



## **MORTGAGE NEWS JUNE 2008**

### **What if the worst happens and the repossession nightmare becomes reality?**

Before we say don't panic lets look at what actually happens.

In our experience lenders will usually start repossession proceedings after payments have been missed for 3 to 6 months but can sometimes be much longer. The lender will then have to apply to the court for a repossession order and the time this takes depends on how busy the courts are but on average this takes anything from 2 to 6 months.

If this happens to you then you will no doubt feel panicked and alone. But there is **help available and there are things you can do.**

The golden rule is 'Don't bury your head in the sand'. Lenders are bound by the regulator to 'Treat you Fairly' They should always be trying to work with you in order to create a payment plan acceptable to both parties and repossession will be the last thing on their mind.

We know that the lenders don't like to have repossessions on the their books as it looks bad to the regulator and to investors.

Even if you exhaust all discussions with the lender and end up in court, the judge will try to help you stay in your home if he/she thinks there is a genuine reason why the arrears happened and that you are now in a position to make payments.

If you don't feel like tackling the lender alone then the 'Citizens Advice Bureau' have specialist teams set up to help you.

**We can also help you, we know how the lenders act and we know how to present to lenders,** it may even be possible to [remortgage](#) and give yourself a freshstart.

You may have also seen adverts for companies who will buy your house and rent it back to you, we say either avoid them or think very very carefully about doing this. It may also be possible to sell the house to a family member or friend and rent it for a period at a later date purchase the house back.

The mindset to have in a repossession situation is to admit to yourself that things are bad but there

### **BUYING AT AUCTION:**

Often a source of great property bargains with **massive savings** to be made compared to the open market, but what pitfalls are there? The first thing to realise is that you will need at least 10% deposit, this is not for the mortgage, the auction house will insist on this size of deposit as soon as you win the bidding.

Make sure you have seen and had surveyed the property that interests you or check with the auction house if you have a cooling off period in which you can carry out a survey after the bidding.

Investigate local price ranges for your chosen property and **set yourself a bid limit**, most importantly don't get carried away with the auction house atmosphere.

Once your deposit is paid you will usually have a completion deadline of between 28 and 31 days so it is essential that you get your mortgage finance agreed before the auction day.

**The mortgage is agreed on you and not the property** so even if the first auction doesn't go well there will be plenty more.

For the first time buyer this type of purchase could get you on the property ladder much quicker and less costly.

If the property needed cosmetic work carrying out there are special types of mortgages available for this that can finance the purchase and at a later stage you can recoup your work costs using the same mortgage.

As usual our mortgage team will [help you find the right](#)

are organisations and companies a phone call away who can help me and that the lender will also help me and the last thing they want is to take my home. The mindset not to have is that this will go away and sort itself out and I'll just ignore the threats.

If you would like to discuss your mortgage with our specialist team please call us on freephone 0800 3283684

[mortgage for you](#) and answer your questions about buying at auction.

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