you should take independent advice. Not all companies that offer these schemes are regulated. Selling your home through a scheme like this can help you clear your mortgage debts and stay in your home; however:

-  **You will normally be paid less than the full market value of your home**
-  **You may still have to leave after the initial fixed term (usually 6 – 12 months)**
-  **You could still be evicted if you breach the terms of your tenancy**
-  **If the person or company buying your home gets into financial difficulties, you could still be repossessed and would have to leave**

Your 4 step plan

- 1. Speak to your mortgage lender as soon as possible to see if they can help – the sooner the better. Discuss your options with them and find out which one may be best for you**
- 2. Talk to a money advice agency if you need help sorting out your debts – they offer a free service**
- 3. Work out a budget and pay as much of your mortgage as you can each month**
- 4. Check whether your repayments are covered by any insurance policy you have or whether benefits may help**

At any stage you can speak to the Housing Options Service for advice and practical help.

Useful Contacts

General support and advice

Citizen's Advice Bureau

National Advice Line: 08701 264 062

www.adviceguide.org.uk

CAB Knowsley: 0845 1221 300

Email: advice@knowsleycab.org.uk

www.knowsleycab.org.uk

Shelter

Tel: 0808 800 4444

www.england.shelter.org.uk

Financial Services Authority (FSA)

Helpline: 0300 500 5000

www.moneymadeclear.fsa.gov.uk

Housing Benefits

Tel: 0151 489 6000

www.knowsley.gov.uk

Health Related Services

NHS Direct

Tel: 0845 46 47

www.nhsdirect.nhs.uk

Knowsley PCT Options – GP Access

Tel: 0800 917 3683

GP Led Health Centre,
St Chad's Clinic, St Chad's Drive,
Kirkby, L32 8RE

www.knowsley.nhs.uk

Support for those experiencing domestic abuse or hate crime

National Domestic Violence Helpline

Tel: 0808 2000 247

Knowsley Domestic

Tel: 0151 548 3333

Violence Support Services

Fax: 0151 632 8865

www.kvss.org.uk

Safer Knowsley Partnership

Tel: 0800 953 4433

(8am – 6pm Mon – Fri)

Calls made to this number will
not show on your itemised bill



Contact Us

Housing Options Service

Tel: 0800 694 0280

9am – 5pm Mon – Fri (9am – 4pm Wednesday)

(An out of hours service is available on this number in an emergency)

You can also get this information in other languages and formats.

Please phone Customer Services on 0151 443 4031

or email customerservices@knowsley.gov.uk

www.knowsley.gov.uk