

**IF YOU WOULD LIKE FURTHER INFORMATION ON ANY OF THE SCHEMES IN THIS LEAFLET OR FURTHER ADVICE ON HOUSING OPTIONS THEN YOU SHOULD CONTACT THE HOUSING ADVICE TEAM AT HYNDBURN COUNCIL: 01254 380 111**

**IF YOU REQUIRE THIS INFORMATION IN A DIFFERENT FORMAT, FOR EXAMPLE, LARGE PRINT, AUDIO OR DIFFERENT LANGUAGES, PLEASE LET US KNOW.**

**USEFUL ADDRESSES**

Hyndburn Borough Council  
Housing Advice Team  
20 Cannon Street  
Accrington  
BB5 1NJ

Tel: 01254 388 111

Job Centre Plus  
Oak Street  
Accrington

Tel: 01254 343 200

Hyndburn Citizens Advice  
Bureau  
New era Centre  
Eagle Street  
Accrington

Tel: 01254 304 114

Welfare Rights  
6-8 Birch Street  
Accrington

Tel: 01254 301 141

# Recession and Repossession How to Get Help





Local authorities have been asked by Government to develop action plans to respond to the housing impacts of the recession where householders maybe at risk of losing their homes.

Hyndburn Council has now developed its own action plan with our key partners. A sum of £28,500 has been allocated to Hyndburn BC from Communities and Local Government to support the development of actions locally to tackle the threat of repossession in both the social and private rented sectors due to rent arrears and the owner occupied sector due to mortgage arrears.

This information leaflet gives brief details of some of the government initiatives currently in operation to help people facing repossession due to the recession, and information about how the Council is responding locally to target homelessness prevention due to the recession.

For further information about any of the schemes in this leaflet please contact the Housing Advice Team at Hyndburn Council on 01254 388 111.

## HOMEOWNERS' MORTGAGE SUPPORT (HMS)

- Homeowners Mortgage Support (HMS) was launched in April 2009 to help homeowners remain in their homes if they fall on difficult times.
- Homeowners Mortgage Support (HMS) will enable eligible borrowers to reduce their monthly mortgage interest payments to affordable levels for up to two years to help them get back on track with their finances if they suffer a temporary loss of income.
- This is not a 'payment holiday', as households will have to pay back the money eventually. However, the scheme offers households valuable breathing space to get their finances back on track without the fear of losing their home.
- All lenders offering HMS will have the backing of a Government financial guarantee that will protect the lender if the customer ultimately defaults on the mortgage.
- More information on this scheme can be obtained from your mortgage lender and other advice agencies including Shelter, Citizens Advice Bureau or the Housing Advice Team at Hyndburn Council.



## RENT DEPOSIT/BOND SCHEME

Hyndburn Council currently operates a rent deposit scheme to help people who are eligible, homeless and in priority need. The scheme is designed to help applicants who are financially unable to secure accommodation in the private sector.



Hyndburn Council Housing Advice team has used some of the money received from government to tackle possessions to extend the scheme to help in further homelessness prevention work to residents facing homelessness.

You can find out more about how we operate the scheme and how you can access it from our Housing Advice Team or by visiting the website on:

[www.hyndburnbc.gov.uk](http://www.hyndburnbc.gov.uk)

## ACCRINGTON COUNTY COURT DESK

Communities and local government have awarded a separate pot of funding to Hyndburn Council to operate a court desk at Accrington County Court. The court desk is to run jointly between Citizens Advice Bureau and Hyndburn Borough Council's Housing Advice Team. An adviser from either the housing advice team or the Citizens Advice Bureau is available at court on the days that possession hearings are due to be heard.



- The role of the court desk is to provide free legal and financial advice to anyone facing a repossession hearing.
- Accrington court desk will offer advice to anyone whose repossession hearing is being held there even if they are from neighbouring boroughs.
- For further information or if you require assistance from the court desk then contact should be made with the Accrington Citizens Advice Bureau or the Housing Advice Team at Hyndburn Borough Council. You can also see an adviser at the court on the day of the hearing.

