

# Financial difficulty

What if I'm having trouble paying my mortgage?

**Community  
banking**

We understand worrying about paying your mortgage either now or in the future can cause a great deal of stress, but it's important to talk to us now, so please do get in touch.

Our friendly team is on hand to help you.

**We'll listen to you and walk you through the options available to help. You don't have to have missed a payment to benefit from discussing your worries.**

## Get in touch We're here for you

### Before you call or visit us

It makes your call to us or visit far more effective if you provide some important information.

Including:

- Your Mortgage Account Number (it's on your annual statement or any mortgage paperwork we have sent you)
- Details of all of your income, including any Benefits you receive
- Details of all of your bills
- Details of all of your other outgoings

You should be able to find most of this information on your bank statements or by reviewing your online banking account. You can also use our Budget Planner to help you get these things together.

### What to expect

When you call or visit us we will take the time to understand your situation. We will talk through your income (including any Benefits you receive) and your expenditure (including all of your bills and outgoings).

We will not be able to provide you with any advice or a make recommendation but we will talk to you about the options available to help you.

We will aim to work out what you can afford to pay and help you reduce your arrears.

Depending on your circumstances you might want to consider changing your mortgage, for example extending your mortgage term. We will be able to show you how this will impact your repayments and the total cost of your mortgage.

Don't delay – get in touch with us as soon as possible.

### Check if you have insurance cover

Mortgage Payment Protection Insurance, also called Accident, Sickness and Unemployment insurance, can help with your mortgage repayments if your income has fallen because of redundancy, accident or sickness.

If your property is an investment/a Buy to Let and you took out Landlord insurance you should speak with the insurer as the policy may cover voids.

You might have taken it out when you got your mortgage – look through your mortgage paperwork and double check with us or the broker who you used when you took out the mortgage.

### Take action to cut your costs

Spending some time considering your spending habits will help you see if you can save money anywhere.

To help see where you can save cash, have a look at your outgoings in relation to what you have coming in then divide spending into essential and non-essential items.

### Cutting back spending on non-essentials

Budgeting is essential if you're struggling to meet outgoings. Here are just a couple of ways to cut back:

- **Look at the Direct Debits that go out of your account each month** – things like gym membership and magazine subscriptions. Now think about whether you're getting value for money out of all of them. If not, cancel them.
- **Try listing the smaller non-essential items you buy each day** – take-away coffees or drinks after work. Put them in order of priority. Pick off the lower priority items first and cut them out one at a time.

## Cutting back spending on essentials

For things like food and regular commitments – try shopping around to get a better deal elsewhere.

However, think carefully before you cut back on insurance, especially life insurance.

Ask yourself whether spending a small amount on the premium is better than the risk of not having a pay-out should you die or paying thousands of pounds of your own money if anything were to happen to your home.

## Speak to a free debt counselling service

As well as speaking to us take advice from one of the many free debt advice charities and organisations.

A trained money adviser from an independent agency can give you free and impartial advice.

There are other charities that can help you talk through your situation and provide information on where to find solutions.

## Check if you can get help with your mortgage payments

Depending on your circumstances you might be eligible for certain benefits – and/or for government help towards your payments.

## Worried about being repossessed?

If you're worried that you might lose your home as a result of lapsed repayments, charities can provide support and advice, and there is plenty of help elsewhere too.

## Selling your home as a last resort

If you know that your situation won't change in the long term, think about selling your home yourself and renting or moving to a cheaper property.

If considering this option, ask us if you can stay in your property until you sell it.

But make sure you have a place to live before you move out. If you keep us up to date and do everything you can to sell it, we should give you good time to sell.

## Things to avoid

Speak to a free debt advice service before resorting to any of these options.

- **Taking out an additional loan to pay your debts** - these loans can be very expensive and are often secured on your home, so putting it at greater risk.
- **Handing back the keys** - you'll still be responsible for the mortgage repayments before your home is sold, and possibly the outstanding balance if the money raised by selling your home isn't enough to pay off what you owe.

