#  Coronavirus and mortgage payment holidays

**What is it?**

A mortgage payment holiday is a short-term arrangement where your mortgage lender allows you to make no monthly mortgage repayments (or to make reduced payments) for an agreed period. Instead these payments are added on to your mortgage balance.

If you are adversely affected by coronavirus, the Government has confirmed that you may look to take a mortgage payment holiday on your residential or Buy to Let mortgage for up to three months to help your financial situation.

If you are up to date with your mortgage payments, the mortgage payment holiday will not affect your credit rating, and you will not go into arrears on your mortgage.

**Eligibility**

It is the Government’s intention that payment holidays are made available to any homeowners with concerns about meeting their monthly mortgage repayments due to losing their job or a change in their financial circumstances, due to the outbreak of coronavirus.

It isn’t a requirement that you have got, or been positively tested for coronavirus to qualify.

Payment holidays are also available to buy-to-let landlords whose tenants have been financially affected by the coronavirus. Landlords who take payment holidays are expected to pass on this relief to their tenants.

**Points to consider**

Before requesting a mortgage payment holiday, it’s important to be aware that:

* You will still be charged interest during the payment holiday, unless your lender has told you otherwise.
* At the end of the payment holiday, you will have to make up the missed payments. There will be various options for doing this, for example by increasing your monthly payments slightly, or by adding a short extension to your term. Your lender will be able to explain to you what options it offers.

**How do you apply for a mortgage payment holiday?**

You should contact your lender if you think you may potentially experience payment difficulties as a result of the coronavirus situation.

Your lender shouldn’t need any evidence that your income has been affected by coronavirus.

Your lender may also be able to offer other options if they are more appropriate for your circumstances, and where it is in your interest.

For some lenders, you can apply for a payment holiday by submitting an online request.

**What happens after the payment holiday ends?**

At the end of the agreed payment holiday, you will need to agree with your lender a manageable way to make up the missed payments given your circumstances. Your lender will explain to you the options that they offer.

If you are still not able to make your full mortgage payments due to coronavirus, then it may offer you a further payment holiday if appropriate to your circumstances.