

Mortgage Rescue Schemes – Changes from March 2011

Update for households interested in Mortgage Rescue

- The **Mortgage Rescue Scheme is still available** to vulnerable households facing the threat of repossession. Government has made £200m available for the scheme to continue over the next two years.
- However, Government has made **some changes to how the scheme will operate** which you need to be aware of. If your case has already been referred to a Registered Provider, then these changes will not affect you.
- To ensure the scheme can help as many households as possible, Government has changed the rate at which a property sold through the scheme is purchased at. This means the price offered by the Registered Provider (e.g. Housing Association) to a household getting Mortgage Rescue will be **90% of the market value**. This has been reduced from 97% to ensure more people can be helped through the scheme but means some households with equity will need to think carefully and seek money advice when deciding whether to proceed.
- If you do have some equity in your home, you may want to consider whether **Shared Equity Mortgage Rescue** or an assisted voluntary sale is a better option. You should seek independent and free money advice on your options.
- Your local authority and Registered Provider will need to work together to decide **whether you are eligible for the Mortgage Rescue Scheme and whether your case is a priority** for this scheme. They will need to assess not only your case but other possible cases for Mortgage Rescue in their local area.
- But remember that Mortgage Rescue is only one possible option if you facing the threat of repossession. There are **other forms of help available**, including free and independent debt advice and for out of work households, Support for Mortgage Interest.

Mortgage Rescue Team
Department for Communities and Local Government
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