

**This information is for use by authorised mortgage intermediaries only and should not be relied on by customers.**

## FAQs

- **In order to request a payment holiday, can the intermediary make contact or does it have to be the customer?**

The customer needs to contact us directly.

For residential and buy to let borrowers who are up to date with mortgage payments, they can apply electronically by sending an email to [mortgage.support@newcastle.co.uk](mailto:mortgage.support@newcastle.co.uk) confirming:

- Name and mortgage account number
- That they are directly or indirectly affected by COVID-19
- The number of months that they require a payment break (maximum 3 months)

- **How quickly can a decision typically be reached?**

We are doing our best to support customers during these unprecedented times. However, the spread of COVID-19 is also having an impact on our own staff and applications will be dealt with as quickly as possible.

- **Under what circumstances will you grant a 'payment holiday'?**

All of our existing mortgage customers are eligible for a payment holiday. Ideally, customers will need to be up to date on mortgage payments but if they are not up to date there are a number of options available as payment holidays aren't always the most suitable solution for everyone. By speaking to us we can tailor the best option for our customers.

If you are dealing with a buy to let landlord, this will be available if their tenants have lost income because of the impact of COVID-19. We would encourage landlords to pass on this benefit to their tenants.

- **What evidence will you require from the borrower?**

If customers are concerned about making mortgage payments during this time, they should contact us as soon as possible. The borrower doesn't need to provide any documentation; they will just need to self-certify that their income has been either directly or indirectly impacted by COVID-19.

Buy to let landlords will need to self-certify that their tenant's income has been impacted by COVID-19. Landlords are expected to pass on this relief to their tenants to ensure that they are supported during this time.

We would still like to speak to borrowers currently in arrears to agree the most suitable arrangement. If a payment holiday is the most appropriate to their needs then we do not require any further documentation.

At the end of the payment holiday, we will contact all borrowers to assess their circumstances and agree a manageable way for repayments of the interest charges incurred and make up the deferred payments. We have a range of options available to help do this.

- **What period would you consider?**

We are currently agreeing up to a period of 3 months.

- **Will you suspend both interest and capital repayments?**

Yes we suspend the full payment including interest due and therefore we will not require any payment for that period agreed. Interest would continue to accrue and we will work with customers at the end of the payment break to arrange how best to make up the payment shortfall.

- **Will you capitalise the payments onto the loan or set up a separate account?**

We will capitalise only with customer's authority to do so. The payment break may not necessarily be appropriate for all customers.

- **If you also have a buy to let offering would you consider the same if the landlord is having to suspend rent payments?**

Yes where the landlord has advised that tenants have been impacted by COVID-19 we will agree up to 3 months. We would encourage buy to let borrowers to contact us to discuss if they are experiencing payment difficulties due to cash flow issues and recommend they pass on the payment holiday benefit to their tenants.

- **How will this affect my credit score?**

We will make every effort to ensure that if customers take a payment holiday it does not negatively impact on their credit score.

- **Will a payment holiday prevent me from changing products whilst on the holiday?**

It would not prevent you from changing a product, however we will work with customers individually to agree how we move forwards in these scenarios.

- **Will a payment holiday prevent me from changing products after the holiday?**

It would not prevent you from changing a product, however we will work with customers individually to agree how we move forwards in these scenarios.

- **Will a payment holiday increase my monthly payments after the holiday?**

We will contact customers at the end of the payment break to discuss ways that they can repay any amount outstanding. This may include options such as recapitalising the interest over the remaining loan term, overpaying the mortgage or extending the term.

- **Will my term be extended after the payment holiday?**

At the end of the payment holiday period, we will get in touch with customers to assess their circumstances, including income and expenditure, and come to an arrangement with the customer to enable recovery through the full repayment of the arrears.

- **Is there a fee charged for a payment holiday?**

No fee will be charged.

- **If a customer is nearing the end of their offer time and they need to extend it, what happens if they have had a material change? Would you look to extend but wish to see proof of affordability prior to completion?**

We will require evidence that the loan remained affordable under existing employment terms for us to consider an offer extension.

- **How are you currently conducting valuations?**

At this present time we are unable to obtain a physical valuation for any current or new mortgage application. We are working with our valuation risk partners to agree a temporary solution and will communicate in due course.