

Repaying your Interest Only loan

Considerations and options

Your Interest Only loan

Your loan is being repaid on an Interest Only basis which means that you will still owe a balance at the end of your loan term.

Repayment of the balance on expiry of your Interest Only loan is your responsibility.

What should I do?

From time to time, you should consider whether your plan to repay your loan balance at the end of term remains realistic. We have set out below some of the considerations that may be relevant depending on the type of repayment plan that you have

Repayment Plan	Points to consider
Investment or savings plan e.g. Endowment, pension or ISAs	<p>Review your latest statements and consider whether your plan is growing satisfactorily</p> <p>Think about whether you need to increase your payments to the plan or take out an additional savings plan</p> <p>Take advice on the suitability of the relative split between lump sum and periodic payments under any pension plan that you may have</p> <p>Generally, consider taking independent debt or financial advice if you are concerned about the projected value of your plan</p>
Sale of property	<p>Think about whether the value of your property will be sufficient to repay your projected balance on expiry</p> <p>Consider how long it will take to sell the property and plan your marketing strategy accordingly</p> <p>Think carefully about your accommodation arrangements following the sale of your property, including whether you will be able to afford to “downsize” or rent a new property</p>

What if I do not have any arrangements in place to repay the capital at the end of the term?

Think about taking independent debt or financial advice on your particular circumstances as soon as possible – and contact us to let us know of your plans or concerns. **The sooner you act, the more likely it will be that you can arrange a way to repay the capital by the end of the term.**

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Is there anything else I can do?

If you are concerned about any funding gap between your current plans and the amount projected to be repaid at the end of your loan term, here are some options for you to consider.

Repayment Plan	Points to consider
Making regular monthly over-payments or lump sum payments in addition to your monthly instalment	<p>If you are able to afford to make additional payments above the amount of monthly interest being applied to your account, this will reduce the amount you owe at the end of the term</p> <p>You will also pay less interest over the term of your loan</p> <p>There is no penalty for making overpayments to your account, whether these are made in addition to your monthly instalment or through payments of lump sums from time to time</p> <p>We can tell you what you would need to overpay each month in order to repay the entire balance of your loan over the remaining term. Depending on your individual circumstances, we may also be able to extend the term of your loan in order to make your monthly overpayments more affordable.</p>
Extending the term of your Interest Only loan	<p>If you need more time to pay the balance expected to remain outstanding at the end of your loan term, we will work with you to agree an appropriate time over which your loan is repaid.</p> <p>We will take account of your age and your particular circumstances when considering whether it is appropriate to allow you more time to repay your loan.</p>
Sale of property	<p>If your loan balance is increasing and you are unable to make additional payments, you may consider – as a last resort – voluntarily selling the property before expiry in order to prevent any further escalation of your debt.</p> <p>We would always advise you to take independent debt and housing advice on your particular circumstances before taking a decision to voluntarily sell your property before expiry of the term.</p>
Refinancing	<p>You might want to repay your Swift loan with another loan provided by another lender.</p> <p>Think carefully about any plan you might have to repay this loan with another loan by ensuring it is affordable in meeting your longer term financial and housing requirements.</p>

Remember: if you are unable to repay the balance outstanding on your loan at the end of the term, we may take legal action to recover the amount you will still owe. We will, however, always work with you to try and find an acceptable solution. However if this is not achievable, it may be necessary for you to sell the property to repay the loan.

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Considerations and options (continued...)

Useful contacts

If you have any questions about your Interest Only loan, you can contact us on 01277 359678. You should also consider seeking independent debt or financial advice if you have concerns about your original plan to repay the capital at term end.

There are a number of useful agencies which can offer free, impartial advice on debt and money management issues.



Citizens Advice

www.adviceguide.org.uk

03444 111 444 (England) / 03444 77 20 20 (Wales)

Or contact your local Citizens Advice



StepChange

www.stepchange.org

0800 138 111

A leading UK debt charity



National Debtline

www.nationaldebtline.org

0808 808 4000

Debt advice charity



PayPlan

www.payplan.com

0808 278 9095

Free advice and debt management services



Money Advice Service

www.moneyadvice.org.uk

0800 138 7777

Free impartial financial advice.



Housing Rights

www.housingrights.org.uk

028 9024 5640

Housing and debt helpline for Northern Ireland