

Mortgage Arrears Resolution Process (MARP)

A helpful guide for dealing with mortgage repayment difficulties

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The ICS Mortgages approach to your mortgage

At ICS Mortgages, we understand that the current economic climate may have affected your financial situation. We are committed to helping our mortgage customers through the good times and the bad.

Changes in your circumstances can put huge pressures on your finances and can quickly result in a missed mortgage repayment and your account falling into arrears. If you are having difficulty meeting your mortgage repayments, or fear you may be getting into financial difficulty, please talk to us as soon as possible. The team in our Arrears Support Unit will work with you, they are experienced and well trained in managing such challenges and will use their expertise to help find a resolution that suits your current situation.

The earlier you let us know about your difficulties the sooner we can help you.

The most important thing is for you to talk to us and we will work together to find solutions and help you get back on track.

Our focus is to keep our customers in their family home wherever possible, when they continue to work with us to prioritise their mortgage repayments.

The Mortgage Arrears Resolution Process

The Central Bank of Ireland has implemented a code of conduct for mortgage providers designed to protect your family home or primary residence in times of financial stress. The Code of Conduct on Mortgage Arrears (the Code) applies to a mortgage taken out on your 'primary residence'; this is either a residential property which you occupy as your family home, or is your only residential property in the State.

Under the mandate of the Code, ICS Mortgages has introduced a process, designed to assist customers who are in arrears with their mortgage repayments or at risk of going into arrears. This four-step process is called the Mortgage Arrears Resolution Process (MARP):

Four steps to resolution





STEP 1: COMMUNICATION

Contact us as soon as possible

The most important thing for you to do is to talk to us, we will work together to find solutions to help you get back on track. It is critical not to ignore the situation you are in. If you feel you may be getting into financial difficulty, the sooner you tell us the more we can do to help you.

We will treat you fairly, and seek to find the most appropriate solution to best suit your circumstances.

We have experienced staff available to help you every step of the way. You can contact our Arrears Support Unit on 1890 542 542.

Also, should you wish to seek independent advice, you can also call the Money Advice and Budgeting Service (MABS). They provide free, independent financial advice. (See 'Useful contacts' for details).

If you have an income-protection policy or if you purchased a repayment-protection policy in relation to your mortgage account, you should investigate whether you are now entitled to make a claim under that policy.



STEP 2: FINANCIAL INFORMATION

Getting a clear picture of your finances

Your next step is to fill in a standard financial statement (SFS). This is a form specially designed to achieve a detailed understanding of your finances.

If you need help with the form, don't be afraid to contact us or MABS (contact details are in 'Useful Contacts' below).

It's important that you fill out the SFS fully and accurately, making sure that the information provided is a full and honest disclosure of your income and outgoings. We might also ask you to provide documents to support the information provided (for example, we might ask for pay slips).

The Central Bank of Ireland has issued a guide to completing the SFS, which is available on their website: <http://www.centralbank.ie/regulation/processes/consumer-protection-code/Documents/Mortgage%20Arrears%20-%20SFS.pdf>



STEP 3: ASSESSMENT

Assessing your financial situation

We will use the information provided by you in the SFS to assess your individual situation. Careful consideration will be given to your individual circumstances, including the following:

- ▶ Your current income vs outgoings
- ▶ Savings or investments that you may have
- ▶ Any extra information you have given us with regard to your current circumstances
- ▶ Your repayment history
- ▶ Your overall personal indebtedness
- ▶ Your personal circumstances
- ▶ Whether or not your circumstances are likely to change in the near future
- ▶ Your ability to make repayments in the short and long term



STEP 4: RESOLUTION

Finding a resolution suitable for you

Once we have gathered and assessed all the information, we will consider whether an alternative repayment arrangement would be suitable for you, taking into account your financial circumstances.

We will work with you to explore all possible options. Each of the alternative repayment arrangement options have qualifying criteria, with each case assessed on an individual case-by-case basis. Any repayment arrangement is subject to your approval and the terms and conditions will be explained to you in detail in each case.

