

Mortgage brokers: [www.trinityfinancialgroup.co.uk](http://www.trinityfinancialgroup.co.uk) - 020 7520 9427

# Halifax demands proof of repayment plan for interest-only

30 May 2011 | By [Natalie Thomas](#)

Halifax Intermediaries will now require evidence of the repayment plan for borrowers taking out an interest-only mortgage before it proceeds to offer stage.

From Tuesday Halifax Intermediaries will only proceed to offer stage if the repayment plan is on its list of acceptable vehicles.

Existing customers will also be required to give evidence of a suitable plan to convert all or part of their mortgage to interest-only.

In April the lender imposed the same criteria on those applying for interest-only mortgages in branch.

A spokeswoman for Halifax Intermediaries says: "This move aligns our interest-only policy with the approach for mainstream lending across all brands and channels within the group.

"It is important for us to see that customers looking to borrow on an interest-only basis have an appropriate repayment plan in place."

Aaron Strutt, product and communications manager at Trinity Financial, says Lloyds Banking Group has been building up to this over the past few months since it changed its policy in branch.

But he warns: "Borrowers who are able to provide evidence will need to ensure they keep paying into the repayment plan because they may be switched to full capital and repayment if they don't and the plan becomes invalid."