



A guide to our Mortgage Arrears Resolution Process

Who we are

Fitzwilliam Loan Management ('FLM') provide customer support and services for the management of loans. We have a dedicated team to work closely with you to ensure that the Mortgage Arrears Resolution Process is followed and the best possible outcome is reached. Please refer to the 'Useful Contacts' section of this booklet for further information.

We are here to help

At FLM we understand that the current economic environment may have the potential to create many challenges for our customers including financial difficulty in managing their mortgage.

If you are having difficulty or are concerned that you may have difficulty in the future then we may be able to help you. This guide is designed to help you understand the Mortgage Arrears Resolution Process (MARP) and outlines the support available to you. We would remind you that if you are having difficulty making your mortgage repayments and have purchased mortgage payment protection insurance you may be eligible to make a claim under this policy and should contact your insurance provider.

Under the Central Bank of Irelands Code of Conduct of Mortgage Arrears (the 'Code') we have put in place a 4 step MARP process to assist customers in mortgage arrears or those at risk of mortgage arrears in the future. The steps are as follows:

1. Communicating with you
2. Obtaining a Standard Financial Statement to understand your financial situation
3. Assessing your situation
4. Finding a resolution appropriate to you

We will apply MARP to your mortgage which is secured by your primary residence in the Republic of Ireland which is defined under the Code as either:

The residential property you occupy as your primary residence;

Or

A residential property which is the only residential property owned by you in the Republic of Ireland.

We want to assure you that we are fully committed to supporting you. We will always take specific circumstances into consideration, giving you sufficient time to complete any actions agreed between us. We are committed to helping and supporting you where we can through this process.

Please note that FLM have no authority to bind, commit or conclude contractual arrangements on behalf of the Loan Owner but act to provide customer support and liaise with the Loan Owner to obtain a resolution appropriate to you.

The Four Steps

Step 1: Communicating with you

You should contact FLM as soon as you realise you are in or may be in difficulty with your mortgage repayments. We recognise it can be difficult to make first contact but as soon as you make contact we can start working with you to reach a solution. Please refer to the 'Useful Contacts' Section for contact details.

In line with the requirements of the Code of Conduct on Mortgage Arrears we will ensure that:

- a) the level of communications from us , or any third party acting on our behalf, is proportionate and not excessive, taking into account the circumstances of the borrowers, including that unnecessarily frequent communications are not made;
- b) communications with borrowers are not aggressive, intimidating or harassing;
- c) borrowers are given sufficient time to complete an action they have committed to before follow up communication is attempted. In deciding what constitutes sufficient time, consideration must be given to the action that a borrower has committed to carry out, including whether he/she may require assistance from a third party in carrying out the action; and
- d) steps are taken to agree future communication with borrowers.

Step 2: Completing a Standard Financial Statement ('SFS')

Your next step is to complete the SFS. This is available via post or email. Please refer to the 'Useful Contacts' Section for more details.

The SFS requires you to complete full details of your financial circumstances which will enable us to review your situation. It is important that you fill it out accurately, honestly, fully and provide any supporting documentation that may be required such as bank statements and evidence of income.

Please return the SFS via post or email. See 'Useful Contacts' section for information.

Incomplete statements may be returned which could further delay the process.

If you need help completing the SFS please do not hesitate to call us and we would be happy to talk through your queries or to arrange a meeting to guide you through the process.

For independent advice you may wish to contact the Money and Budgeting Advice Service (MABS). The Central Bank of Ireland has also published a useful guide to completing the SFS. Please refer to the 'Useful Contacts' section for further details.

Step 3: Assessing your Situation

On receipt of your information our Arrears Support Unit will review your information to assess your situation on its individual merits. A number of factors will be considered which will include:

- Your personal circumstances
- Your current financial position
- Your overall personal debt
- Your current ability to meet repayments
- Your previous repayment history
- Any other relevant information
- Any proposal you have submitted

At all times, the availability of an amended repayment arrangement is subject to individual assessment of your situation.

