

# Information about your Payment Holiday

## What is a Payment Holiday?

If you tell us that you are unable to make your usual monthly payments due to your current financial circumstances caused directly or indirectly by the coronavirus pandemic, we may agree to allow you to defer payment of some or all of these amounts to a later date.

A Payment Holiday means that these deferred payment amounts will not be reported to Credit Reference Agencies as outstanding arrears, which should help reduce any impact this has on your credit rating, and your ability to obtain further credit in future from another lender. However, lenders may take into account other information when making future lending decisions, including, for example, information provided by applicants or bank account information.

## What should I consider before taking a Payment Holiday?

**Because your loan balance remains subject to interest, deferring these monthly instalments will mean you pay more overall.**

If you pay less than the amount of interest applied each month then the unpaid interest is added to your overall loan balance and the total amount you owe will increase. As your Swift loan is secured on your property, this will erode some of the equity you have available. **You should, therefore, carefully consider whether this is the right option for you.**

## How can I repay my Payment Holiday and interest?

**The sooner you are able to repay these deferred instalments, and any additional interest which accrues on these payments, the less you will need to pay overall.** It may, therefore, be in your best interests to repay these amounts as soon as you can afford to.

If you can afford to do so, you might wish to consider repaying by way of a lump sum payment. This will reduce any overpayments you may have to make in future, and reduce the amount of additional interest which will accrue.

Depending on what you can afford, we can look to agree an arrangement that works for you. We may be able to offer you the opportunity to formally change your contractual monthly instalment to help you repay these deferred amounts over the remaining term of your loan. We may also offer you the alternative option to allow you to extend the original term of your loan to allow you to make payments over an additional period.

If we are able to make one of these options available to you to repay your Payment Holiday (and interest), you will be given the opportunity **not** to take up the option we make available to you. If you do opt out, to help manage the repayment of your Swift loan, we will record the instalments you have deferred under your Payment Holiday as a payment shortfall internally. This amount may be shown as “arrears” on some documents we send to you although as we’ve said, these sums won’t be reported to Credit Reference Agencies.

The options available will depend on your specific circumstances, the historic payment conduct of your loan, and how long your loan has left to run. You may, for example, owe additional amounts if you are (or have been) in arrears. The letter confirming your Payment Holiday will tell you the amount you need to pay each month in order to repay the full amount that you currently owe. We are happy to talk you through these options so you can decide how you wish to proceed.

# Free independent advice

Whilst Swift can help you explore your options, we cannot provide financial advice.

We would therefore recommend you consider seeking free independent advice from one of the organisations listed below, such as the Money Advice Service, or speak to a qualified financial adviser. The Money Advice Service have a Coronavirus support page on its website that you might find useful: [moneyadviceservice.org.uk/en/hub/coronavirus-support](https://moneyadviceservice.org.uk/en/hub/coronavirus-support)



## Citizens Advice

[www.citizensadvice.org.uk](http://www.citizensadvice.org.uk)

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

0800 028 1881 (N.I.) / 0808 800 9060 (Scotland)

Or contact your local Citizens Advice



## StepChange

[www.stepchange.org](http://www.stepchange.org)

0800 138 1111

A leading UK debt charity



## National Debtline

[www.nationaldebtline.org](http://www.nationaldebtline.org)

0808 808 4000

Debt advice charity



## PayPlan

[www.payplan.com](http://www.payplan.com)

0800 280 2816

Free advice and debt management services



## Money Advice Service

[www.moneyadviceservice.org.uk](http://www.moneyadviceservice.org.uk)

0800 138 7777

Free impartial financial advice



## Age UK

[www.ageuk.org.uk](http://www.ageuk.org.uk)

0800 055 6112

Support and advice for older people



## Housing Rights

[www.housingrights.org.uk](http://www.housingrights.org.uk)

028 9024 5640

Housing and debt helpline for Northern Ireland



## Shelter

[www.shelter.org.uk](http://www.shelter.org.uk)

0808 800 4444

Help with housing issues or homelessness



## Turn2us

[www.turn2us.org.uk](http://www.turn2us.org.uk)

0808 802 2000

Practical help for people who are struggling financially