

Debt / Mortgage Difficulties – Services and options available in Oxford

The following information is designed to help give advice and to signpost people that are worried or anxious about mortgage arrears or debt problems in Oxford.

Lender Options

If you are in mortgage difficulties you should initially speak to your mortgage lender to make them aware of the situation. There are a number of options available that a lender could take:

- Reduce monthly payments for a period (including a payment holiday)
- Capitalise payments
- Cut the charges made
- Extend the length of loan
- Spread the payment of the total amount owed
- Offer a better loan rate
- Allow time to sell home (if that is preferred by homeowner)

It is also worth exploring whether other lenders might be able to offer a better interest rate or a better mortgage package to suit you.

Avoid 'rent back' or 'sell to let' schemes however, and if you do want to consider this, get assurances as to your protection and consult a solicitor or advice centre first. There is little protection for you if the company that buys the property gets into financial trouble itself, and little to stop you being evicted. You may also not be eligible for Housing Benefit.

Review own situation

You should also review the situation in your own household to clarify what to do. This should include:

- Reviewing household expenditure to see if there are any savings that can be made
- Considering whether income could be increased – by taking a lodger, for example
- Are all working individuals in the household contributing to household costs?
- List and prioritise all debts (Court Orders, Rent/Mortgage Arrears, Council Tax costs should be paid before any other debts)
- Which payments are you behind on?
- Speaking to all (priority) creditors and making an offer that is affordable to pay
- Do you have any mortgage protection insurance (MPPI) or any other insurance?
- Are there any options open to you, such as selling your home or moving to something smaller?

Take professional advice

There are many agencies that can offer advice. This can be specific Money Advice to help you manage debts, mortgage or rent arrears, or Welfare Advice to make sure that you are getting all the benefits and help that you are entitled to. Housing Advice may also be appropriate in order to ensure that you can stay in your own home, and are not at risk of homelessness. Money advisors may also be able to help consolidate debts and

recommend appropriate action, including administration orders, IVAs (Individual Voluntary Arrangements), or bankruptcy orders.

There are a number of websites and telephone help-lines that can give advice, and help you to deal with some of this yourself.

National Debtline – free service to help deal with debt problems

Tel: 0808 808 4000 Web: www.nationaldebtline.co.uk

Citizens Advice Bureau – helps to deal with legal, money and welfare benefit issues

Tel: 0870 220 0608 Web: www.adviceguide.co.uk

Shelter – offers independent help with housing and welfare benefits

Tel: 0808 800 4444 Web: www.shelter.org.uk/adviceonline

Oxford City Council – the website includes a benefits calculator to check if you are entitled to Housing or Council Tax Benefit, and the NHAS leaflet ‘Are you worried about your mortgage?’ that you can download Web: www.oxford.gov.uk

Job Centre Plus – website gives information and advice on making a claim and the help you may be eligible for Tel: 0800 055 6688 Web: www.jobcentreplus.gov.uk

Pension Credit – for information and advice

Tel: 0800 99 1234 Web: www.thepensionservice.gov.uk

Working Tax Credit and Child Tax Credit - information and advice

Tel: 0845 300 3900 Web: www.hmrc.gov.uk/taxcredits

Payplan – gives advice on your debts

Tel: 0800 917 7823 Web: www.payplan.com

Advice Centres (and opening times) in Oxford

Most centres also run outreach sessions in other venues. Some centres deal with clients only from certain areas of the city. It is best to telephone first.

Agnes Smith Advice Centre, Blackbird Leys

Address: 96 Blackbird Leys Road

Telephone: 770206

Opening hours: Monday-Thursday 10.00 – 1.00 and 2.00 – 5.00
Friday 10.00 – 1.00

Drop-in sessions: Monday 2.00 – 4.00 and Friday 10.00 – 1.00

The other sessions are by appointment only

Barton Advice Centre

Address: Barton Neighbourhood Centre, Underhill Circus

Telephone: 744152

Drop-in sessions: Wednesday and Thursday 10.00 – 1.00

Other times by appointment.

Oxfordshire Chinese Community & Advice Centre

Address: 44B Princes Street
Telephone: 204188
Drop-in sessions: Monday 10.00 – 4.00
Other times by appointment.

Oxford Citizens' Advice Bureau

Address: 95 St. Aldates
Telephone: 0870 2200608
Drop-in sessions: Mon 10.00 – 12.00; Tues 10.00 – 1.00; Wed 10.00 – 1.00
Thurs 12.00 – 3.00; Fri 10.00 – 12.00; Sat 10.00 – 12.00
Other times by appointment or for telephone advice

Rose Hill & Donnington Advice Centre

Address: The Cabin, The Oval, Rose Hill (behind the Children's Centre)
Telephone: 438634
Drop-in sessions: Monday – Thursday 9.30 – 12.30
Friday 11.00 – 12.30

Turpin Miller Solicitors

Address: 1 Agnes Court, Oxford Road, Cowley, Oxford, OX4 2EN
Telephone: 770111
Turpin Miller provide money advice services funded by the Legal Services Commission, but these may be chargeable if you do not qualify for legal aid

Housing Options Service, Oxford City Council

Address: St Aldates Chambers, St Aldates, Oxford (opposite the Town Hall)
Telephone: 252858
Email: housingneeds@oxford.gov.uk
Drop-in Options Duty Service: Monday – Thursday 9.00 - 4.30
Friday 9.00 - 4.00

Housing Options can give advice and assistance to prevent you becoming homeless. This could include payments from the homeless prevention fund (if appropriate); help to rent a property in the private rented sector (through the Home Choice or Lord Mayors Deposit Guarantee schemes); or a referral into the Mortgage Rescue Scheme (where a housing association would usually buy and rent-back the home).

Advice can also be given by the Housing Needs Team on joining the Council's housing register and bidding for property using Choice Based Lettings.

Other Government Initiatives

ISMI (Income Support Mortgage Interest)

Increased support available for those eligible households paying the interest on their mortgages. Under new changes to the Support for Mortgage Interest scheme, the capital limit on which eligibility for assistance is calculated will be doubled to £200,000 and the standard interest rate for this support will be frozen at the current rate of 6.08 per cent - ensuring those with higher value loans and on fixed rate mortgages don't miss out.

Help for first time buyers

A one-year Stamp Duty holiday for all houses costing up to £175,000 meaning that around 50 per cent of all house purchases will be exempt, and various HomeBuy options of low cost home ownership/ shared ownership

Court Action

Should you receive a court letter, you should take immediate advice. A new mortgage pre-action protocol, introduced by the Civil Justice Council, came into effect in late 2008. The new protocol makes clear that repossessions should be a last resort. Lenders are expected to discuss and agree with borrowers alternatives to repossession.

As a last resort, you should always attend Court. Initial possession hearings at the Oxford County Court are on a Tuesday morning and there is a Legal Services Commission (LSC) funded Court Desk service – provided by Turpin Miller solicitors – to provide advice and advocacy at these hearings. Court Desks are successful in preventing immediate repossession in up to 85% of cases, but can only do this if the defendant turns up.