Step 4: Finding a Resolution

We have a number of arrangements that may be available to you depending on the outcome of our assessment in Step 3. There are a range of different repayment arrangements available which fall into 2 main categories:

- Short term repayment arrangements: Interest and part capital, interest only or temporary, partial or full moratorium.
- Long term arrangements: Term extension, long term interest and part capital, long term interest only, interest rate reduction, capitalisation of arrears or a split mortgage.

You are required to maintain your full contractual repayment until we have processed your request and agreed a short or long term arrangement.

Please note that a Long term arrangement may be affordable to you in the short term but could be more expensive over the life of a loan.

If a short or long term repayment arrangement is agreed with the Loan Owner we will notify you in writing. It is important to keep the terms of the arrangement. If there is a change in your circumstance which may affect your repayment ability, please contact us immediately.

In some circumstances, the Loan Owner may not be able to offer a short or long term solution. In such circumstances there are a number of alternative arrangements that are listed below which may require you to sell your property.

- Alternative arrangements: Negative equity tradedown, mortgage to rent, voluntary surrender, or voluntary/assisted sale.

If the Loan Owner decides an alternative arrangement is appropriate we will notify you in writing and include a reason for our decision.

Keeping in contact: it is important to keep in contact with us at all times throughout MARP. If you do not remain engaged you may be classified as a 'not co-operating borrower' and lose the protection of MARP. Please see the 'Not Co-operating' section for further details

Arrangements Explained

Short term arrangements:

These are granted in situations where a Borrower requires a short period of forbearance to stabilise their financial position and where they expect to be in a position to return to annuity repayments thereafter within the original term.

<ol style="list-style-type: none"> 1. Interest Only 2. Interest and part capital 3. Temporary, partial or full moratorium 	
<p>Advantage: temporary solution to allow time to stabilise your financial position.</p>	<p>Disadvantage: your capital repayments after the period of forbearance will be greater in order to repay the facility in full within the current term of your mortgage.</p>

Long term arrangements:

These are granted in situations where a Borrower does not anticipate that they will be in a position to return to annuity repayments within the original term.

<ol style="list-style-type: none"> 1. Term Extension 	
<p>Advantage: the term is extended to reduce the monthly repayment in line with your current affordability.</p>	<p>Disadvantage: as the mortgage will now be repaid over a longer period, the amount of interest paid over that period will be greater than the current term. You will also be liable for making payments for a longer term.</p>
<ol style="list-style-type: none"> 2. Long term interest only 3. Long term interest and part capital 	
<p>Advantage: this is a longer term of forbearance to allow your financial position to improve.</p>	<p>Disadvantage: you will be required to return to full annuity repayments after the period of forbearance. These repayments will be greater in order to repay the facility in full within the current term of your mortgage. If you cannot</p>

	return to annuity payments after the period of forbearance you may be required to sell your property to repay the mortgage in full.
4. Long term interest rate reduction	
Advantage: the interest rate is reduced in order to accelerate capital repayments for a period of 5 years so that you repayments will be affordable at the original rate thereafter.	Disadvantage: it is likely that your repayments will increase after the forbearance period as the interest rate returns to the higher original rate.
5. Capitalising Arrears	
Advantage: you will no longer be in arrears as arrears are capitalised on to your mortgage and repaid over the remaining term	Disadvantage: your monthly repayments will increase.
6. Split Mortgage	
Advantage: a portion of your mortgage (minimum 50%) is repaid by annuity payments over the existing term. Repayment of the remaining portion (often referred to as the 'warehoused' portion) is deferred until your financial situation improves or sometimes to maturity.	Disadvantage: you may be required to sell your house to meet the warehoused portion at maturity if your financial situation does not improve beforehand.

