

Mortgage Arrears Resolution Process

This document contains a guide for customers who may be experiencing financial difficulties



We are here to help you...

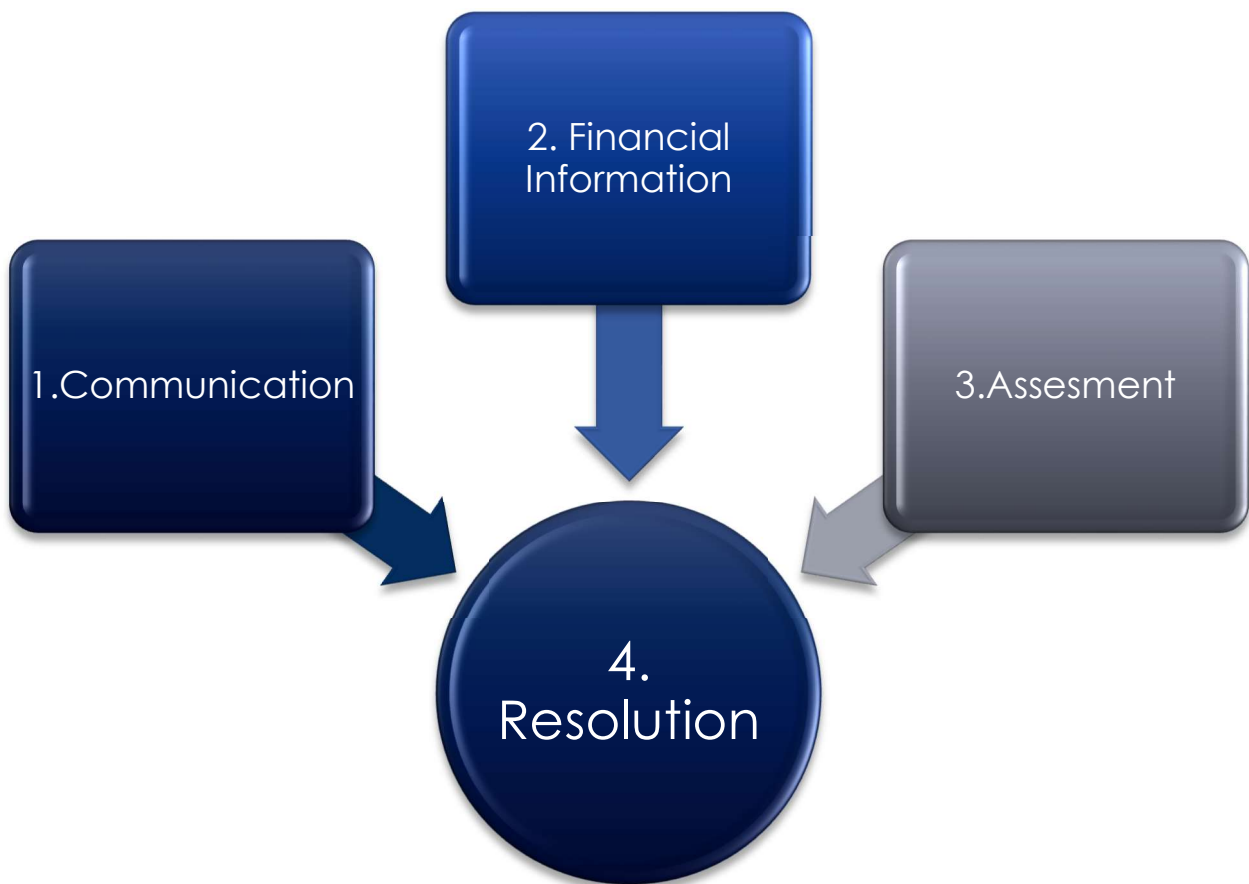
Here at Everyday Finance DAC ("Link Financial") we understand that there are many factors that might affect your ability to pay your mortgage. If your financial situation has changed for any reason and you are struggling to pay your mortgage, please talk to us. There are many options available to you and we will be more than happy to help you through this process.

Under the Central Bank of Ireland's Code of Conduct on Mortgage Arrears (the "Code") Link Financial has implemented a 4 step process called MARP to help customers whose mortgages are in arrears or are at risk of going into arrears. The Code applies to a mortgage taken out on your primary residence, which is the residential property you occupy as your home or your only residential property in the State, although you may not reside in it. The Code affords all mortgage holders specific protections and is legally binding under Section 117 of the Central Bank Act 1989. Importantly, mortgage customers will lose the protections of the Code should they fail to co-operate with Link Financial during our application of MARP. This booklet outlines an explanation of MARP together with our criteria for assessing request for Alternative Repayment Arrangements ("ARA"). We recommend that you read all the information contained in this booklet and contact us as soon as you feel you may be facing financial difficulties.



