

Case study – Unlocking dreams, even with a DMP!

A popular question often posed to brokers by clients is: “Can I get a mortgage with a debt management plan?” The answer is yes. But not through the traditional lender route. If you discover that your client is on a DMP, you must establish how long the plan has been in place and whether your client has successfully maintained their regular payments.

We want to widen the range of customers who can access a mortgage, and our manual underwriting approach allows us to do just that. Taking the time to understand the nature of your client’s personal and financial situation, allows us to be as flexible as possible. We acknowledge that life is not always smooth sailing, Nara’s situation is a prime example of this:

The Scenario

Nara’s divorce left her in a difficult financial position with a substantial accumulation of debt as she had to pay off 2 properties at the same time. After 4 defaults on her credit profile, Nara entered a debt management plan to help her pay off this debt.

The Outcome

Despite these challenges, Nara purchased a new property after the courts ruled that the previous house had to be sold. As we don’t credit score our borrowers and allow DMPs to run alongside the mortgage, Nara was able to obtain her dream home and move on with her life!

As credit borrowing rises and the risk of defaults grows, brokers may observe a rise in borrowers entering the ‘specialist’ mortgage sector. Despite its label as ‘specialist,’ this segment caters to individuals facing real-life challenges, highlighting the crucial need to ensure they can access the financial support they require to purchase their dream homes. If you would like more information on DMPs, read the latest blog posted here:

<https://bit.ly/3Us0pOg>