Alternative arrangements:

1. Negative Equity Trade Down (certain qualifying criteria applies)	
Advantage: you trade down to a lower value property. Proceeds from the sale of your existing property are used to pay any arrears and to reduce your existing mortgage balance. The new reduced mortgage will match your current affordability.	Disadvantage: you will need to sell your existing property and move to a more appropriate property suitable to your current financial circumstances.
2. Mortgage to Rent	
Advantage: You get to stay in your current property. Ownership of your house is transferred to a housing authority and you become a tenant. This is subject to the relevant	Disadvantage: you no longer own your property and you must pay rent.

housing authority approval and approval by the Loan Owner.	
3. Voluntary Surrender	
Advantage: you move out of your property and allow us to sell it. The proceeds of the sale are used to reduce your mortgage balance.	Disadvantage: your current property is sold. If the proceeds from the sale do not repay your mortgage in full you will be liable for the remaining balance. We will work with you to agree an affordable repayment plan.
4. Voluntary or Assisted Sale	
Advantage: you volunteer to sell the property and the proceeds of the sale are used to reduce your mortgage balance	Disadvantage: your current property is sold. If the proceeds from the sale do not repay your mortgage in full you will be liable for the remaining balance including any accrued interest, charges, legal, selling and related costs where applicable. We will work with you to agree an affordable repayment plan.

Important Information

- You will remain liable for any outstanding debt, interest and all associated costs if your property is sold and the sale proceeds are less than the outstanding balance of the loan.
- The availability of each arrangement is subject to assessment of your individual circumstance, meeting certain criteria and the approval of the Loan Owner.
- Once a resolution is put in place we will monitor and review the arrangement at your request or at regular intervals.
- We may require you to sign a confidentiality agreement as part of a resolution.
- We recommend that you seek independent legal or financial advice before entering into any repayment arrangement or settlement agreement.
- If you have a full term interest only arrangement you should ensure that you have a suitable repayment plan in place as the entire amount that you have borrowed will still be outstanding and payable at the end of the mortgage term.
- Data relating to your arrears may be shared with the Irish Credit Bureau or any other credit reference agency or credit register where permitted by contract or required by law.

'Not Co-operating Borrower'

Under the code you can be considered as a not co-operating borrower when any of the following apply:

1)

A. you fail to make a full and honest disclosure of information to us that would have a significant impact on your financial situation;

or

B. you fail to provide information, relevant to your financial situation, within the timeline specified by us;

or

C. A three month period elapses:

a)

i. Where you have not entered into an alternative repayment arrangement, and during which you:

(i) Have failed to meet your mortgage repayments in full or

(ii) Meet your mortgage repayment in full but have an arrears balance remaining on the mortgage;

Or

ii. Have failed to meet the full repayments as specified in an alternative repayment;

And

b)

i. Have failed to make contact with or responded to any communications from us or the Loan Owner;

or

ii. Have made contact with or responded to any communication from us or the Loan Owner but have not engaged in such a way that enables us to complete an assessment of your circumstances;

And

2) You have not carried out the actions specified in the letter from us warning you that you may be classified as not co-operating.

Implications of not co-operating

The implications of not cooperating under the Code include:

- Incurring charges and/or surcharge interest on arrears arising on your mortgage account
- The start of legal proceedings for repossession of the property immediately after classifying you as 'not co-operating'; and,

- An impact on your eligibility for a Personal Insolvency Arrangement in accordance with the eligibility criteria set out in the Personal Insolvency Act 2012
- You will fall outside the MARP and the protections of MARP will no longer apply

Appealing a Decision

You have the right to appeal a decision by the Loan Owner regarding a short term/long term/alternative arrangement or to classify you as a not co-operating borrower. Any appeal must be made within 20 business days of receipt of notification of the Loan Owner’s decision. The appeal must be made in writing and addressed to the ‘Appeals Processing Unit’ in FLM at the following address:

Appeals Processing Unit, Fitzwilliam Loan Management, 61a Fitzwilliam Square, Dublin 2, Ireland.

If you are not satisfied with the appeal decision you may contact the Financial Services Ombudsman. Please see ‘Useful Contacts’ Section for further details.

