

# Press Release

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[www.whms.co.uk](http://www.whms.co.uk)

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## Mortgage Arrears - Reasons Analysed

White Horse Mortgage Services (WHMS), publish their annual analysis of the reasons why mortgage borrowers go into arrears with their mortgage payments.

The analysis shows that 50.5% of the reasons why borrowers are in arrears is due to economic factors beyond their control, comprising unemployment and reduced income. A further 29.8% are due to over indebtedness and financial mismanagement and 19.7% suffer personal circumstances, such as ill health or relationship breakdown.

White Horse Mortgage Services employ a national network of counsellors and provide Mortgage Arrears Counselling services to many of the country's largest mortgage lenders.

The counselling process involves counsellors meeting with borrowers who are in arrears in order to understand exactly what their payment problems are and help those borrowers resolve these problems through well proven debt management techniques.

Richard Lay, Chief Executive said: "Counselling is a vital tool in ensuring that each individual mortgage borrower receives help and assistance in resolving any payment problems they may be experiencing. This forms a very important aspect of 'Treating Customers Fairly' and ensures that as many people as possible avoid losing their homes. Our figures show that over 86% of borrowers counselled were able to make and maintain a full payment commitment."

Also analysed are the reasons why Buy to Let investors are also going into arrears with the mortgage finance borrowed to fund their investments. This shows that rent not being collected, the tenant in arrears or the property being empty accounts for 50% of such cases.

## **Background information:**

White Horse Mortgage Services was founded in 1991 following the last property recession. It was the first company to provide arrears counselling services to lenders and have counselled over 250,000 individual mortgage borrowers.

Professional Mortgage Arrears Counselling assists lenders to comply with the Financial Services Authority (FSA) initiative of 'Treating Customers Fairly'. White Horse Mortgage Services write reports on the reasons for arrears and the outcome of the counselling forms part of the audit process needed to demonstrate to the FSA that the borrowers in arrears have been treated fairly by the lender.

**END**

Note: A copy of the leaflet is enclosed, and it also appears on our website: [www.whms.co.uk](http://www.whms.co.uk)

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