

What happens when you cannot pay your mortgage?

When you took out your mortgage you agreed to make regular monthly payments. Nationwide understands that some people will occasionally fall behind with their payments and we will always be sympathetic and try to help our customers who get into financial difficulty.

When you contact us we will take your individual circumstances into account and treat you fairly. We have lots of experience of helping customers at this time, with a dedicated team of staff.

This leaflet explains what you can do to help us, and how we can help you to overcome your current payment difficulties. It also outlines our arrears process, so you will know what to expect. Copies of this leaflet and other information are available on our website at www.nationwide.co.uk/payment_difficulties.

If you bought the property with other people, each of you is responsible for all the money borrowed.

What you should do to help us:

- tell us as soon as possible if you are having problems repaying your mortgage, or think that you may soon have a payment difficulty
- get in touch with us quickly when we try to contact you
- make sure you keep any other people paying the mortgage, and anyone guaranteeing the mortgage, up to date with what is happening
- pay as much as you can, even if it is not the full monthly payment, until you agree a payment plan with us
- check whether you can get any state benefits or tax credits
- if you have an insurance policy (eg payment protection), check whether it would help with your payments
- tell us if you move to a new address

Visit our Payment Difficulties website at www.nationwide.co.uk/payment_difficulties

We will:

- contact you as soon as possible to discuss your problem, unless you have already contacted us. If you do not respond to our contacts, we may visit you at home, or ask an agent to do so
- talk to agencies who give advice, such as Citizens Advice, if you want us to, and give us authority to do so
- give you reasonable time to pay back the debt
- start proceedings to repossess your home only if you do not contact us and cannot agree a payment plan with us

We might be able to:

- arrange a new payment plan with you, taking into account your and our interests
- change the way you make your payments, or the day in the month you make them
- allow you to pay back your mortgage over a longer period of time
- change the type of mortgage

There are implications to each of these changes, which you will need to consider. You may want to talk to a professional adviser, such as a debt counsellor or a solicitor, before you change your mortgage arrangements.

If we cannot do any of these things, we will tell you why. If we can make one of these arrangements with you, we will explain how it would work and, if you wish, give you time to consider it first.

Other action we may take:

Since 1st May 1992, your mortgage application has authorised us to send information about your payments history and arrears status to credit bureaux. This information may be used by other potential lenders, and could impact upon your ability to get credit, or other financial facilities, in the future.

We may charge you for reasonable administrative and legal costs. Our letters and leaflets will tell you the amount you will have to pay.

If you cannot agree on a solution:

- we may instruct our solicitors to start legal proceedings to repossess your home. **Before we instruct solicitors, we will write to you again, giving full details of the process**
- we will keep trying to solve the problem with you, by talking to you about a payment plan, throughout the process
- you may be thinking about handing your keys over to us. If you do this, you will still owe us any outstanding debt. We advise you to discuss this option with us before taking such action
- before we repossess your home, we will tell you about getting in touch with your local authority to see if they can find you somewhere else to live

Complaints:

Should you have a complaint about the way your case has been handled, you should contact us by telephone on 0845 600 9626, or write to: Lending Control, Nationwide Building Society, Kings Park Road, Moulton Park, Northampton, NN3 6NW.

If your complaint is not dealt with to your satisfaction, you may refer to the Financial Ombudsman Service, which provides a free and independent service for consumers, at: The Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London, E14 9SR.

Telephone: 0845 080 1800.

Other financial solutions:

As a way of resolving your short term financial difficulty, some companies may offer you new loans, or invite you to sell your property to them and then lease it back. You may also be considering bankruptcy or entering into an IVA. **We suggest you seek independent advice before proceeding with any of these alternatives.**