What is MARP and how does it work?

MARP is a 4 step process that is initiated by Link Financial where arrears have arisen on your mortgage account and the account remains in arrears for 31 days from the date the arrears arose. MARP can also apply to pre-arrears cases or where there is an ARA in place but this breaks down or the term of the ARA expires.



Step 1 - Communication

Communication is key to any successful resolution of the financial problems you may be facing. This is why Link Financial have a communications policy in place. When you discuss the issues with us and provide the requisite financial documentation, we can start working with you straight away to help you find a solution. We know that facing financial problems can be very daunting. That's why we have a dedicated Mortgage Arrears Support Unit ("MASU") who are there to assist you every step of the way. We are here to help you through the challenging times. Regardless of the nature of the communication – whether it is by phone, letter or face to face, we will endeavor to treat you fairly with the objective at all times being to assist you meet your mortgage obligations. If you are concerned about your mortgage repayments or are already in arrears on your repayments, talk to us today. This is the first and most important step you need to take to find a resolution.



Email us: info@linkfinancial.ie



Call MASU on 091 700 050 - Monday to Friday
9am to 5.30pm.



www.linkfinancial.ie

In MARP? We will keep in contact with you

We will always make sure not to contact you unnecessarily and we will always give you space to get back to us with information we may require. However, we may reach out to you during the process. Under the Code, we are required to send letters to all customers in arrears, detailing the amount of arrears currently outstanding and other key information related to your mortgage account. The letters will also detail the MARP process and the steps to be followed by you. If you receive any correspondence from us, it is important that you respond promptly so that we can work effectively with you.

Step 2 – Financial Information

In this step of the process, you will speak to one of our dedicated Mortgage Arrears Support Unit Advisors, who are specially trained to assist customers in financial difficulties. In order for us to assist you with your arrears, we need to understand your finances. We will provide you with a form called a Standard Financial Statement ("SFS"). This form allows you to set out your current financial circumstances and gives us, and you, a clear picture of your financial situation. You can find this form directly on our website.

If you require assistance with completing the SFS, there are a number of options:

- ❖ **Our website:** You will find the Central Bank of Ireland's Consumer Guide to Completing the SFS on the Debt Advice section of our website www.linkfinancial.ie
- ❖ **Speak to us:** We can help you complete the SFS
- ❖ **Independent Advice:** You may prefer to seek independent advice or help from MABS. You can contact them on their website at www.mabs.ie

Step 3 –Assessment

Once we receive your completed form, our MASU will assess the information which you have provided and examine your situation on its individual merits. We will use this information in order to determine which options for an ARA best suits your needs.

Link Financial will look at the below criteria when assessing your situation:

- ❖ **Personal circumstances**
- ❖ **Overall level of debt**
- ❖ **The information provided in your completed SFS**
- ❖ **Your current ability to make repayments**
- ❖ **Previous repayment history**
- ❖ **Any other relevant information of which we are aware**

At the end of the assessment stage, we may agree to an interim payment plan which will be offered to you in advance of offering you an ARA. In assessing your suitability for an ARA we may look at your repayment record on any interim payment plan that was offered. During any period of financial difficulty, we would advise you to continue paying as much as you can afford.

Step 4- Resolution

We are dedicated to finding an appropriate resolution for you, wherever possible. In this step of the process, we will determine whether a particular alternative repayment option would be appropriate in your circumstances. Even though, we can't guarantee a specific outcome, we are fully committed to finding a resolution that will work for you. We will provide you with a list of potential alternative arrangements in this booklet. Any ARA being offered is also subject to your individual circumstances

and our assessment of your SFS. As such, some of the following options may not be suitable for your particular situation.

Alternative Repayment Arrangements

Interest Only Repayments

This is considered the short-term arrangement. It is typically set for an agreed period of time. You will only pay the interest owed on your loan during this period and not the capital amount owed.

Advantages	Disadvantages
Your repayments will be reduced to interest only for a specific amount of time.	After the interest-only period, your repayments will increase to an amount which will ensure you repay your mortgage within the original term or the term of your mortgage will be extended where appropriate.

Capitalising Arrears

An arrangement to restructure your repayments by spreading the amount of any arrears and interest over the remaining term of your mortgage.

Advantages	Disadvantages
You will not be required to pay the outstanding arrears by way of a single lump sum payment.	To ensure the arrears amount is paid off, either (i) your repayments increase to an amount that ensures you repay your mortgage within the original term; or (ii) the term of your mortgage will be extended.

