

Application to switch your mortgage to interest only

Support is available for people who are worried about making their mortgage payments due to recent increases in mortgage rates and cost of living.

The Mortgage Charter was introduced by the government in June 2023 and mortgage lenders have agreed to these new commitments to provide temporary support for borrowers during this difficult time. You can apply for the option below, if you're concerned about making your mortgage payments and you believe this short term change will help you to get your finances back on track.

Your mortgage payments must be up to date to apply. You'll pay more over the duration of your mortgage.

Please contact our team as soon as possible who are here to support you. You can also find more information on our [Money Worries page at aldermore.co.uk/moneyworries](https://www.aldermore.co.uk/moneyworries).

You can only use this form once. All mortgage account holders must have agreement to apply.

Applicant one

Applicant two

Phone number

Postcode

Mortgage account number

Apply to switch to interest only for 6 months

You can apply to switch your mortgage account from capital repayment to interest only for 6 months. This will reduce your monthly payments. As long as you return to making full payments on a capital repayment basis at the end of this time, your credit score won't be impacted.

Here's an illustrative example of how this could work, based on a mortgage balance of £100,000, fixed rate interest of 6%, 10 years remaining on your mortgage account:

Monthly mortgage payments – this amount is paying part capital and part interest off your mortgage balance	£1,110 per month
Monthly payments when switching to interest only – reduced payments for 6 months	£500 per month
At the end of the 6 month interest only period – monthly mortgage payments will increase to more than you were paying before, to cover the amount you haven't paid during this time	£1,153 per month
The capital repayments you haven't made	£3,720 in total
Interest charged to your mortgage – assuming the interest rate remains at 6% at the end of switching to interest only, compared to continuing to make capital and interest repayments	£1,200 extra

Please confirm if you'd like to apply to switch your mortgage account to interest only for 6 months.

Please confirm that you understand that your payments will increase at the end of this temporary period.

What happens next?

- Please save this document and email it to us at mortgage.charter@aldermore.co.uk or you can post back to us at **Aldermore, PO Box 363, Wilmslow, SK9 0BT**
- Once we've received your application we'll assess your mortgage account to make sure you are eligible to take this option you've chosen. You don't need to contact us.
- We'll send a letter to confirm what happens next, including a personalised illustration of the costs. It's important that you read the illustration to understand the implications for your mortgage account.
- **I'd like to receive my personalised illustration by email** **post** **Please select an option**
- If we need to contact you we'll use the the contact details we have on your account.
- By sending us this form you are confirming you have consent from everyone named on the mortgage.
- There won't be any impact on your credit rating by making this variation to your mortgage but it's important to know that lenders may use information obtained from other sources, such as bank account information, in future lending decisions.
- You should be aware that taking this option will increase your payments over the time left on your mortgage.

Aldermore

Your mortgage is secured on your property. Your property may be repossessed if you do not keep up repayments.

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