

**If you have a mortgage shortfall lender should not pursue under CML policy**

*Creditor address*

**WITHOUT PREJUDICE**

Dear Sir/Madam

**Account No:**

You have contacted us regarding the amount you claim is owed as a shortfall on the mortgage following the sale of our property.

We understand you are a member of the Council of Mortgage Lenders (CML). As you will be aware, the CML has the following policy on obtaining repayment of mortgage shortfall debts. This applies to all CML members.

Lenders are committed to fair and sympathetic treatment of people who have suffered repossession, and accept that individuals should not face long delays before lenders contact them to discuss repayment of the shortfall.

Lenders who are members of the CML have agreed voluntarily that they will begin all recovery action for the shortfall within the first six years following the sale of a property in repossession.

Anyone whose property was taken into possession and sold more than six years ago, and who has not been contacted by their lender about recovering any outstanding debt will not now be asked to pay the shortfall..

We would point out that the property in question was sold on. Also the first contact we had from yourselves was by in writing on .

We therefore suggest that under the CML policy our property was sold more than six years ago and we have not been contacted by yourselves within that time. Therefore we should not be asked to pay any shortfall debt outstanding.

We would point out that from **31 October 2004** the Financial Services Authority (FSA) have issued "**The Mortgage: Conduct of Business Rules**" which say that if a lender decides to recover a mortgage shortfall debt they must make sure the borrower is informed of this within six years of the date of sale.

We look forward to your confirmation, in writing, that any outstanding shortfall debt will not be pursued against us any further.

Yours faithfully

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*Standard letters adapted from national debt line.*