Low Fixed Interest Rate

The interest rate on your mortgage is temporarily reduced for a specified period of time.

Advantages	Disadvantages
Your monthly repayments will be reduced for a specified period of time.	Balance of your mortgage will decrease at a slower rate than originally planned.

	When your repayments resume, your monthly payments will be increased.
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Deferral of Repayments

Also known as moratorium. No repayments are made for a specified period of time.

<p>Advantages</p> <p>Your monthly payments will be suspended for an agreed period of time.</p>	<p>Disadvantages</p> <p>After the deferral period, either (i) your repayments increase to an amount that ensures you repay your mortgage within the original term; or (ii) where appropriate, the term of your mortgage will be extended.</p>
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Split Mortgage

In this arrangement your mortgage is “split” into two portions so that it is more affordable.

<p>Advantages</p> <p>The first portion is made of capital and interest repayments based on your current financial affordability levels. The remaining portion of the mortgage is deferred for a period of time where you will not be required to make payments.</p>	<p>Disadvantages</p> <p>While no interest will accrue on the deferred portion of the mortgage, you will need to have an arrangement in place to repay this balance at the end of the agreed deferral period.</p>
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Term Extension

An arrangement to extend the term of the mortgage which could reduce your monthly repayments by spreading the amount owed over a longer period of time.

<p>Advantages</p> <p>The term is extended so you pay the mortgage over a longer period, resulting in lower monthly repayments.</p>	<p>Disadvantages</p> <p>Your mortgage will take longer to pay off. You will also pay more interest over the new extended term of your mortgage.</p>
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Reduced Payments

This is a short-term arrangement during which you make a reduced repayment that is made up of capital and interest for an agreed period of time.

Advantages	Disadvantages
Your payments will be reduced to a more affordable level for a specific period of time.	After the reduced payment period, either (i) your repayments increase to an amount that ensures you repay your mortgage within the original term; or (ii) where appropriate, the term of your mortgage will be extended.

Other Options Available

Where we are unable to agree an ARA, there are other options available to you. The availability of all the options outlined below have strict qualifying criteria with each case assessed on an individual case by case basis.

The following are some of the options which may be available to you depending on your individual circumstances, affordability and our assessment of your SFS:

Mortgage to Rent

This is a Government initiative to help homeowners who have engaged with the MARP process to remain in their existing property, but on a rental basis. For more information on the MTR please contact the Housing Agency website at www.housing.ie or www.keepingyourhome.ie

Advantages	Disadvantages
You and your family can remain in the property as a tenant of the housing association, paying an affordable rent.	If you take up the MTR option, you will no longer own your home and you will not have any financial interest in it.

Trading Down

You may find it more affordable to sell your current home, clear your mortgage and use any surplus equity to move to a smaller property.

<p>Advantages</p> <p>If your home is in negative equity, you may be able to sell this property and purchase a new property of a lower value.</p>	<p>Disadvantages</p> <p>Any outstanding negative equity is added to the new loan and secured on the new property. Full capital and interest repayments will be made on the new mortgage. You will lose your entitlement to ownership of your current property.</p>
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Voluntary Sale

You agree to sell the property yourself and the proceeds from the sale are used to pay off your arrears and to reduce or clear your remaining mortgage balance.

<p>Advantages</p> <p>The proceeds from the sale of your property will reduce or clear your mortgage balance.</p>	<p>Disadvantages</p> <p>The proceeds from the sale of your property may not be sufficient to clear your mortgage balance. Where a shortfall exists (i.e. the property is sold for an amount lower than what is currently owed on the mortgage), the shortfall will be repayable under new terms agreed by Link Financial.</p>
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Voluntary Surrender

This involves the voluntary surrender of your property.

<p>Advantages</p> <p>The proceeds from the sale will reduce or clear your mortgage balance.</p>	<p>Disadvantages</p> <p>Where a shortfall exists, the shortfall will be repayable by you under new terms agreed by Link Financial. You will lose your entitlement to ownership of your current property.</p>
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IMPORTANT POINTS TO NOTE IN RELATION TO ALTERNATIVE REPAYMENT OPTIONS

- ❖ You should carefully review any of the options outlined above. Please note these options are subject to meeting the relevant eligibility criteria.
- ❖ Where necessary, you should consider taking any appropriate legal and/or financial advice before availing of one of these options.
- ❖ Participation in resolution options may impact your Credit Rating and may affect your ability to borrow money in the future.
- ❖ If the proceeds from the sale of the property do not clear the outstanding balance of your mortgage account (including any accrued interest, charges, legal, selling and other related costs where applicable), you may remain liable for the shortfall.
- ❖ Any ARA's which offers a short-term reduction in payments, will increase the amount of money owed in the long term.
- ❖ Once you remain within the MARP process, we will continuously monitor any alternative arrangement once it is put in place to establish if there has been any change in your financial circumstances since the start of the arrangement. However, a review will take place immediately if you do not keep to the terms of your arrangement.

