

## **Mortgage Payment Deferral Request form**

The Mansfield Building Society can support our borrowers who are experiencing issues with their finances as a direct result of COVID-19, including offering the option of either fully or partially deferring your mortgage payments.

We are proud to offer a personalised and empathetic approach and appreciate that this is an unsettling period of time. I wish to assure you that during this period of time we will do all we can to support you and your families through this difficult period.

### **Acceptance of the deferral of Mortgage Payments**

Prior to the Society actioning your request, please can you read through the declaration below. By signing the declaration you are confirming that you have read and understand the terms and conditions of the mortgage payment deferral. Please be advised that we will require all borrowers to sign and agree to these terms and conditions.

It is declared that:

- COVID-19 has impacted on my/our ability to repay the mortgage.
- I/We understand that other solutions are available however it is felt that this solution is the most appropriate to meet my/our current financial needs.
- It is understood that interest on the mortgage account will continue to accrue during this payment deferral, therefore increasing the amount owed on the mortgage balance.
- I/We understand that this will not have a negative impact on my credit status, however, it could have an impact on future lending decisions made by lenders.
- The payment deferral will need to be repaid at the end of the deferral period and that the options will include but are not limited to:
  - Repay the deferred payments immediately via a full or partial lump sum payment
  - Add the amount of the deferred mortgage payments plus the interest accrued to the mortgage balance and repay over the existing mortgage term
  - Add the amount of the deferred mortgage payments plus the interest accrued to the mortgage balance and repay over an extended mortgage term
- I/We are aware of, and have explored the alternative options provided by the UK Government and do not feel that these are appropriate for my/our current financial needs.
- If our financial situation changes, I/We will contact the Society to discuss what has changed and how this may affect my mortgage and the mortgage payment deferral.
- I/We have read and understood the attached Question and Answers (Q & A) document and understand that there are other tailored options available to me subject to a full assessment of my/our current financial and personal circumstances.

If you are in any doubt about deferring your mortgage payments then you must speak to the Society or alternatively seek independent financial advice.

I wish for my Mortgage Payment suspension to commence on.....

Please be advised that we will require all borrowers to sign and agree to these terms and conditions.

**Mortgage Account Number:** Please specify your mortgage account number.

**Signed:** .....

**Signed:** .....

**Name:** .....

**Name:** .....

**Dated:** .....

**Dated:** .....

It is important that you contact the society on **01623 676340** should your circumstances change or you require clarification of the contents of this declaration.

## **Q&A: Support for mortgage customers**

### **Q: What is a payment deferral?**

A: With a payment deferral, your mortgage payments are either fully or partially suspended, and you will not have to make any monthly payments for a set amount of time, currently up to a period of three months.

However, it's important to remember that you still owe the total amount of the payments deferred and the interest on your mortgage still accrues during a payment deferral period, therefore increasing the amount owed on your mortgage.

At the end of the payment deferral period, we will contact you to assess your circumstances and agree a manageable way for you to repay the deferred payments and the interest charges incurred. We have a range of options available to help you to do this.

### **Q: Will I be eligible for a payment deferral?**

A: To be eligible for a payment deferral you will need to have been impacted by COVID 19.

If you are a Buy-to-Let landlord, it will be available if your tenants have lost income because of the impact of COVID-19. Landlords are expected to pass on this relief to their tenants to ensure they are supported during this time.

There a number of options available and payment deferrals aren't always the most suitable solution for everyone. By speaking to us we can tailor the best option for you.

### **Q: How do I apply?**

A: You don't need to provide any documentation; you will just need to go through a few questions about your current situation and self-certify that your income has been either directly or indirectly impacted by COVID-19.

If you are a Buy-to-Let landlord, you will need to self-certify that your tenant's income has been impacted by COVID-19. Landlords are expected to pass on this relief to their tenants to ensure that they are supported during this time.

At the end of the payment deferral period, we will contact you to assess your circumstances and agree a manageable way for you to repay the deferred payments and the interest charges incurred. We have a range of options available to help you to do this.

### **Q: How long will it take for Mansfield Building Society to process my request?**

A: We are doing our best to support customers during these unprecedented times. Your request will be dealt with as quickly as possible and in any event we will be in touch with you within the next 5 working days.

### **Q: What are the alternatives available to me rather than a payment deferral?**

A: There are a number of other alternatives available, including a temporary switch to Interest Only payments, underpayments or a term extension. These options would require you to speak to us so we can fully assess and understand your current income and expenditure. It is important to note that these options may affect your credit score, but it is also important that you make payments to your mortgage where possible.

### **Q: If I take a payment deferral what will happen to my credit score?**

A: We will make every effort to ensure that if you take a payment deferral it does not negatively impact on your credit score. The payment deferral will not be reported as mortgage arrears, however lenders may in the future take other

information into account when making lending decisions, either directly from applicants or via bank account information.

**Q: What happens if I am already in arrears?**

A: If you are concerned about the impact COVID-19 will have on your income, then you should contact us as soon as possible. We will review any changes to your circumstances to ensure that your payments remain sustainable, however the option of taking a full or partial payment deferral is available to all customers including those already in arrears. We are making every effort to support people already in financial difficulty, whilst ensuring your mortgage remains sustainable.

There is currently a moratorium on possession proceedings for both residential and buy-to-let mortgages until the end of October 2020, meaning that no homes will be repossessed at this difficult time.

**Q: How will the possession moratorium work?**

A: We will suspend possession proceedings until the end of October 2020 as follows;

- All possession orders will be suspended.
- We will not commence any court action, including putting the case to court or instructing on matters
- We are still able to issue a formal demand, so that the customer is aware of the money they owe and are informed that the case will (eventually) go to possession proceedings.
- The formal demand is valid for eight weeks, but firms will agree not to take any further steps until the end of the possession moratorium period.
- Exceptions apply for empty properties or where the customer wants the possession to go ahead.
- For buy-to-let mortgages, lenders would still use a Receiver of Rent where appropriate but would not move to possession if the tenant could not pay.

**Q: What happens when my mortgage payment deferral ends?**

A: It is important that you remain in contact with us to advise of any changes in your circumstances, however we will write to you up to 10 days in advance of the end of the payment deferral period and;

- We will explain the options that are available to you and will give you a recalculated monthly payment to enable you to repay the deferred payment amount and the accrued interest over the remaining term
- We will attempt to contact you by telephone to discuss this and the other options that are available
- We have a range of solutions which may be suitable for you and we can discuss these with you, including making a lump sum payment, or an extension of the mortgage term to maintain your mortgage payments at their previous level.
- We will advise you of the impact of any option selected to allow you to make an informed decision and to ensure that you are comfortable that it is the right solution for you.
- We will provide links to other sources of independent financial information and support as they may be able to advise you as to the most suitable course of action for your personal circumstances.

**Q. Where can I find out more information about mortgage payment deferrals?**

A. You can contact us at any time to discuss mortgage payment deferrals, alternatively you may wish to visit the dedicated the webpages of the Financial Conduct Authority, that can be found [here](#) or the Money Advice Service, that can be found [here](#).