

FREQUENTLY ASKED QUESTIONS – TERM EXTENSIONS

Support for Mortgage Customers

As part of the Mortgage Charter recently announced by the Government, the Society is now able to offer a term extension to any borrower concerned about maintaining the 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 term extension?

A term extension will extend the term over which your mortgage is to be repaid. As your payments will be spread over a longer period of time, it'll reduce your monthly mortgage payment. This will also mean that you'll pay more interest overall as you will have the mortgage longer. Under the Mortgage Charter, you can take the term extension on a permanent basis or revert to your original term within the first six months of the change.

How long can I extend my term for?

It'll dependent on your individual circumstances as we'll need to take account of things like your retirement age and pension income when determining the maximum term available to you. Our team can work through the details with you and provide all the information you'll need to make a decision on the right mortgage term for you.

Will my mortgage term automatically change back to the original term?

No, once you've agreed to the term extension it will be a permanent change but the Mortgage Charter does allow you to revert to the original mortgage term within six months of the term extension. To do this, you'll simply need to contact our Collections Team to let them know and we'll do the rest.

If you want to change your term after the six months have gone by, then we'll need to reassess your income, expenditure and affordability for the mortgage over the requested term.

Can I apply if I am 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 different solutions we can offer you depending on your individual circumstances. Please call our friendly Collections Team on 01623 676340 for more information.

Can I apply if I have an Interest Only mortgage?

If your mortgage is currently on an Interest Only method of repayment, you can ask us to extend your term but it will not reduce your monthly payments. There are other options available if you are looking for support in making your monthly payment. Please give us a call on 01623 676340 to discuss these options or email us at collections@mansfieldbs.co.uk and we can either call or email you back with more information.

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

Unfortunately, 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 the support under the Mortgage Charter. We may need to write to your Housing Association for approval so the process could take a little longer and approval would depend on their decision.

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 term extension to take effect if you want. You'll be able to confirm your choice of date 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.

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 are interested in finding 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 term extension as part of the Governments Mortgage Charter, there will be no negative impact on your credit file but it may affect future 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 date we agree with you. We'll send you a confirmation letter which will tell you what to pay and when.

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