

A GUIDE FOR CUSTOMERS EXPERIENCING PAYMENT DIFFICULTIES

As your mutual Building Society we understand that there may be times when you could be facing difficulties in making your mortgage payments. During these times we are always here to discuss your individual circumstances and where possible offer you help to meet your individual needs if you call us on (0113) 225 7972 or (0113) 225 7973 between 8am to 8pm weekdays Monday to Friday or Saturday between 9am to 12.30pm.

WHAT WE WILL DO TO HELP YOU:

- Contact you as soon as possible to discuss your problem,
- Arrange a new payment plan with you that suits both of us,
- Discuss what debt counselling options are available through the Society or through other agencies.
- Only start proceedings to repossess your home if we cannot solve the problem with you, having explored all possible alternatives.

WE MIGHT BE ABLE TO:

- Change the way you make your payments, or date you make them,
- Change the type of mortgage you have with us,
- Allow you to pay back your mortgage over a longer period of time (which could reduce your monthly payments),
- Give you reasonable time to pay back any arrears,
- Capitalise arrears onto the outstanding mortgage balance.

If we cannot offer you any of these options, we will tell you why. If we can make one of these arrangements with you, we will explain how it would work and give you time to consider it. If we cannot offer any of these options, we might agree to you remaining in the property to sell the property yourself depending on your circumstances.

WHAT YOU CAN DO TO HELP:

- Tell us as soon as possible if you are having problems repaying your mortgage, or think that you might experience problems shortly.
- Contact us quickly, if we try to contact you.
- Make sure you keep other people responsible for the mortgage, and anyone guaranteeing the mortgage, up to date with what is happening.
- Keep to any payment plan we may agree with you or tell us as soon as possible if there is a change in your circumstances which may affect your arrangements. If you do not make agreed repayments, we might have to go to court to obtain an order for possession of your home which may then be repossessed if you do not keep up repayments on your mortgage.
- Check whether you can get any state benefits or tax credits which could help to increase your income.
- If you have mortgage payment protection insurance policy, check if it can help with your payments.
- Tell us if you move to a new address.
- Seek debt advice from an independent third party if you would like help with managing your finances,

FREE DEBT ADVICE ORGANISATIONS:

Citizens Advice Bureau you will need to locate your local number

Consumer Credit Counselling Service 0800 138 1111

National Debtline 0808 8084000

Money Advice Scotland 0141 5720237

You may want to talk to a professional advisor, such as a debt counsellor or a solicitor, before you change your

mortgage arrangements. We would strongly advise that you seek independent, free debt advice.

For further information you can visit the Government site at:

<http://www.direct.gov.uk/en/MoneyTaxAndBenefits/ManagingDebt/DebtsAndArrears/index.htm>

COSTS AND CHARGES

- If you are in arrears, we may charge you for reasonable administrative or legal costs which we incur. You will be informed about all charges which we may make.

IF WE CANNOT AGREE ON A SOLUTION

- We may send a debt counsellor to see you to discuss your financial circumstances, and the cost of the visit may be charged to your mortgage account.
- We may go to court to start proceedings to repossess your home. If proceedings take place, we strongly recommend that you attend the court and that you seek independent debt advice.
- Starting court proceedings does not necessarily mean that we will repossess your home. We will keep trying to solve the problem with you. Possession is a last resort.
- Before we repossess your home, we will give you advice about getting in touch with your local authority to see if they can find you somewhere else to live.

IF WE REPOSSESS YOUR HOME

- We will sell it for the best price we can reasonably get. We will try to sell it as soon as possible.
- We will give you reasonable time to take your possessions from your home.
- We will use the money raised from selling your home to pay your mortgage and any other loans or charges.
- If there is any money left over, we will pay it to you.

IF SELLING YOUR HOME DOES NOT RAISE ENOUGH MONEY TO PAY OFF THE MORTGAGE

- If there is not enough money from the sale to pay the whole mortgage, you will still owe us the amount that is left (a shortfall debt). We will tell you what this is as soon as possible.
- If you bought your home with other borrowers, each of you is responsible for all the money borrowed. This is true even if you normally only pay part of the mortgage.
- We will contact you within six years of selling your property (five years in Scotland) to arrange for you to pay back what you still owe.
- We will take account of your income and outgoings when we arrange a payment plan for this shortfall debt with you. But if we cannot arrange a suitable plan, we may go to court to get our money back. You might have to pay additional court costs.
- If a shortfall debt is not paid, it could affect whether you are able to get credit in future.

COMPLAINTS

If you do not think we have treated you fairly, you can complain to the appropriate branch or departmental manager. If you are still not satisfied you can ask the branch or departmental manager to refer your complaint to the Compliance Department who will progress the complaint through the Society's Internal Complaints Procedure. You may also contact the Compliance Department direct at the following address:

Compliance Department

Leeds Building Society
105 Albion Street
Leeds LS1 5AS
Tel: (0113) 225 7777
Fax: (0113) 216 7289

If your complaint is not dealt with to your satisfaction, you may then take it to the Financial Ombudsman. The Financial Ombudsman Service provides a free and independent service for consumers, and can be contacted at:

The Financial Ombudsman Service

South Quay Plaza
183 Marsh Wall
London E14 9SR
Tel: 0845 080 1800

OTHER ISSUES

Some companies may offer you new loans or even invite you to sell your property to them and then lease it back as a way of resolving your short-term financial difficulty. Please be careful, as such actions may not be in your long-term best interests. We would advise you to seek independent advice before entering into any arrangement of this type.

You may be thinking about handing your keys over to us. If you do this, you will still owe us any outstanding debt, and we would advise you to discuss this option with us before taking such action.