

# What Happens to a Mortgage When a Spouse Dies in the UK?



Dealing with the death of a spouse or partner is always challenging, and sadly, along with the emotional strain come pragmatic issues, including handling the loved one's money.

Increasing numbers of elderly borrowers will need to know the consequences of owning a mortgaged house when their spouse or partner dies, as more mortgage lenders are ready to lend to individuals in their 50s, 60s, and decades beyond.

The most recent in our later life mortgage and borrowing series, this paper addresses the problems surrounding a mortgage after the death of a spouse or partner.

Although many worry about informing their mortgage lender about losing a partner or spouse, they have little cause for alarm. Mortgage companies will be rather empathetic as they have much knowledge in guiding individuals in these circumstances. The lender will not know about the death and will, therefore, be unable to help if the mortgage provider is not informed of their loss.

The surviving partner's first action should be to inform their mortgage lender. They will need a certified copy of the death certificate, and, should they not be included on the mortgage

paperwork, maybe an ID for themselves is also required. A scan or a picture must be brought into a branch and mailed, or some lenders could accept a digital copy.

## Traces of Trust and Life Insurance:



Many individuals decide to acquire [life insurance plans](#) regardless of whether or not the mortgage is held in single or joint names so that their spouse or partner may pay off the remaining sum and remain in their house should they die. Likewise, the dead partner could have other money and investments their spouse might use to repay the mortgage.

Putting a [life insurance policy](#) into a trust has the benefit that any payment does not constitute part of the deceased's estate for inheritance tax considerations. The spouse will, therefore, be able to pay off the mortgage debt and other outstanding loans or credit card obligations almost instantly.

Also Read: [Pay Life Insurance With the Help of a Limited Company and Save Tax](#)

## Mortgage Policy Under Single Ownership:



Should the dead partner have a mortgage taken out in their sole name, it will be due to settle. Many lenders, however, will provide the spouse or partner as much help as possible during this difficult period and may be able to stop account payments for a few months to let the surviving partner arrange their finances. Understanding that interest will continue to build up on the amount is crucial when payments are halted.

### **Notes On Tenants In Common and Joint Tenants:**



Anyone who either totally or partially owns real estate with another person must understand their legal ownership position.

Should the partners be joint tenants, the surviving spouse will automatically receive their partner's portion of the estate at their time of death. However, if a tenants-in-common arrangement is in effect, the spouse's share of the property is passed on in line with the deceased's will in probate.

Whether a property is held as joint tenants or tenants-in-common, the fact that it is jointly mortgaged means that those listed on the [mortgage](#) are jointly liable for the mortgage obligation even if one person ceases paying.

About joint tenancy and tenancy-in-common, the [www.gov.uk](http://www.gov.uk) page offers some quite helpful material.

Also Read: [What Happens to a Mortgage After Death in the UK?](#)

## People Who Have Joint Mortgages:



The mortgage will stay in the surviving partner's name on the current terms, interest rate, and the same needed monthly payment amount after one spouse dies.

Should the surviving party find it challenging to keep their monthly payments, they should [speak with their mortgage provider](#) to explore whether they could modify their mortgage to make it more reasonable – this could include extending the term or moving to interest only payment. This may or may not be regarded as a fresh mortgage application, depending on what is agreed upon and the conditions of the lender. It will be easier for mortgage holders who maintain their payments and have not broken any other loan conditions.

Apart from informing the mortgage lender of the loss of a mortgage holder, other agencies may provide help and counselling during this difficult time. Starting at the bottom of our bereavement page will lead to a complete list.

**Conclusion:**

Even if losing a spouse or partner causes great pain, it is very crucial to contact a mortgage lender i.e. [Mountview Financial Solutions](#) as soon as the death certificate of the dead becomes available. Second, the surviving spouse must keep monthly mortgage payments intact while they review their money and create plans. For more details, Call us at **02080950120** or drop an inquiry at [info@mountviewfs.co.uk](mailto:info@mountviewfs.co.uk).

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