



## **INFORMATION FOR REGULATED MORTGAGE CONTRACT BORROWERS IN ARREARS**

*(The information provided in this document is intended for use by regulated short-term loan borrowers, i.e. where the loan with Tiuta plc is secured on your home, who have fallen into arrears with regular contractual loan payments. If you have reached the end of the contracted term on your loan and full repayment is due this information will not strictly speaking apply but you may find some of advice and the contact information helpful)*

If you are having trouble paying your mortgage, we will try and help you. The short term nature of Tiuta mortgage products means that some of the options available to borrowers in arrears with a typical long term lender will not be available to us or you. However, we will treat you fairly and this information sheet explains how we may be able to help and what steps you should take to help yourself.

### **We will**

- Contact you as soon as possible to discuss your problem.
- Talk to an agency which gives debt advice, if you want us to. (See the end of this information sheet for useful contact information)
- Provided the loan term has not expired, give you reasonable time to pay back the debt. However, you must bear in mind that the short term nature of our loans does not allow for a lengthy period to accommodate any arrangement.
- Only start proceedings to repossess your home if we cannot solve the problem with you within what remains of the loan term at the time we become aware of the problem.

### **We might be able to**

- Change the way you make your payments, or the date you make them; so long as the loan term has not expired.

If we cannot offer you any of these options, we will tell you why. If we can make one of these arrangements with you, we will explain how it will work and give you time to consider it.

### **What you can do to help us**

- Tell us as soon as possible if you are having problems repaying your loan or think that you might experience problems shortly. The sooner you tell us, the more time we have to attempt to resolve the problem.



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- Seek debt advice if you would like help with managing your finances (See the next section for useful contact information).
- Contact us quickly, if we try to contact you.
- Make sure you keep any other people paying the loan, and anyone guaranteeing the loan, up to date with what is happening.
- Keep to the payment plan we agree with, or tell us if there is a change in your circumstances which may affect the arrangement. If you do not make the agreed payments, we might have to go to court to get back any money you owe us, or to repossess your property.
- Check whether you can get any state benefits or tax credits which could help increase your income. (The debt advice agencies below will usually be able to provide advice on your entitlements)
- If you have an insurance policy, e.g. permanent health insurance, payment protection insurance or accident, sickness and unemployment insurance, check whether it would help with your payments.
- Tell us if you move to a new address.

You may want to talk to a professional adviser, such as debt counsellor or lawyer, immediately you are aware you have a problem and at the same time as you contact us (You should contact us before or at the same time as you seek advice from a counsellor as, if you leave it until you spoken to them, it may be too late for us to help). There are a number of firms offer debt advice but who either charge a substantial fee or will attempt to resolve your difficulties by 'selling' you a refinance package or Individual Voluntary Arrangement on which they receive commission; this may be the right solution but you need to know all your options. There are a number of independent, free, advice agencies with charitable status who should be your first port of call. Whilst we cannot 'recommend' a particular agency you may find the following contact information of value:

**National Debtline** (A registered charity and part of Money Advice Trust)

Website: [www.nationaldebtline.co.uk](http://www.nationaldebtline.co.uk)

Telephone Number: 0808 808 4000 (Weekdays 0900-2100, Saturdays 0930-1300 plus 24-hour voicemail)

Fax: 0121 410 6230



Postal Address: National Debtline  
Tricorn House,  
51-53 Hagley Road,  
Edgbaston,  
Birmingham, B16 8TP

National Debtline can also offer a ‘Typetalk’ service and a Language Line offering professional telephone interpreters in any of 100 languages.

### **Citizens Advice** (A registered charity)

Website: [www.citizensadvice.org.uk](http://www.citizensadvice.org.uk)

Advice is provided through the CAB national network of 3000 bureaux, rather than through the website or a telephone based service. However, this website will give you details of your local CAB and the telephone number of that bureaux.

### **Financial Services Authority**

The Financial Services Authority, the lending industry regulator, has a useful publication available through its website called “What to do if you can’t pay your mortgage”. Just follow the link below and look under “**Buying a home**”:

<http://www.moneymadeclear.fsa.gov.uk/tools/publications/publications.html>

You can also obtain a paper copy of the publication by telephoning the FSA’s Consumer Contact Centre on **0845 606 1234**.

### **Costs and Charges**

If you are in arrears, we may charge you for reasonable administrative and legal costs. We will tell you the amount you have to pay.

### **If we cannot agree on a solution**

- We may go to court to start proceedings to repossess your home. If proceedings take place, we strongly recommend that you attend the court and that you seek independent debt advice.



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- Starting court proceedings does not necessarily mean that we will repossess your home. We will keep trying to solve the problem with you. Possession is a last resort.
- Before we repossess your home, we will give you advice about getting in touch with your local authority to see if they can find you somewhere else to live.

### **If we repossess home**

- We will sell it for the best price we can reasonably get. We will try to sell it as soon as possible. Do remember, you will have the right to repay the amount outstanding on the loan and prevent the sale in possession at any time after the date of repossession and up to the date of exchange of contracts with the purchaser; however you will need to clear all sums due, including interest, fees and charges.
- We will give you reasonable time to take your possessions from your home.
- We will use the money raised from selling your home to pay your loan, fees and charges. We will also use the money raised to redeem any other loan charged on your property, e.g. a loan from a secured loan finance house or a creditor with a charge on your property.
- If there is any money left over, we will pay it to you.

### **If selling your home does not raise enough money to pay off the loan**

- If there is not enough money from the sale to pay the whole of the loan, you will still owe us the amount that is left (a shortfall debt). We will tell you what this is as soon as possible.
- If you bought your home with other borrowers. Each of you is responsible for all the money borrowed. This is true even if you normally pay only part of the loan.
- We will contact you within six years of selling your property (five years in Scotland) to arrange for you to pay back what you still owe.
- We will take account of your income and outgoings when we arrange a payment plan for this shortfall debt with you. But if we cannot arrange a suitable plan, we may go to court to get our money back. You might have to pay additional court costs.
- If a shortfall debt is not paid, it could affect whether you are able to get credit in future.

### **Complaints**

If you do not think we have treated you fairly, you can complain to:  
The Compliance Officer, Tiuta plc, 21 Ely Place, London, EC1N 6TD.



If your complaint is not dealt with to your satisfaction, you may then take it to the Financial Ombudsman. The Financial Ombudsman Service provides a free and independent service for consumers, and can be contacted at:

The Financial Ombudsman Service  
South Quay Plaza  
183 March Wall  
London, E14 9SR

Telephone: 0845 080 1800

### **Other issues**

Some companies may offer you new loans or even invite you to sell your property to them and then lease it back as a way of resolving your short term financial difficult. Please be careful, as such actions may not be in your long term best interests. We would advise you to seek independent advice before entering into any arrangement of this type.

You may be thinking about handing your keys over to us. If you do this, you will still owe us any outstanding debts, and we would advise you to discuss this option with us before taking such action.

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TIUTA PLC ARREARS INFORMATION DOCUMENT (JUNE 08)