



## **Mortgage Holidays**

As you will no doubt be aware, the government has announced a series of economic measures to help businesses and individuals financially during the Coronavirus threat.

One of these measures relates to the availability of mortgage holidays.

Fairhurst have researched this matter and have summarised the advice below:

1. The application process is easy and is usually online via the big lenders although some you will need to call
2. Apparently there is no criteria other than you request a 3 month holiday due to Coronavirus
3. If the government extend the initial 3 months help lenders will also honour this
4. If you get a 3 month extension this is added to your loan and your payments will increase from the month following the 3 month payment holiday and spread over remaining term
5. If you are on a variable rate be careful - as once you take the payment holiday you are stuck on variable rate
6. If you are on variable rate it should be easy to switch to a cheaper product with the same lender and then to request a payment holiday. As an example variable rate is around 4.5%. It may be possible to switch to a product offering say 1.5% and then take the holiday and the lower rate is locked in. If you need help with this please contact us and we can put you in touch with a mortgage advisor who can aid you with this process.