Use of Confidentiality Agreements

Our communications with you in relation to your mortgage will be confidential and any meetings in relation to arrears or pre-arrears will be conducted with utmost privacy. Where we offer you an ARA or one of the other options outlined above, we may require you to enter into a confidentiality agreement. Under such an agreement, you confirm that you will keep information relating to the ARA or the other option confidential and, in particular that you will not disclose the terms of the ARA or the other option to anyone else. We will require such an agreement where we think it is in our reasonable commercial interests to do so or where we think that it is appropriate to the circumstances of your case.

Not Co-Operating

It is essential that you co-operate with Link Financial throughout the process and in relation to your current financial situation. Please note, not cooperating can have serious implications.

Under the Code, you can only be classified as not co-operating when:

1. Any of the following apply to your particular case:

- ❖ You fail to make a full and honest disclosure of information to the bank, that would have a significant impact on your financial situation;
- ❖ You fail to provide information, relevant to your financial situation within specified timelines; or
- ❖ For a period **of 3 months**: You have not communicated or engaged with us in a way that enables us to complete an assessment of your circumstances; and
- ❖ You have either failed to meet your mortgage repayments in full (per your original contract or the terms of an ARA) or your account has been in arrears.

2. A warning letter as required by the CCMA has been issued to you, but you have not carried out the actions specified in the letter.

- ❖ Link Financial will issue you with a warning letter in accordance with **Provision 28** of the Code. This letter will outline certain actions we will require you to take in order to avoid being classed as not-cooperating. We will also advise you that you will be classed as not co-operating in the event that you fail to engage within **20 business days**.
- ❖ If you are classified as not co-operating we may commence legal proceedings for repossession immediately after said classification. Furthermore, a classification of not co-operating may impact on your eligibility for a Personal Insolvency Arrangement.

3. If you are classified as not co-operating, the consequences may include the following:

- ❖ Your MARP protections will no longer apply.
- ❖ Your eligibility for a Personal Insolvency Arrangement ("PIA") may be impacted.
- ❖ We may commence legal proceedings as stated above.
- ❖ Fees, charges and surcharge interest may be applied to your mortgage account.

Communications Policy

Link Financial has a Communications Policy for Customers in financial difficulties or for Customers that are at risk of going into financial difficulties. We will always ensure that communication is prompt and clear. We also take into account all personal circumstances and ensure no unnecessary frequent communication is made. Furthermore, we are committed to ensuring that no communication from us could be classified as aggressive, intimidating or harassing. Link Financial commits to act with the highest standards of professionalism, integrity, honesty and fairness in dealing with its Customers.

