

Coronavirus (COVID-19) and your mortgage – Factsheet 3

Ahli United Bank (UK) PLC (the “**Bank**”) are continuing to support customers who are experiencing difficulties in making their mortgage payments as a result of COVID-19, including the option of applying for a payment deferral or holiday (a “**Payment Holiday**”) on your mortgage contract.

If you have not previously applied for a Payment Holiday

If coronavirus has affected your finances and income, you may wish to take a Payment Holiday but you should only apply if you are experiencing difficulties in making your mortgage payments.

At present, the guidelines are that up to 31 March 2021 we may consider an application for a Payment Holiday for an initial period of 3 months and of up to a maximum of 6 months. Under current guidance we may not extend a Payment Holiday beyond 31 July 2021. If you are experiencing financial difficulty after this date then we may have other options available to you and which we would be happy to discuss to see how we may assist.

Please see our first fact sheet for Payment Holiday arrangements Coronavirus (COVID-19) and your mortgage – Factsheet 1, which is on our website or can be provided directly by the Bank on the contact details below.

If you have previously applied for a Payment Holiday

If you are coming to the end of your initial Payment Holiday this has allowed you to take a break from making your contractual mortgage payment for up to 3 months. The Bank has prepared this Fact Sheet for those who have previously elected to take a Payment Holiday in respect of their mortgage.

Please read this Fact Sheet, and discuss with other parties to the mortgage, such as joint Borrowers and Guarantors, before deciding on how you wish to proceed or please do not hesitate to contact the Bank to discuss what other options might be available.

If coronavirus is still having an impact on your income

If you are in a position to resume your payments after your initial Payment Holiday then we strongly suggest that you do so in order to keep your monthly payments and interest costs as low as possible.

However, if you find that you need further support when your initial Payment Holiday ends, you will be able to ask to make reduced payments or take another full Payment Holiday for an extra 3 months but only up to a maximum of 6 months including the initial Payment Holiday and not beyond 31 July 2021.

Interest charged on your mortgage

Interest has continued to be calculated and charged on your mortgage and we will apply it to your mortgage balance monthly. You will not, however, have made any mortgage payments during the Payment Holiday period.

How will this affect my mortgage payment at the end of the holiday period?

When the Payment Holiday ends, your mortgage term will need to be extended or your monthly payment amount will need to increase so that you can make up the payments you deferred or you can make a lump sum payment to cover the full amount of deferred payment. The deferred payment can be paid over an agreed term in line with the options detailed below which will mean that you will pay interest on the deferred payments over either the agreed term or over the remaining term of the mortgage.

What do I need to do now?

If after your first Payment Holiday you cannot resume full payments, we are able to offer a full or partial Payment Holiday for a further 3 months. The maximum term available for a Payment Holiday is 6 months. We will contact you before your Payment Holiday ends to discuss the options available in making up the payments.

We will discuss with you what amount you are able to afford but you should be aware that when the Payment Holiday ends, your monthly payment amount will increase so that you can make up the payments you deferred during the rest of your mortgage term. You will pay interest on the deferred payments over the agreed term.

What options do I have for paying the Payment Holiday amount due?

- a) Repay in one lump sum – this will mean the overall cost of your mortgage will not increase
- b) Repay in monthly payments over a short period of up to 12 months
- c) Repay in monthly payments over the remaining term of the mortgage

If you are still experiencing financial difficulty and are unable to resume repayments we will need to get a clear picture of your financial situation. This will include your monthly income; monthly household spending (including all of your bills and expenses and other outgoings); organisations you owe money to and the amount you owe; and details of your assets in addition to your property. We may seek bank statements or suitable information to support this request. Any sensitive information you give us will be treated completely confidentially. Once we've got those details, we'll be able to work with you to help you get your finances back on track.

Repayment Information

Personalised information on the impact on your monthly payments will be confirmed to you as part of our discussions but for information on the impact of taking a Payment Holiday please note the following examples:

Repayment Mortgage

Based on a 3 month payment holiday for a capital and interest repayment mortgage	
Balance at start of resumed monthly payments	£100,000.00
Balance of deferred mortgage holiday payments	£2,947.24
Total Amount due	£102,947.24
Current Interest Rate	3.0600%
Expiry Date of Mortgage	27/03/30
Date of last payment	27/05/20
Term Remaining months	118
Current monthly payment	£982.41
New Monthly Payment	£1,011.37
Monthly Increase by around	£28.96