Making a Complaint

We are committed to providing you with the best possible service however if you are unhappy with how we dealt with your case or our compliance with the Code you can make a complaint in writing or by phone to us. Please refer to ‘Useful Contacts’ Section for details.

We will respond to your complaint within 40 business days. If you are not satisfied with the complaint outcome you may contact the Financial Services Ombudsman. Please see ‘Useful Contacts’ Section for further details.

Useful Contacts

Name	Contact Information
FLM Arrears Support Unit	Tel: 01 542 4888
FLM Appeals Board	Tel: 01 542 4888 Email: info@flm.ie Post: FLM Appeals Board 61a Fitzwilliam Square Dublin 2
FLM Complaints	Tel: 01 542 4888 Email: info@flm.ie Post: FLM Complaints Officer 61a Fitzwilliam Square Dublin 2
Central Bank of Ireland	Tel: 1890 283 438 Web: www.centralbank.ie

Includes the Code of Conduct of Arrears and guidance for dealing with your lender	
Keepingyourhome.ie Provides comprehensive information on the services and entitlements available if you are having difficulties paying your rent or making your mortgage repayments.	www.keepingyourhome.ie
Money Advice & Budgeting Service (MABS) A free, independent, confidential service for people experiencing difficulty with debt.	Tel: 1890 283 438 Web: www.mabs.ie
Financial Services Ombudsman A statutory officer who deals independently with unresolved complaints from consumers about their individual cases with all financial services provider in the Ireland.	Tel: 1890 88 20 90 Email: enquiries@financialombudsman.ie Web: www.financialombudsman.ie
National Consumer Agency Provider of statutory consumer information and performs the education function of the Central Bank of Ireland.	Web: www.itsyourmoney.ie www.consumerconnect.ie
Citizens Information Statutory body which supports the provision of information, advice and advocacy on a broad range of public and social services including health, employment, social welfare and money.	Web: www.citizensinformationboard.ie
Legal Aid Board Provider of legal aid and advice on matters of civil law to people unable to fund these services from their own resources.	Web: www.legalaidboard.ie
Insolvency Services Ireland Statutory body established under the Personal Insolvency Act 2012 and its functions include provision of information to the public relating to the act.	Web: www.isi.gov.ie
Dept. of Social Protection Provides details on Job Seekers Allowance, Mortgage Interest Supplements and other welfare benefits you may be entitled to.	Web: www.welfare.ie
Office of the Revenue Commissioners Provides information on all tax credits and benefits that you may be entitled to.	Web: www.revenue.ie

Please note carefully the following information relating to Irish Housing Loans covered under the Irish Consumer Credit Act 1995 and the Consumer Protection Code:

WARNINGS

YOUR HOME IS AT RISK IF YOU DO NOT KEEP UP PAYMENTS ON A MORTGAGE OR ANY OTHER LOAN SECURED ON IT.

IF YOU DO NOT MEET THE REPAYMENTS ON YOUR LOAN, YOUR ACCOUNT WILL GO INTO ARREARS. THIS MAY AFFECT YOUR CREDIT RATING, WHICH MAY LIMIT YOUR ABILITY TO ACCESS CREDIT IN THE FUTURE

VARIABLE RATE LOANS:

THE REPAYMENT RATES ON THIS LOAN MAY BE ADJUSTED BY THE LENDER FROM TIME TO TIME.

THE COST OF YOUR MONTHLY REPAYMENTS MAY INCREASE.

INTEREST ONLY MORTGAGES:

THE ENTIRE AMOUNT THAT YOU HAVE BORROWED WILL STILL BE OUTSTANDING AT THE END OF THE INTEREST ONLY PERIOD.

FIXED RATE LOANS:

YOU MAY HAVE TO PAY CHARGES IF YOU PAY OFF A FIXED RATE LOAN EARLY

TRACKER RATE MORTGAGES:

IF YOU SWITCH TO AN ALTERNATIVE INTEREST RATE, YOU WILL NOT BE CONTRACTUALLY ENTITLED TO GO BACK ONTO A TRACKER INTEREST RATE IN THE FUTURE.