Housing Rights

https://www.housingrights.org.uk/housing-advice/mortgage-problems/losing-home-you-own

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Losing the home you own

This information is for homeowners in Northern Ireland.

Court proceedings might end with the court issuing a possession order. This means that your mortgage lender can take possession of, or ‘repossess’, your home. But they can only take actual possession after following a legal process.

Even at this stage, it might still be possible to work with your lender.

You can still try to reach an agreement to repay the debt. This would mean that you might be able to stay in your home.

It is best to seek advice as early as possible if you think you might lose your home. The longer you leave it, the harder it will become to work things out.

Our advisers can help you through this process.

If you lose your home to repossession, it can make it difficult to find a new home.

The enforcement process

There are four stages to the enforcement process. You can still get help at any stage of the process. It's never too late to get help.

Stage one: you get the ‘Notice of Intention to Enforce’

You have ten days to object after you get this notice. You can only object on a point of law. For example, the paperwork had the wrong address and is not a valid

notice.

Stage two: the lender applies for a ‘Notice of Intention to make an Order for Possession of Land’

You have eight days to object after the order is granted. You can only object on a point of law. To object, you must write to the Enforcement of Judgments Office (EJO). An EJO Master will consider your objection.

Stage three: the lender moves to enforcement

In the enforcement stage, the EJO will:

- serve an ‘Order for Delivery of Possession of Land’. You can still object at this point
- check with you that you know you’re in the enforcement stage
- give you an ‘on or before date’, which is the date they’ll come to remove you and your belongings

Stage four: day of eviction

The EJO is allowed to physically remove you and your belongings from the property. They will do this if you are still in your home on the eviction date.

You’ll need to pay for the costs of removal, storage and EJO fees. Your lender will pay the amount and add it to your debt.

The EJO will store your belongings for 28 days. If you do not pay to get them back within 28 days, they will be auctioned off to cover the EJO’s fees.

The Housing Executive must help you if you passed the homelessness assessment.

Get advice on what help you might be able to get.

Selling your home

After your home is repossessed, the lender usually sells it to pay off your debts. They'll want to try to get the best price for your home. But they may sell your home at auction. The home will usually sell for less at auction than it would if you sold it yourself.

Getting the best price will reduce the amount you owe the lender.

Up until you are evicted, you can also try to sell the home yourself. Selling it yourself is the best option. You are likely to get a better price, and you won't have to pay the lender's selling fees.

You will need the lender's permission to do this.

The lender will use the money they get from the sale to clear your debt. This includes:

- the lender's legal costs
- the amount you owe on your mortgage
- auctioneer or estate agent fees for selling your home
- bills for any repairs or maintenance they did on the home

Any money left over once your lender clears your mortgage debt can go towards:

- any rates debt you have
- other loans tied to the property
- any loans you got from benefits to help with your mortgage

You can keep any money left after these debts are paid.

Sale price does not cover your debt

The selling price might not cover all your debts. The lender can take you to court for any extra money you owe after the sale.

This depends on whether the court issued a 'money judgment'. A money judgment is when the Master (the judge) orders you to pay a certain amount of money. This happens along with the possession order.

If the court made a money judgment, there is no time limit for when the lender or insurer can start legal action.

If the court did not make a money judgment, your lender or insurer must start legal action within 12 years. Usually, lenders or insurers will start legal action within six years. The selling price might not cover all your debts. The lender can

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Paying off your debt

Your lender may ask you to continue paying regular amounts to reduce your debt.

Lenders can write off the mortgage debt. They will usually only do this if it seems unlikely that you'll be able to pay the money back in the future.

Sometimes a home can be repossessed and sold, but the money from the sale is not enough to pay back everything you owe.

If this happens, you must still pay everything you owe to your lender. If you have a mortgage indemnity insurer, they may pay some or all of what you owe to the lender.

This does not cancel the debt. You just owe the money to the insurer instead.

Get advice from Housing Rights if your home is worth less than what you owe on it.

Giving back the keys

You can give your lender the keys to your home if you do not want to fight the repossession in court. This might not be your best option. You should not do this before getting advice.

You can't go back to live in your home once you give the keys to the lender.

Until your lender sells the property, you will still be responsible for paying:

- your mortgage and any secured loans
- service charges and ground rent
- insurance
- rates

Changes to your benefits when you hand back the keys

The amount of equity in your property can reduce your benefits once you move out. Equity is the difference between the value of the property and what you owe on it.

Benefits can ignore this equity for a fixed period in certain cases.

Finding a new place to stay

If you need to find a new home, you can:

- **contact the Housing Executive** – they can tell you your options. This can include emergency housing or renting from a social or private landlord. Get advice on what help the Housing Executive should give you.
- **find a private rental** – it might be an option to look at private rentals. Be aware that sometimes landlords might check your credit rating. Your house being repossessed will affect your credit rating
- **buy another home** – if you can get another mortgage, you might have to pay a higher deposit or interest rate. You might also be able to buy a home through co-ownership.

Understand your credit rating

It can be hard to rent or buy a new home if your home was repossessed or you have debt problems.

Lenders and landlords often check your credit history. They can also check the ‘possessions register’. This has information about repossessions from the past six years.

You can check your credit score for free online. Make sure your information is correct.

More advice

- Managing your mortgage
- Sorting out mortgage problems
- Taken to court by your mortgage lender