

Repayment of your Payment Holiday Sum

The Options:

1. A lump sum one-off payment of the amount of the unpaid monthly mortgage payments and interest

If you chose this option you will be required to make a payment of the Payment Holiday Sum at the end of the Mortgage Payment Holiday.

Choosing this option means that after your lump sum payment has been credited to your mortgage account, your mortgage account will be in the same position it would have been in had no Payment Holiday been taken. The only additional amount you pay is the additional interest which is included in the Payment Holiday Sum.

2. Entering into an Arrangement to Pay the amount of the unpaid monthly mortgage payments and interest over a set period

You may decide that you wish to enter into an arrangement with us to repay the Payment Holiday Sum over a set period of time. This arrangement would need to be short term. Entering into this arrangement will not in any way affect your credit profile provided the agreed arrangement payments and your normal monthly mortgage payment are each made on time and in full.

By entering into this arrangement, your monthly payment to us will comprise of your monthly mortgage payment plus and additional sum which will ensure that the Payment Holiday Sum and any additional interest charged over the arrangement period is repaid in full at the end of the that period. You will have certainty and peace of mind that by the end of the arrangement your mortgage account will be in the same position it would have been in had no payment holiday been taken.

However, if you choose this option, during the period the arrangement is in place, as stated above, the amount of the Payment Holiday Sum which remains unpaid will continue to attract interest until it is repaid in full.

If neither of these options are suitable for you given your current circumstances we can discuss with you the following:

3. Capitalising the amounts of the unpaid monthly mortgage payments and interest to your mortgage account

Opting to capitalise (adding to your mortgage account) the Payment Holiday Sum at the end of the Payment Holiday will result in your mortgage account balance increasing by the amount of the Payment Holiday Sum. Your monthly mortgage payment will be recalculated to ensure that it reflects the following:

- If your mortgage account is on a repayment basis, that the increased mortgage account balance and any interest that accrues is repaid over the remaining period of the mortgage; or
- If your mortgage account is on an interest only basis, that the mortgage account balance is adjusted to show the increased loan amount and that interest on your mortgage account is calculated on that sum. At the end of your mortgage, the increased mortgage account balance will become due and payable in accordance with the terms and conditions of your mortgage.

It is therefore important that if this option is chosen you ensure that you have sufficient resources to meet the repayment of the increased mortgage account balance at the end of your mortgage. You should contact your financial advisor if you have any questions on this.

So, in summary, the capitalisation of the Payment Holiday Sum will result in your capital balance increasing and your monthly mortgage payment increasing. You will as a result pay more interest to us over the term of your mortgage.

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If neither of these options are suitable for you given your current circumstances we can discuss with you the following continued:

4. Extending the term of your mortgage

An extension to the period of your mortgage for a set period of no greater than your chosen Payment Holiday period may be available. This will mean for example, if your mortgage was due to end on the 1 January 2024 and you elected to take a 3-month payment holiday, your mortgage would, if the term was extended end on the 1 April 2024.

If this option is chosen, this will mean that the Payment Holiday Sum will be added to your mortgage account balance and your monthly payment will be recalculated. You will also pay more interest to us as your account will be charged interest over a longer period.

If you have a repayment mortgage account this will mean that the increased mortgage account balance due to us will be repaid in full by the end of the extended term of your mortgage.

If you have an interest only mortgage account this will mean that the increased mortgage balance will become due for payment in full at the end of the extended term of your mortgage.

We remind you that should ensure that you have sufficient resources available to repay the mortgage account balance at the end of the extended term of your mortgage.

YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP THE REPAYMENTS ON YOUR MORTGAGE