

Sorting out mortgage problems

This information is for homeowners in Northern Ireland.

Mortgage problems can feel overwhelming. It's normal to worry about keeping on top of mortgage payments. If you're having trouble paying your mortgage, it's very important to [get help](#) and be in touch with your lender.

Read below for advice on getting help to make your payments, talking to your lender and dealing with other mortgage problems.

Always respond to your lender

Always read letters or emails you get from your lender, so you know about possible problems before they get worse. Your lender will usually send a letter or email if you miss a mortgage payment. They'll ask you to contact them about the missed payment and explain how you plan to catch up.

You'll usually have seven days to contact your lender or pay the missed payment. If you do not contact your lender or explain how you'll catch up after three payments, your lender may start legal action against you.

Apply for a loan to help pay your mortgage

You may be able to get [Support for Mortgage Interest \(SMI\)](#). This is a loan to help with housing costs such as:

- interest on a mortgage

- a loan to buy a home
- improving your home

You can apply for SMI if you're a homeowner and you get one of these benefits for at least 39 weeks:

- income-related Employment and Support Allowance (ESA)
- income-related Jobseeker's Allowance
- Income Support
- Pension Credit

You can apply for SMI after three months of claiming Universal Credit.

Since SMI is a loan, you'll need to pay it back with interest. You must be able to prove how you spent the money. To apply for SMI, [complete the form online](#) or when you get it by post.

The amount of SMI you get depends on how much you owe. Keep in mind, it might not be enough to pay back everything you owe.

Other help with paying a mortgage

If you get other benefits, you may be able to get help to pay for:

- [your rates bill](#)
- some services charges on your home
- your rent, if you own part of your home and rent part of your home

[Get advice](#) to find out [what you may be entitled to](#).

Speak to your lender as soon as possible

Getting letters from your lender can feel scary, but lenders want to work with you to keep you in your home. It's easier for lenders to support homeowners to stay in their homes, than go through the process of repossession and eviction.

Most lenders have special teams that work with people who need help. They can help you make a plan to budget and manage your money better.

Negotiate with your lender

As soon as you miss a payment or if you may miss one soon, reach out to your lender. It's easier to fix problems with your mortgage when you act early. At the same time, [speak to one of our advisers](#). They can help you talk to your lender and make a plan.

If you feel rushed or intimidated by a lender to leave your home, this might be illegal. A lender must have a legal reason to take away your home and you may be able to stop repossession at any stage in the process.

Video: Getting help with mortgage payments

Video transcript

Thinking about mortgage problems can feel overwhelming. It can be hard to know what to do and where to start.

Falling behind on payments can be easy, because of changes like losing a job, getting ill, splitting up with a partner or higher interest rates.

Every day at Housing Rights, we help people to tackle mortgage debt and stay in their homes.

It's best if you get advice as soon as possible, even if you're just starting to worry about missing a payment.

But no matter what stage you're at, we can talk to you about your options. We can also speak to your lender or their solicitor on your behalf.

This can involve looking at your income, checking if you're eligible for help with interest and making a realistic repayment plan.

Our advice is free and confidential and an adviser can talk you through a plan that works for you.

Contact Housing Rights if you're worried about mortgage problems. You can call, email or chat to an adviser online.

Selling your home to pay off your debt

If you cannot pay your mortgage, your lender might repossess your home. They should give you the chance to sell your home to pay off the debt. You must be able to show that you're actively in the process of selling your home. For example, it's listed online or with an estate agent.

Keep track of the process with your lender

Your lender must follow certain steps when figuring out problems with your mortgage. It's important to keep a record of this information by:

- taking notes when you talk to your lender
- keeping any letters, emails, or texts from your lender

Discuss options to pay off mortgage debt

If you fall behind or miss a payment, it does not mean you'll lose your home or that you'll need to pay it all back in one go. There are lots of ways to get back on track. Talk to your lender about the following options.

Capitalising your arrears

This is when you ask your lender to add the arrears to the amount (or 'capital') that you originally borrowed. It means the amount of arrears is spread across the time left on your mortgage. It can make the amount easier to pay, but usually increases your monthly payment.

Paying extra each month

Your lender may give you more time to pay if you can manage small payments towards the arrears every month. Even small payments can stop the interest from increasing. This is a good option if your situation got better since you fell behind. You can:

- make a formal agreement to increase your monthly payment – the amount you agree to must be enough to clear your arrears in the time left to your mortgage
- ask for 'forebearance' – here, it means your lender will put you into a fixed rate

- offer a token payment – if you cannot pay enough to have a formal agreement, the lender may accept smaller payments

Extending the mortgage term

Lenders offer different mortgage terms, usually 25-30 years. This is the amount of time you have to repay the mortgage. You can ask your lender to extend your mortgage term. Your monthly payments go down, but you pay more money overall. This is usually considered ‘new lending.’ It means you need to meet the lender’s criteria, which can be difficult.

A temporary payment arrangement

If you have short-term financial problems, you can ask your lender for a temporary change to how you pay your mortgage. For example, you can ask to pause payments or reduce the amount for some time until you’re back on your feet.

Claiming on mortgage payment protection insurance

This can cover payments if you cannot pay for certain reasons. For example, if you are sick or made redundant. If you took out insurance when you bought your home, check if you can claim on it to cover arrears.

Selling a home in negative equity

If you’re in negative equity, be careful about selling your home to clear the debt. ‘Negative equity’, means you owe more on your mortgage than your home is worth. Meaning, if you sell your home, it will not be enough to cover all your debts.

[Speak to an adviser](#) if you’re in negative equity. It can be tricky, but our advisers can help you work through it. Your lender should still give you the chance to repay your debts.

Be aware that:

- you need your landlord’s permission to market your home if you’re in negative equity
- if you voluntarily hand over the keys to your lender, you may still owe money

- there are companies that charge a fee to sell your home in negative equity – our advisers can talk you through selling your home and avoiding extra costs

Be careful with ‘mortgage rescue’ schemes

Mortgage rescue schemes buy your home and rent it back to you, if you’re having trouble paying your mortgage.

The schemes, also called ‘sale and rent back’, say this lets you stay in your home. There are risks with these schemes, such as:

- you can be evicted when your tenancy ends or if you cannot pay the rent
- the scheme may pay less than your property is worth, but charge you high rent
- you may not be able to get help with housing costs

It’s better to [work with an adviser and make a plan](#) to manage and pay back your debt, rather than take the risks with a mortgage rescue scheme.

Remember, there are no government mortgage rescue schemes in Northern Ireland. They’re always privately owned.

More advice

- [Managing your mortgage and income](#)
- [Taken to court by your mortgage lender](#)

Footnotes