## What other people are asking us

### I'm having trouble paying my mortgage what should I do?

Tell us as soon as possible, as the sooner you call or visit us the quicker we can help.

If we get in touch with you and leave a message, please call us back quickly.

Make sure you keep any other people paying the mortgage, and anyone guaranteeing the mortgage, up to date with what is happening.

Check whether you can get any state benefits.

If you have an insurance policy, check whether it will help you with your payments.

Tell us if you move house.

Let us know as soon as possible if your circumstances change.

Consider seeking free confidential debt advice. There is lots of free confidential help and advice available to you.

## **If I miss a payment does this affect my credit file?**

If you miss a payment on your mortgage, it will be reported to the credit reference agencies, and may impact your ability to obtain credit in the future.

## **I've had a big unexpected bill, what can I do?**

If you are worried about making your mortgage payment due to an unexpected bill, please call our friendly team who are trained to listen to your circumstances and walk you through the options available to you.

Consider seeking free confidential debt advice on how to manage your money better.

## **Will I be able to switch to an interest only mortgage?**

If you are facing financial difficulties you are unlikely to be eligible for this type of mortgage. We may be able to consider a reduced repayment arrangement if you experience an unexpected lifestyle change beyond your control which impacts your ability to make repayments, such as unemployment or serious illness. When your financial position improves we will agree with you the best way that any arrears that have built up can be cleared. If this is something you would like to discuss, please speak with a member of our team today.

If you have an existing Interest Only mortgage you will need to ensure that you maintain the value of your repayment strategy as this will need to repay the outstanding balance of your mortgage.

## **What will happen if I don't get in touch with you when I can't pay?**

- It is important you call us as soon as you are aware of any issues
- If you don't get in touch with us, and you miss a payment, we will try to contact you as soon as possible to discuss your problem.
- If we cannot get in touch with you to discuss a solution, as a last resort we may have to take legal action to repossess your property. This will only happen if we cannot solve the problem with you, so it is important you get in touch with us as soon as possible so we can help
- Missing a payment on your mortgage could affect your ability to get credit in the future.

## **Will my house be repossessed?**

Repossessing a house is a last resort and will only happen if we cannot solve the problem by coming to an agreement with you.

It is important that you maintain contact with us and pay as much as you can.

## **What will happen when I call you?**

When you call our friendly team we will take the time to understand your situation. We will talk through your income (including any Benefits you receive) and your expenditure (including all of your bills and outgoings). We will then talk to you about the options available to help you.

## **What options / arrangements will be available to me?**

There are a range of different options which may be available to help you. These depend on your personal circumstances. Please speak with us to find out how we can help you.

## **Will I be able to take a payment holiday?**

This will depend on the terms and conditions of your mortgage with us. Please get in touch with us if this is an option you would like to discuss.

## **Which of my debts should I pay first?**

The consequences of not paying some debts can be more serious than others. You should consider this when prioritizing your debts and making arrangements for payment. Your mortgage is a priority debt along with council tax and utility bills, which means there could be more serious consequences if you do not pay these debts

Consider seeking free confidential debt advice on how to manage your money better.

## **Where can I go for free Debt Advice?**

There is lots of free confidential help and advice available to you.

Ask us and we will provide you with details.

## **Can any Government Schemes help me?**

Depending on your circumstances, there may be a Government scheme or benefits which could help. To find out more, please speak with them.

## **Will a mortgage arrears repayment plan be reported on my credit file?**

Your credit file will evidence the fact that you are in an arrangement. If you would like more information on this, please contact the credit reference agencies who can provide you with a copy of your credit file.

Equifax: 0844 335 0550

Experian: 0844 481 0800

Call Credit: 0845 366 0071

## **Can I change my Mortgage Payment Date?**

If your monthly salary payment date has changed, or you just want to align all your payments to come out on the same date, please ask us and we will change the date your mortgage payment comes out.

We need 5 working days notice to change your payment date. Please make sure you have the money available in your account to cover your Mortgage Payment.

