

# Covid-19 Information Sheet – Housing – Homeowners and Landlords

This information sheet has been produced by students from BPP's Pro Bono Centre under the supervision of legally qualified staff members. The information contained in this document is accurate as of 7 April 2020.

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## **Homeowners – Mortgage payments**

### ***I can't afford to pay my mortgage – can I have a payment break?***

The government has announced that mortgage lenders in the UK have agreed, as of 17 March 2020, to permit homeowners experiencing personal financial difficulties to take payment “holidays” from their existing mortgages for up to three months.

These ‘mortgage holidays’ are designed for people who have suffered a reduced income as a result of COVID-19. If you are struggling to make mortgage payments, contact your mortgage provider to discuss your circumstances and to discuss a mortgage holiday.

You should get the detail of any such arrangement and speak to your mortgage provider for an explanation of what this actually means and any impact on your credit score, and what other options may be available.

### ***Is interest still payable?***

This means that no interest fees, or mortgage payments will be due during the payment holiday. The sum owed still remains and mortgages continue to accrue interest during this period. Some lenders may increase your mortgage payments for the remaining term, others may extend the term of your mortgage – so your monthly mortgage payments remain the same.

### ***To whom does it apply?***

Mortgage holidays are available to all existing mortgage holders who own residential properties. If you are a help-to-buy customer, mortgage “holidays” will only be available if you took out your equity loan before 31 March 2015. If you are a help-to-buy homeowner you can also access the scheme to defer interest on your equity loan where necessary, and all payment holiday applications will be assessed on a case by case basis. If you do fall behind with payments, you cannot lose your home.

### ***How do I apply for a mortgage holiday?***

The first step is to contact your main mortgage lender to discuss revised payment plans if you are struggling financially due to coronavirus. Your lender should then contact the government's equity loan administrator to discuss the options available to you.

### ***What other options are available?***

As your mortgage payments will not be paid by the lender themselves during the three-month period, they will be deferred into the future. Other options include: switching to interest only payments, deferring your interest payments or extending your mortgage term.

## **Homeowners – Council Tax and other bills**

### ***What is Council tax relief?***

If you are struggling to pay council tax there is help available and you may be eligible to apply for Council Tax Reduction. You may be able to take a council tax "holiday" by deferring payments from April 2020 to June 2020. BPP Pro Bono centre has produced an 'Information for Renters' factsheet which explains assistance with Council Tax in more detail. This can be found on the Pro Bono Centre website: <http://probono.bppuniversity.ac.uk/blog/>

This is being offered on a council by council basis, so you will need to contact your local council for details about how to obtain council tax relief. The relief is being offered to you if you are in a vulnerable household and severely affected by the coronavirus pandemic.

### ***How can I apply for council tax relief?***

Contact your local council in order to see what arrangements may apply. Most councils have scaled back their operations and employees are working from home. You are encouraged to go online to access services for your local council as many councils have an online claim form for obtaining council tax relief.

There are also online telephone and email contact details on individual council's websites set up to enable residents struggling with their council tax payments to access a range of flexible payment options.

### ***What is utility relief?***

The Government has agreed emergency measures with all of the major energy suppliers in the UK to ensure that the energy supply to the most vulnerable is protected throughout the pandemic. Providers of essential services such as gas, water, broadband, telecom and electric have been prohibited by the agreement from discontinuing services during the outbreak due to failures to make payments.

Over 4 million people using pre-payment meters in the UK will be affected by the measures. The scheme will ensure that disconnection of credit meters will be suspended. Suppliers are also encouraged to work with customers to find alternative payment plans that ease the burden on households. If you are vulnerable, using pre-payment meters, or unable to leave your house, contact your supplier.

### ***What other options are available?***

If you are using a prepayment meter you may be able to nominate a third party to make payments, have a discretionary payment added to your credit or defer payments.

## **Landlords – Mortgage Payments**

### ***Mortgage “holidays” – what does that mean for me?***

The three-month mortgage “holiday” available for homeowners (described above) has been extended to all buy-to-let mortgages taken out by landlords and you may be able to request a mortgage payment holiday from your lender. At the end of the three-month period, you will be expected to work together with your tenants to establish a repayment plan which is affordable for both parties and which takes into account the individual circumstances of each tenant.

