



Mortgages: updated information on help for struggling homeowners

There have been a number of recent announcements about schemes to help homeowners at risk of repossession.

The government has announced a new Homeowner Mortgage Support Scheme. It will allow borrowers who experience a significant and temporary loss of income as a result of the current economic climate to defer a proportion of the interest payments on their mortgage for up to two years.

Eight major lenders have agreed to support this new scheme. Some details on the scheme's qualifying criteria are available from the HM Treasury website at www.hm-treasury.gov.uk. It is anticipated that the scheme will be implemented in the New Year.

Also, in the pre-budget report it was confirmed that mortgage lenders on a new lending panel will not initiate repossession action for at least three months in order to explore all other alternatives with the borrower. We are still awaiting details of which lenders make up the panel and when this will take effect. However, since the pre-budget report, the Royal Bank of Scotland (RBS), which owns NatWest, and Northern Rock have stated that they will not begin repossession action until borrowers are six months or more in arrears. More information is available from the RBS website at www.rbs.com and from Northern Rock's website at www.northernrock.co.uk