

FREQUENTLY ASKED QUESTIONS – TEMPORARY INTEREST ONLY

Support for Mortgage Customers

As part of the Mortgage Charter recently announced by the Government, the Society can now offer a Temporary Interest Only period of six months to any borrower concerned about maintaining their monthly mortgage payment. You may have some questions about whether to take this option and we've popped the answers to some of the most common questions below. If you have any other questions or need further information please give us a call on 01623 676340.

Please note, there are a number of other changes included in the Mortgage Charter, for more information visit www.gov.uk/government/publications/mortgage-charter/mortgage-charter

What is a Temporary Interest Only?

The Society will temporarily convert your mortgage account onto an Interest Only basis for a period of six months. This means you'll only pay the amount of interest that is charged each month, there will be no contributions towards reducing your outstanding balance. Your mortgage balance will therefore remain the same during this period.

Will I be eligible for a Temporary Interest Only?

Providing you have a residential mortgage (where the owner is also the occupier) and are not already in arrears with your mortgage with the Society you are eligible. If you're already in arrears with us, we'll continue to work with you in finding the most appropriate solution for your circumstances. Please call our friendly Collections team on 01623 676340 for more information.

Can I apply if I'm already in arrears?

If you're already in arrears with us, we'll continue to work with you to find the most appropriate solution for you. Even though you're not eligible for the options as part of the Mortgage Charter, we have a number of other solutions we can offer, depending on your individual circumstances. Please call our friendly Collections team on 01623 676340 for more information.

Can I apply if I have a Buy to Let mortgage?

Unfortunately, the Mortgage Charter is only intended for those with a residential mortgage. Don't worry though, there are a number of other ways we can support you with your mortgage payments. Just call our friendly Collections Team on 01623 676340 for more information.

Can I apply if I have a Shared Ownership mortgage?

Yes, you're eligible for support under the Mortgage Charter.

How do I apply?

You can call us on 01623 676340 or email us at collections@mansfieldbs.co.uk. Once we receive your request we'll need to send you some additional information along with a Declaration Form which you'll need to sign and return to confirm you wish to proceed.

When will it start?

Provided the paperwork is all completed, we can make the changes in time for your August 2023 payment but you can choose a later date for the Interest Only period to start if you want. You'll be able to confirm your choice on the Declaration Form we'll send you if you choose to go ahead.

How long will it take for you to process my request?

We'll aim to respond to all requests within 3 working days.

Can I change my mind and revert to a capital and interest (repayment) mortgage?

Yes, you can change your mind and return to a capital and Interest (repayment) basis at any point during the six month period. Just contact our Collections team to let them know and they will do the rest.

What else can I do?

We have a number of other options available for anyone who is struggling to afford their mortgage payments. The most appropriate solution for you will depend on your individual circumstances. If you want to find out more, please call our Collections Team on 01623 676340.

You can also visit www.moneyhelper.org.uk/en/money-troubles to see information on other available schemes.

What will happen to my credit file?

If you choose to go ahead with a Temporary Interest Only period as part of the Governments Mortgage Charter, there will be no negative impact on your credit file but it may affect lending decisions made by lenders in the future.

Will my payments change automatically?

If you currently pay your monthly payment by Direct Debit, it will be automatically updated, and we'll collect the lower payment amount from the date we agree with you. If you pay by Standing Order or bank transfer, you'll need to update the payment amount yourself for the amount and for the date we agree with you. We'll send you a confirmation letter which will tell you what to pay and when.

What happens when my Interest Only period ends?

At the end of the six-month period your mortgage account will return to a capital and interest basis (repayment). When that happens, your payments will need to be increased to account for the six-month period where your payments of only interest didn't reduce your outstanding balance. The monthly amount payable will also depend on the type of product you're on at the moment, and the interest rates applicable at the time the temporary interest only period ends. We'll contact you at that time to confirm the increased monthly payment and when it will start.

If you need any further information please call our Collections team on 01623 676340 or email us at collections@mansfieldbs.co.uk. Our office hours are 9am to 5pm Monday to Friday.