

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES
BY DEPUTY R.S. KOVACS OF ST. SAVIOUR
QUESTION SUBMITTED ON MONDAY 15th MAY 2023
ANSWER TO BE TABLED ON MONDAY 22nd MAY 2023**

Question

“Further to assurances provided in late 2022 that he would meet with the officers to work on a plan to help homeowners pressured by the increase in mortgage rates, will the Minister explain –

- (a) what actions have been taken since then for affected homeowners and what support is currently available for those impacted by this situation; and
- (b) given the further recent rise in the Bank of England rate, what actions does the Minister intend to take to support homeowners at risk of losing their homes, if they are unable to keep up with the increased mortgage payments?”

Answer

Earlier this month, the Bank of England increased Base Rate to 4.5%. Base Rate rises typically feed through to the mortgage rates charged to mortgage holders paying non-fixed rates of interest (eg those paying standard variable rate or on tracker rates). As I said in evidence to the Corporate Services Scrutiny Panel meeting ([link](#)) the majority of Jersey mortgage-holders hold long-term (5 year) fixed rate mortgages and are unaffected by changes in the Base Rate. Officials continue to discuss with mortgage lenders and have been reassured to hear that mortgage lenders will work with any homeowners affected by Base Rate changes and that there are no known homeowners at risk of losing their home. Officials continue to actively monitor this, and our current understanding is that there are very few homeowners’ mortgages in arrears.

As I have subsequently confirmed during my Government Plan 2023-2026 review hearing with the Corporate Services Scrutiny Panel (on the 11th of November 2022) and my letter to the panel (dated the 30th of November 2022), it is not right to provide relief which would by its nature only be targeted towards homeowners.

The Government has supported Islanders with the higher costs of living with a package of measures announced in the mini-Budget. This included measures that benefited Islanders in 2022 (a doubling of the community costs bonus, increases in cold weather payments and monthly cash payments to low income households (COLTS), temporary reduction in social security contributions) and also in 2023 (additional increase in income support components from January 2023, significant increase in tax thresholds). Government will continue to monitor and will take further action as necessary.