## LOCAL AUTHORITY REPOSSESSIONS PREVENTION FUND



A proportion of the £28 500, given to Hyndburn Council to help residents who are facing possession due to the recession has been set aside to help people financially who are facing repossession due to the current economic climate due to 'income shock'. Income shock can be defined as those who perhaps have had their working hours reduced, or one partner has been made redundant, through the effects of the recession.

In addition to helping homeowners struggling with their mortgage costs, this funding can be used to help tenants in the social or private rented sectors who – through no fault of their own – are struggling with their rental payments in the current climate and face eviction.

The Council has taken the decision to use this funding to offer a 'one off hardship grant payment'. Assistance through this fund will be considered after all other possible prevention options have been explored.

If you would like further information on the criteria used to assess eligibility for this scheme and are facing eviction then you should contact the Housing Advice Team to discuss you particular circumstances

## MORTGAGE RESCUE SCHEME.

In response to increased mortgage repossessions and the associated risk of homelessness, Communities and Local Government announced a £200 million national Mortgage Rescue Scheme.



The scheme was launched on January 1st 2009. Depending on their specific circumstances, homeowners eligible for help under the scheme may be offered either:

Shared equity option, which enables the homeowner's monthly mortgage payments to be reduced.

**OR**

Government mortgage to rent scheme/option which enables the homeowner to remain in the property as a (Registered Social Landlord) tenant on an assured short hold tenancy, paying a sub-market rent.

Hyndburn Council is working in partnership with Plumlife housing group to implement the mortgage rescue scheme here in Hyndburn.

The scheme is discretionary and a local housing authority is under no statutory obligation to offer such a scheme.

The scheme will not provide a solution for every home owner at risk of mortgage repossession.

If you would like further information on the scheme and to see if you are eligible you can contact the Housing Advice Team on 01254 388 111.

Further details are also available from the Plumlife website, [www.plumlife.co.uk](http://www.plumlife.co.uk)

## FUTHER ENHANCEMENTS TO SUPPORT FOR MORTGAGE INTEREST (SMI)

If you are claiming certain benefits, you may be able to get help with your housing costs, including mortgage interest and interest on loans you have taken out for repairs or improvements.

This type of help is often referred to as support for mortgage interest (SMI) or income support mortgage interest (ISMI) payments.

Customers who are owner-occupiers and who are in receipt of Income Support (IS), Jobseeker's Allowance (JSA), Employment and Support Allowance (ESA) or Pension Credit (PC) may receive help towards certain housing costs, such as interest on mortgages.

This is called Support for Mortgage Interest (SMI). This is the basic calculation of what a person on one of these benefits is entitled to as help towards the interest payments on their mortgages.

For more information on eligibility and the criteria used for SMI, please contact the Job Centre Plus on: 01254 343 200 or the Citizens Advice Bureau on: 01254 304 114



## THE MORTGAGE PRE-ACTION PROTOCOL

The pre-action protocol came into effect on 19 November 2008. The protocol sets out guidance to the courts on the steps lenders are expected to take before bringing a claim in the courts, with a view to ensuring repossession is the last resort. If cases reach court, lenders will be expected to tell the court what they have done to comply with the protocol.

The protocol states that:

- Repossession is not inevitable - even after a claim has been issued.
- Provided that a borrower is able to repay their arrears over a reasonable period of time (which can be the remaining length of the mortgage) or place the property on the market to affect a sale and the lender **does not have satisfactory reasons for not agreeing**, the court has the power to adjourn proceedings, stay an order or suspend a possession date.

If you require further information on the pre-action protocol, information can be obtained from the Citizens Advice Bureau and the Housing Advice Team. Alternatively your mortgage lender will be able to let you have information on the protocol.

