

As we all experience rapid change due to COVID-19, we know that many Kiwis will be feeling uncertain and may have questions about their mortgages and finance needs at this time. We answer some frequently asked questions below to give some clarity around what the changes due to lockdown level four mean and what assistance your Mike Pero Adviser can provide.

Can I organise a mortgage without meeting in person?

Absolutely! A Mike Pero Adviser can still work with you using email, phone call and video calls. Whatever your financial situation is, Mike Pero Advisers have a range of options to communicate with you whatever circumstances.

I've been affected by COVID-19 and I'm struggling to pay my mortgage. What do I do?

Speak to your Mike Pero Adviser to understand what options are available for you. The sooner you let us know about your situation, the sooner we can help. Some of the options that might work for you include:

Mortgage Repayment Holiday Scheme

If you've been financially affected by COVID-19, New Zealand's banks are offering to defer repayments for residential mortgages for up to six months.

Mortgage repayment deferrals mean that affected customers who apply to their bank will not make principal and interest payments on their loans for up to six months. This package is in addition to what lenders are already doing individually to help impacted customers.

It's important to know that:

- lenders will assess the eligibility of each customer asking for a deferral.
- interest will still accrue, and the deferred interest will be added to the principal amount with this interest to be spread over the remaining life of the loan (which may be possible to extend).
- lenders will have different approaches to managing mortgage deferrals and these details will be available on bank websites or via your Mike Pero Adviser.

Interest-Only Payments

Another possible option is to convert your loan to interest-only payments for up to six months. This reduces your regular payment amounts but your loan term will be extended by six months because you are not repaying principal.

If, as a result of COVID-19, you are unable to make any payments due to complete loss of income, banks and other providers will work with you to find your best option.

Do I need to talk to my mortgage broker or the bank about my home loan?

The best place to start is with your mortgage broker who can help by talking through your options. In some instances, you may need to speak to your lender as well, but we can help guide you through this scenario.

What if I have credit card and/or other short-term debt?

If you have credit cards, personal loans or debts with high interest rates, debt consolidation is an option. Speak with your Mike Pero Adviser or financial provider for more information.

I'm an employer/self-employed. How do I apply for the Government Wage Subsidy for myself or my employees?

If your business has been impacted by COVID-19 and you've experienced a 30% decline in actual or predicted revenue over the period of a month (compared to the same month last year), you can request the Government wage subsidy. Visit the link below for more information and to apply:

www.workandincome.govt.nz/products/a-z-benefits/covid-19-support.html

My KiwiSaver amount has dropped and has affected my deposit. What should I do?

Get in touch with your Mike Pero Adviser about the deposit and your KiwiSaver provider about what to do with your fund.

How will my home loan pre-approval be impacted?

This will vary across different lenders. You will need to speak with your Mike Pero Adviser, financial adviser or lender. During lockdown, any new-to-bank customers are unlikely to be pre-approved.

I have made an offer on a property and need a valuation; how can I get one during lockdown?

In some cases, the lender may be able to use a remote desktop valuation and in other cases the valuer may rely on pictures. This will be on a case-by-case basis and at the discretion of each lender. Physical valuations are not an essential service and will not be allowed.

I am awaiting settlement on a property purchase; will this still happen?

This depends on several scenarios that will be specific to your situation. It's highly recommended that you speak with your lawyer, financial adviser, lender or Mike Pero Adviser.

For example, if you're settling on a new property that's currently occupied, the NZ Law Society has advised no new property settlements will take place during lockdown. The settlement date will be deferred to 10 business days after the reduction of the COVID-19 level to level two or below. For more information, visit the link below:

www.lawsociety.org.nz/practice-resources/practising-well/covid-19-information

If I am unable to work due to COVID-19 will my insurance pay me?

It will depend on the specific insurance cover you have in place. Contact your insurer or insurance adviser who will assist you.

Other assistance available

For all official information relating to COVID-19: **www.covid19.govt.nz**

For people under financial stress: **www.sorted.org.nz**

Mental health and wellbeing support during COVID-19: **www.mentalhealth.org.nz/get-help/covid-19**