

Everyone should have a home

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Action on Mortgage Repossessions

Shelter

Overview

- Current context.
- Framework for dealing with mortgage problems.
- The range of options.
- The Repossessions Working Group and the Bill
- Forgotten tenants?

Mortgage possessions and arrears

- Scottish data are very poor!
- Homelessness data
 - 3,748 owner occupiers applied
 - 3,154 applicants through mortgage or rent arrears
 - 1,174 home-owners with mortgage default or debt problems
- Actions in court
 - 6885 mortgage decrees in 2008-09
- Estimated number of possessions in 2008-09: 5,000 – 7,000.

A framework for considering action

1. Preventing problems from emerging or accelerating.
2. Opportunities to sustain home ownership where problems escalate.
3. Retention of the home on alternative arrangements where existing mortgage is unsustainable.
4. Planned exits to other forms of housing.

The institutional framework

- SMI
- HMS
- MTR/ MTSE
- Sale and leaseback
- Section 11
- Mortgage Rights (Scotland) Act 2001
- New Bill

Repossessions Working Group

- Origins and remit
- Conclusions and recommendations
 - All cases to call in court and be covered by 2001 Act.
 - In all cases lender to demonstrate alternatives have been fully looked at.
 - Recall of cases
 - Representation in court
 - Court expenses

Conclusions and recommendations (cntd)

- Improvements in advice
- Improvements in MTR / MTSE
- Dialogue with lenders
- Improvements in legal aid
- Data monitoring and review
- UK scheme improvements
- Longer term review of standard securities

Home Owner and Debtor Protection Bill

- Mortgage cases to be through summary application
- No sale by lender without court action
- Pre-action protocol with legal teeth
- Recall of decrees
- Lay representation
- Measures on bankruptcy which affect homeowners.

Forgotten tenants?

- Tenants of defaulting borrowers
 - Measures in England to give 2 months notice
 - Law and practice in Scotland
 - Options for Scotland
- Tenants of social landlords
 - 2007-08, twice as likely to be evicted
 - Possible measures in Housing Bill

Summary

Mortgage problems not largest part of homelessness challenge but rising and preventable.

Need to look at cause not just symptoms

Complex range of measures and interaction not always clear.

New legal protection is useful! But changes to the law are only part of the picture.

Tenants are equally vulnerable to losing their homes.

Discussion and Questions!

1. How can struggling home-owners be engaged effectively and quickly?
2. What do local authorities, RSLs and voluntary agencies need to do meet the challenge laid out?
3. How does a complex area of law and finance get communicated effectively to *individuals* and to the *public generally*?
4. What will the impact of all this activity be?