

## **Homeowners Struggling With Mortgage Costs 'Should Take Action'**

*Around half a million Britons have missed a mortgage payment in the last six months, new figures show.*

January 22, 2008 (FPRC) -- In research carried out by MoneyExpert, it was revealed that some 463,000 homeowners did not meet such a demand for payment in the six months following July 2007. Overall, it was suggested that such consumers account for about four per cent of the total 11.8 million outstanding mortgages in Britain.

And in being unable to pay such a demand on their spending, it could be possible that consumers are developing problems in meeting other sources of financial constraint. Such areas could well include council tax, secured loans and grocery and utility bills.

Commenting on the figures, Sean Gardner, chief executive of MoneyExpert, said: "Missing a mortgage payment doesn't incur an automatic charge like failing to pay your credit card bill. But it is a sign of real distress as keeping a roof over your head should be the priority for most of us. It's clear that many homeowners are feeling the strain of successive interest rate hikes but if the result is that you can't pay your mortgage then you should take action immediately. If you are struggling to afford the repayments then now is not the time to stick your head in the sand."

He advised those who are concerned about their ability to meet demands for payment should get in touch with their loan lender as soon as possible. By doing so, Mr Gardner stated that borrowers may be able to reduce pressure on their finances "enormously".

Research from the price comparison website also indicated that homeowners between the ages of 25 and 34 are the most likely to have not made a mortgage payment. It was suggested that this is largely due to the problems that first-time buyers experience when trying to take their initial steps on the property ladder.

In addition, MoneyExpert pointed out that consumers struggling to get their finances back on track after the Christmas period may be a possible reason for the level of missed payments. However, it was suggested that the decision in December by the Bank of England's monetary policy committee to cut the base rate of interest to 5.5 per cent may help to reduce pressure on household finances.

Should lenders opt to pass on such cuts to their customers, it is possible that they will see a fall in the amount of their monthly mortgage payments. The rate of interest attached to personal loans, credit cards and other forms of borrowing may also fall.

Those concerned about their propensity to meet mortgage payments and other constraints on their finances might wish to consider applying for a low-cost loan. In using such a loan as a means of debt consolidation, borrowers may discover they can merge numerous spending demands into a single low monthly repayment. This could be particularly useful for people worried about not being able to pay their mortgage.

Research conducted by moneysupermarket last year indicated that in having a cheque or card

rejected when making a mortgage repayment, or missing a mortgage payment altogether, consumers may find that they receive “punitive charges” ranging up to 100 pounds. It is also possible that not meeting such a demand on spending could damage borrowers’ credit profile, so impinging their access to cheap loans and other competitively-priced financial products in the future.

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