If you want to change your payment date because you are having trouble paying your mortgage, it's really important you get in touch with us as soon as possible. The sooner you call us the quicker we can help.

## **Here's how to get in touch**

[iombank.com](http://iombank.com)

Calls us on 637000

Monday to Friday 9.00am to 5.00pm except public holidays.

If outside of these hours, please leave a message and a member of the team will contact you as soon as possible.

# Income and expenditure

## Customer details

Title    Mr     Mrs     Miss     Ms     Other     If other, please specify

Surname

First name(s)

Account number     Sort code

Name of Employer (s)

Position at employer (s)

Number of Dependents

## Monthly income

	£		£
Principal applicants net salary	<input type="text"/>	Benefits (e.g Family, Child Support)	<input type="text"/>
Joint applicants net salary	<input type="text"/>		<input type="text"/>
Bonus/Commission/Overtime	<input type="text"/>	Other debts / liabilities	<input type="text"/>
Income from savings/Investments	<input type="text"/>	If any of your liabilities are Interest Only, how do you plan to repay them?	<input type="text"/>
Other source of income	<input type="text"/>		<input type="text"/>
		<b>Total (A)</b>	<input type="text"/>

## Monthly expenditure

Household expenses	£		£
House insurance	<input type="text"/>	Car services/Repairs	<input type="text"/>
Local authority rates/Council/Property tax	<input type="text"/>	Leisure/recreation /entertaining	<input type="text"/>
Water	<input type="text"/>	Other property costs e.g Ground rent/Service charge	<input type="text"/>
Gas	<input type="text"/>	Domestic help/Child minder/School/Nursery fees	<input type="text"/>
Electric	<input type="text"/>	Food/Other expenditure	<input type="text"/>
Oil/Fuel	<input type="text"/>	TV rental/Licence /Satellite subscription	<input type="text"/>
Telephone/Mobile /Internet	<input type="text"/>	Clothing	<input type="text"/>
Property maintenance	<input type="text"/>	Holidays	<input type="text"/>
Travel expenses e.g parking/petrol	<input type="text"/>	Other	<input type="text"/>

**Commitments**

£

Mortgage/Rent	<input type="text"/>
Healthcare	<input type="text"/>
Pension contributions /Premiums	<input type="text"/>
Life cover premiums	<input type="text"/>
Maintenance payments	<input type="text"/>

Car tax and insurance	<input type="text"/>
Loans/Hire purchase	<input type="text"/>
Credit card and store card payments	<input type="text"/>
Savings and investment payments	<input type="text"/>
<b>Total (B)</b>	<input type="text"/>

**Savings and investments**

£

Bank	<input type="text"/>
Building society	<input type="text"/>
Shares	<input type="text"/>
Pensions	<input type="text"/>
Endowment plans	<input type="text"/>
ISA/SAYE	<input type="text"/>
<b>Total</b>	<input type="text"/>

£

Property value	<input type="text"/>
Mortgage outstanding	<input type="text"/>
Other property values	<input type="text"/>
Other mortgages	<input type="text"/>
<b>Total</b>	<input type="text"/>

Savings and investments are not classed as expenditure when calculating free income

<b>Total monthly income (A)</b>	<input type="text"/>
<b>Total monthly expenditure (B)</b>	<input type="text"/>
<b>Free income (A-B)</b>	<input type="text"/>

**Other debts / liabilities**

Creditor(s)	Amount owed	Monthly repayment	Expiry date
	£	£	
	£	£	
	£	£	
	£	£	
	£	£	
	£	£	
<b>Total other debts</b>	<b>£</b>	<b>£</b>	

Monthly repayment total to tally with Personal Loan/Credit Card repayments in Monthly Expenditure section

If any of your liabilities are Interest Only, how do you plan to repay them?

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Tel. 01624 637000. Licensed by the Isle of Man Financial Services Authority in respect of Deposit Taking, Investment Business and registered as a General Insurance Intermediary.

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