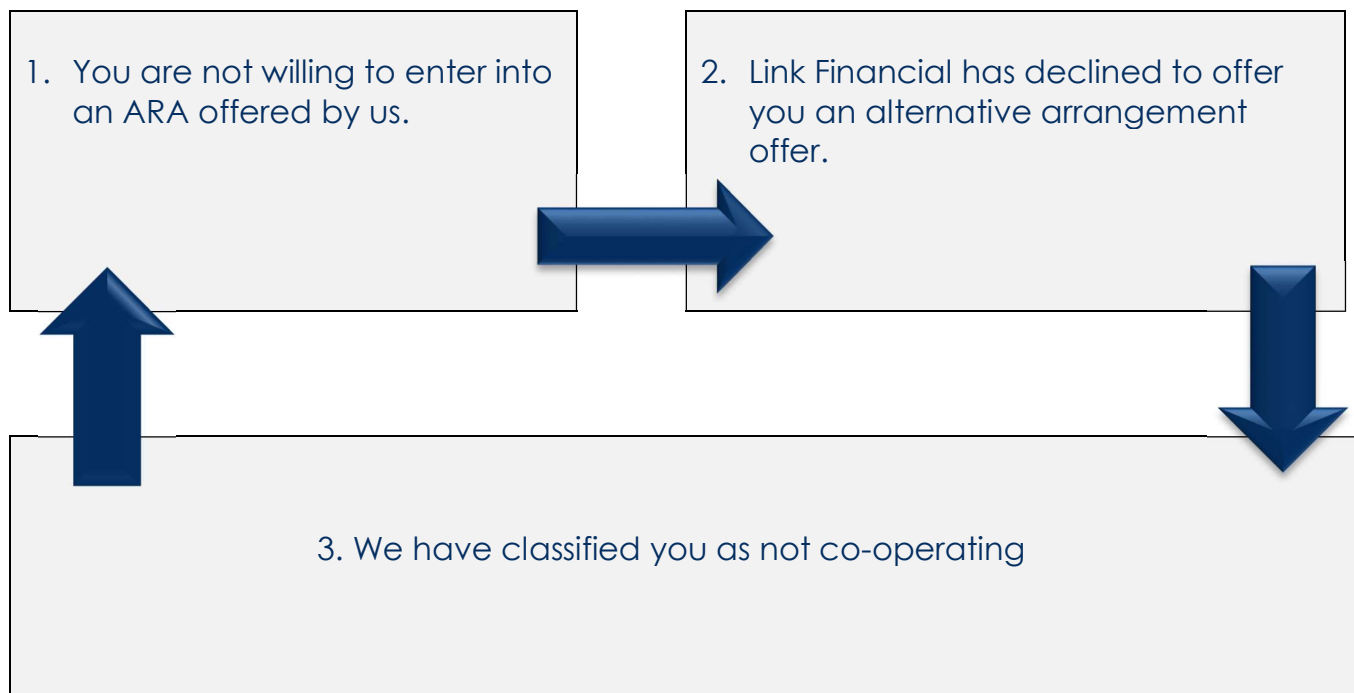
Complaints

Here at Link Financial our aim is to treat all customers fairly and in a professional manner, however if you feel like you would like to make a complaint about our service or the way you were treated, please do not hesitate to contact us.

You can make a complaint directly to our contacts listed below:



If you are unhappy with the decision made by Link Financial during the MARP process, you have a right to appeal where:



To make an appeal you must submit your appeal in writing to the Appeals Board at Link Financial, 16 Briarhill Business Park, Ballybrit, Galway and we must receive it within **20 business days** from the date that you have received the letter notifying you of the decision.

Independent Support & Information

The Central Bank

The Central Bank's website provides independent information on financial products and includes a consumer guide to dealing with your lender on the Code of Conduct on Mortgage Arrears. Telephone (01) 224 5800 www.centralbank.ie

Money Advice and budgeting Service (MABS)

Offers free and confidential independent advice and assistance with managing your finances. You may wish to seek assistance from Money Advice and Budgeting Service (MABS). Telephone 0818 072000, www.mabs.ie

Data Protection Commissioner (DPC)

Provides information on individuals' rights and on organisations' responsibilities relating to the storing of personal data. It also gives you guidance on how the rights and principles apply in different practical situations.

Website: www.dataprotection.ie

Financial Services and Pensions Ombudsman (FSPO)

This statutory office deals independently with unresolved complaints from consumers about their individual dealings with all financial service providers. It is a free service.

Address: Financial Services Ombudsman

3rd Floor, Lincoln House,

Lincoln Place, Dublin 2.

Phone: 1890 882 090

Website: www.fspo.ie

Mortgage Arrears Information Helpline

Provided by the Citizens Information Board, this helpline provides information on the Code of Conduct on Mortgage Arrears and the supports available for people in mortgage arrears or pre-arrears.

Phone: 0761 074 050 Hours: Monday to Friday 9.30am - 5pm

Insolvency Service of Ireland (ISI)

An independent statutory body established on 1 March 2013 by the Minister of Justice and Equality. The mission of the ISI is to help restore people who are insolvent to solvency in a fair, transparent and equitable way. The website explains the options available for people who are in debt and who do not see themselves being able to repay their debts in the next few years.

Phone: 0761 064 200

Hours: Monday to Friday 9am - 6pm

Website: www.backontrack.ie

Keepingyourhome.ie

Provided by the Citizens Information Board and MABS, this website provides comprehensive information on the services and entitlements available if you are having difficulties making your mortgage repayments. It also provides information on MARP.

Website: www.keepingyourhome.ie

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

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

If you have a variable rate mortgage:

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

If you have an endowment loan:

WARNING: THERE IS NO GUARANTEE THAT THE PROCEEDS OF THE INSURANCE POLICY WILL BE SUFFICIENT TO REPAY THE LOAN IN FULL WHEN IT BECOMES DUE FOR REPAYMENT.

If you have an interest-only arrangement:

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

If you have a debt consolidation arrangement:

WARNING: THIS NEW LOAN MAY TAKE LONGER TO PAY OFF THAN YOUR PREVIOUS LOANS. THIS MEANS YOU PAY MORE THAN IF YOU PAID OVER A SHORTER TERM.