

Protecting YOUR MORTGAGE

planning for a rainy day

A basic guide to
**Protecting
your mortgage**

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Your mortgage is probably the biggest financial commitment you will make.

If you have a mortgage, or are about to take one out, you should think seriously about how you would meet your mortgage repayments if you lost your income, say through unemployment or ill-health.

Help with mortgage repayments exists through the benefits system but it is limited. If you become eligible for benefit, you are unlikely to receive any assistance with your mortgage repayments for the first 9 months of your claim. Depending on the size of your mortgage, any benefit paid will help with your mortgage interest, but not other outgoings on your mortgage or insurance such as premiums payable on a life policy or a savings plan linked to your mortgage. For more information you can ask at your local Social Security office.

You may have savings, or be coming to the end of your mortgage, and so would be able to make alternative arrangements. But if you do not have other means, you should consider whether you need to take out insurance to help with your mortgage repayments.

There are various types of personal insurance available. The lending and insurance industries have been working together to improve their policies to provide improved cover and better value for money. If you decide Mortgage Payment Protection Insurance will give you the security that you are looking for, shop around for a policy that best suits your needs, and offers good value for money. Also check with the lender to see whether they are offering a free policy.

As with purchasing all financial products, you are strongly recommended to seek professional advice, eg from your lender, insurance broker or an independent financial adviser.

Remember that this leaflet is a general guide and is not a full and authoritative statement of the law. We have made every effort to ensure that the information in this leaflet is correct at the date shown on the cover. However, changes in the law may make the leaflet become gradually less accurate.

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