



Mortgage Rescue Scheme

Am I eligible for help from the Mortgage Rescue scheme?

To be eligible for the scheme your household must include someone in '**priority need**'. This could be:

- a pregnant woman
- someone with dependent children
- someone who is vulnerable because of old age or a physical or mental impairment

You will also need to meet the following criteria:

- your household must earn less than £60,000 a year
- the value of your home should not be higher than certain levels set for each region; ask the council about the level for your area
- everyone named on the mortgage must agree to be considered for the Mortgage Rescue scheme, although you don't have to sign a written agreement
- you must have received debt/money advice from a free independent debt adviser at an organisation like the Citizens Advice Bureau or Shelter
- you should have made arrangements to repay any debts. Your money adviser should will assist you with this
- you should have discussed all other options to meet your repayments with your bank or mortgage lender
- you must have a clear need to stay in your home, which means it is not practical or reasonable to move somewhere smaller or cheaper
- your home must be suitable for your needs; for example, there are not too many people sharing the same space making it unsafe and unhealthy
- you must not own a second home, including a home abroad.

My property is worth less than I owe on my mortgage. Can I get help from the MRS?

You may be eligible for help from the Mortgage Rescue scheme if you are in '**negative equity**' (the amount owed on your mortgage is more than the value of your home). If you are in negative equity, you can apply for the scheme if:

- you meet all the other eligibility criteria
- the value of your mortgage (and any loans taken out against your home) is less than 120 per cent of the value of your home

How does the MRS work?

You can be referred to the scheme by:

- advice agencies, like the Citizens Advice Bureau www.citizensadvice.org or Shelter www.shelter.org.uk
- your mortgage lender
- the courts

You can also contact Waltham Forest council's Housing Advice Unit directly to get advice about the MRS.

When you apply for help from the scheme:

- the council will arrange for you to meet with their money advisers
- you will get advice and a plan to help you manage your debt or some other way that you can meet your housing costs
- the council may arrange an assessment of your home
- you may get financial help, either with a '**shared equity loan**' or through a '**Government mortgage to rent**', depending on your circumstances

Shared equity loan

The council may involve a Registered Social Landlord (RSL), an independent housing organisation registered with the Tenant Services Authority. The RSL can provide a shared equity loan, which means they will pay off a percentage of your mortgage. The RSL will then receive a share of the value of your property. The RSL will agree on the percentage, which will be based on an assessment of your household's finances. This will reduce your mortgage to a more affordable level so you can continue to make repayments.

Government mortgage to rent

Alternatively, the RSL may suggest a Government mortgage to rent. This means the RSL will pay off your mortgage completely by buying the property. You will stay in your home and pay rent to the RSL as their tenant. The rent

will be at a level lower than the 'market rate', which will be cheaper than if you were renting from a private landlord.

You'll continue to receive advice after you have entered the scheme to help you manage your finances.