Your total amount to pay	
After your Payment Holiday, the total amount you'd need to pay back, including interest, would increase to	£119,341
from	£115,924

Interest only example

Based on a 3 month payment holiday for an interest only mortgage	
Balance at start of resumed monthly payments	£100,000.00
Balance of deferred mortgage holiday payments	£765.00
Total Amount due	£100,765.00
Current Interest Rate	3.0600%
Expiry Date of Mortgage	27/05/25
Date of last payment	27/05/20
Term Remaining months	60
Current monthly payment	£255.00
New Monthly Payment	£256.95
Monthly Increase by around	£1.95

Your total amount to pay	
After your Payment Holiday, the total amount you'd need to pay back, including future interest payments would increase to	£116,182
from	£115,300

Your Choice

It is important you know that the option you choose is likely to increase your mortgage balance, your interest and the total amount you have to repay. The amount your monthly payment will increase by after the Payment Holiday is calculated using your balance, the interest rate on your mortgage, the remaining term of your mortgage, whether your mortgage is on a repayment basis or interest-only basis or a combination of both, and how long you have chosen to take a Payment Holiday for. The new amount of your monthly payment will be confirmed in writing to you.

If you are worried about paying the new amount, we may have other options such as extending your mortgage term to ensure your payment is affordable although you should be aware that this would mean that you are paying more back on your overall mortgage. If you are experiencing longer-term financial difficulties, we will need to work through your individual circumstances to find the most appropriate way to support you such as amending your repayment, or capital and interest, loan to an interest only loan for a short period of time.

If we don't hear from you

We shall make every effort to contact you to discuss the end of your mortgage Payment Holiday and the options available for you. However, if after trying to contact you we are unable to do so and we do not hear from you to make arrangements relating to your mortgage then the deferred Payment Holiday amounts including accrued interest, will be added to your loan amount and repaid over the remaining term of your mortgage. We will advise you in writing of the arrangements in this respect.

How to pay

We will automatically restart your Direct Debit when your Payment Holiday ends. You will need to ensure that funds are available in your account in time for your next mortgage payment.

If you have cancelled your Direct Debit, you will have to set up a new Direct Debit. Please call or contact us on the below number or email. It can take up to 14 working days to set up a Direct Debit, so please make sure you have got time before your next payment is due, or you might miss it.

What do I need to do next

We shall be in contact with you and therefore you do not need to do anything. However if you do wish to discuss the Payment Holiday and options available to you beforehand we would be happy to do so.

Please contact us on
Email: AUBUK.MortgagehelpCOVID-19@AhliUnited.com
Telephone: 020 7487 6500
Opening Hours - Monday to Friday: 9am – 5pm

Please provide the following details to us:

Your Name:

Mortgage Account Number:

Address of Property to which the mortgage relates to:

Remember, if you do not keep your mortgage up to date, you could fall in to arrears and risk losing your home.

Debt help and money guidance

There are a number of organisations that you can contact for free, confidential and impartial debt advice such as:

Money Advice Service: For free, easy-to-use money tools, information and advice, visit www.moneyadviceservice.org.uk. You can also phone 0800 138 7777 to speak to a money expert.

The Money Advice Service's A guide to coronavirus mortgage payment holidays - <https://www.moneyadviceservice.org.uk/en/articles/mortgage-payment-holidays>

The Money Advice Service 'How to prioritise your debts' - <https://www.moneyadviceservice.org.uk/en/articles/how-to-prioritise-your-debts>

The FCA's information page 'Dealing with financial difficulties during the coronavirus pandemic – <https://www.fca.org.uk/publications/finalised-guidance/information-consumers-financialdifficulties-coronavirus>

Citizens Advice: For advice and information on debt and other topics, contact your local Citizens Advice or go to www.citizensadvice.org.uk.

AdviceUK: Member centres offer debt advice including specialist advice for minority communities and people with disabilities. Visit www.adviceuk.org.uk

National Debtline: If you live in England, Wales or Scotland phone 0808 808 4000 or visit www.nationaldebtline.org for debt advice and information.

Christians Against Poverty (CAP): For free debt advice. Check postcode coverage at www.capuk.org then call 0800 328 0006.

Business Debtline: If you are self-employed or a small business owner, phone 0800 197 6026 or visit www.businessdebtline.org for debt advice and information.

Civil Legal Advice

You may get legal aid if your home is at risk. Check at www.gov.uk/civil-legal-advice or phone 0845 345 4345.