If a tenant is unable to pay their rent in full, and you are a mortgagor – you should discuss this with your lender.

### ***What if I encounter a legal problem with my tenants?***

The Government strongly advises landlords not to serve new notices seeking possession or begin possession proceedings during this period without good reason to do so. In addition, the Coronavirus Act 2020 has implications for landlords. The Act means that, until 30 September 2020, most landlords will not be able to start possession proceedings unless they have given their tenants at least three-months’ notice and all existing possession cases have been stayed for 90 days from 27 March 2020. You can choose to give more notice than this if you wish to do so.

If you wanted to take the next steps after the 90-day period, you will not be able to evict tenants without a court order. Furthermore, a housing possession claim which normally takes 6-8 weeks would need to be applied for in the courts and is likely to take much longer under the current circumstances.

### ***Which tenants does this affect?***

All tenants and licensees who are protected from eviction under the Protection from Eviction Act 1977 will be protected from possession proceedings under this measure. All housing possession orders covered by the Civil Procedure Rules Part 55 will be affected by the Act.

### ***What can I do about rent arrears?***

The Government advises that an early conversation should be had between landlords and tenants to agree a plan if your tenants are struggling to pay their rent. This can include reaching a temporary agreement to not seek possession for a period of time and accept a lower level of rent, or agree a plan to pay off arrears at a later date.

If you have to pay mortgage on the property yourself, speak to your lender about any plans you agree with your tenant. This may assist in setting in place a temporary payment arrangement with your lender.

### ***Should I stop charging rent during this period?***

You are not required to do this. Tenants will remain liable for rent during this period and most will be able to continue to pay rent as normal and should continue to do so. It may be

necessary to have an early conversation with your tenants to allow both parties to agree a sensible way forward.

### ***Will I be able to access my property for repairs?***

The government is asking everyone to do all that they can to reduce the spread of coronavirus by maintaining strict separation from others wherever possible. Your tenants should let you know as soon as possible any issues which arise and you should take the appropriate action with a pragmatic approach to maintaining social distancing rules. This may mean that you may not be able carry out obligatory routine inspections and you will not be penalised for failing to meet routine obligations.

### **Further Information**

BPP Pro Bono Centre has produced a series of Factsheets looking at how COVID-19 impacts on a range of different people. All of our factsheets can be viewed on the Pro Bono Centre Blog here: <http://probono.bppuniversity.ac.uk/blog/>

### **Help and Advice**

There are a number of organisations and charities here that can help provide further advice:

- National Debtline – Call Free on 0808 808 4000
  - o Website: [www.nationaldebtline.co.uk](http://www.nationaldebtline.co.uk)
  - o Telephone – Open 9am to 8pm, Monday – Friday
    - 9.30am to 1pm Saturday
  
- Shelter England – Call Free on 0808 800 4444
  - o Website: [https://england.shelter.org.uk/get\\_help](https://england.shelter.org.uk/get_help)
  - o Helpline – Open 8am to 8pm, Monday – Friday
    - 9am to 5pm, Weekends
  
- Citizens Advice Bureau (CAB) – Call Free on 03444 111 444
  - o Website: <https://www.citizensadvice.org.uk/about-us/contact-us/contact-us/contact-us/>
  - o Adviceline – Open 9am to 5pm, Monday to Friday
  
- National Landlords Association – Call 020 3962 0917
  - o Website: <https://www.landlords.org.uk>
  - o Telephone – Open 8am to 6pm, Monday to Friday
    - 9am to 1pm, Saturday (Excluding Bank Holidays)
  
- Residential Landlords Association – Call 03330 142 998 (local rate on landline and mobile networks) / Alternatively call 0161 962 0010
  - o <https://www.rla.org.uk>
  - o Telephone – Open 9am to 5pm, Monday to Friday

### **Information and Updates**

The UK Government publishes a number of documents and updates as part of the ongoing response to Covid-19. These can be found on the UK Government website here: <https://www.gov.uk/coronavirus>

## Wellbeing

This is an extremely difficult time for everyone. There is much uncertainty and a lot of anxiety. Along with your physical health, it is important to look after your emotional wellbeing during this period.

If you need support, you can contact:

**Mind** - 0300 123 3393 (Monday to Friday, 9am to 6pm) [www.mind.org.uk](http://www.mind.org.uk)