In the table below we set out the alternative repayment arrangements that we consider, the main features of each and how they work. Any one arrangement or a combination of two or more will be considered in order to find an appropriate solution for you:

Arrangement type	Key features	Advantages / Disadvantages	How it works
Interest only payments	You pay only the interest on your mortgage for an agreed period.	The capital payments on your mortgage are suspended for a period of time, which results in decreased repayments for that period. However the capital that is deferred remains outstanding, which will result in increased mortgage repayments after the alternative repayment period.	Your mortgage repayments are reduced for an agreed period. At the end of the agreed period your mortgage repayments for the remaining term are recalculated. This means your repayments will increase for the remaining term.

Arrangement type	Key features	Advantages / Disadvantages	How it works
Reduced payments	You pay more than just the interest but less than your usual repayment of capital and interest for an agreed period.	The capital payments on your mortgage are reduced for a period of time. However the capital that is deferred remains outstanding, which will result in increased mortgage repayments after the alternative repayment period.	Your mortgage repayments are reduced for an agreed period. At the end of the agreed period your mortgage repayments are recalculated. This means your repayments will increase for the remaining term.
Moratorium	You do not pay any payments to your home loan for a short period of time.	Your payments are suspended in full for a short period of time. However the capital plus interest due during that time remains outstanding, which means your repayments will increase after the alternative repayment period.	Your mortgage repayments are suspended for an agreed period. At the end of the agreed period your mortgage repayments are recalculated. This means that your repayments will then increase.
Capitalisation of arrears	All overdue repayments are added to the amount of your mortgage.	The amount outstanding in arrears is repaid, meaning you are no longer in arrears. As the arrears amount is added to your mortgage, your repayments will increase for the remainder of your mortgage term.	Your mortgage repayments are recalculated based on you paying off the mortgage amount plus the missed repayments that have been added to it. This means that your repayments will increase.
Reducing the interest rate	If your interest rate is higher than what is available to other customers in the same circumstances, we may be able to reduce the interest rate applied to your mortgage.	A reduced interest rate will result in reduced repayments, this may be in the form of a discount on the standard variable rate or a fixed rate for a defined period.	Variable rates may be adjusted by ICS Mortgages from time to time. If a fixed rate is taken for a period of time your mortgage will revert to the standard variable rate when the fixed rate expires. You may have to pay charges if you pay off a fixed-rate loan early.
An extension of the loan term	Should your circumstances permit it, we may suggest an extension to the term of your mortgage loan to reduce your monthly repayments.	As the loan would be repaid over a longer period of time your monthly repayments would reduce, however the overall cost of the loan would be higher as you would be paying interest for a longer period of time.	Your mortgage repayments are recalculated based on repayment over a longer term. Your monthly repayments would reduce but the overall cost of credit would increase.
Split Mortgage	The Split mortgage allows you to maintain monthly repayments on a portion of your mortgage only, effectively suspending payments on the split amount for a period of time.	You maintain capital plus interest repayments on a portion of your loan only, thus reducing your monthly repayments for a period. However the capital and interest payments that are deferred on the split loan amount remain outstanding, after the defined period and are added to the loan thereby increasing the monthly repayments for the remaining term.	You maintain capital plus interest repayments on a portion of your loan only, thus reducing your monthly repayments for a period. At the end of the period, your repayments will increase due to the deferred capital plus interest on the split amount.

Once an alternative repayment arrangement has been agreed and put in place, we will continue to review your account to ensure that the arrangement helps to resolve your situation as anticipated. Please keep us informed of any change in your financial circumstances since the arrangement was put in place.

A review will take place immediately if you do not keep to the terms of your arrangement.

Understanding your alternative repayment arrangements

Any alternative repayment arrangement proposed is subject to your approval. If we offer you an alternative repayment arrangement we will write to you setting out the terms and conditions of that arrangement, including the advantages and disadvantages and financial cost of the arrangement. You should also be aware that, although an alternative repayment may be affordable to you in the short term, it may be more expensive over the life of the loan.

It's very important that you fully understand the new arrangement before you decide whether to go ahead with it or not. We remain available to explain the advantages and disadvantages of any suggested repayment arrangement. We also recommend you get independent legal or financial advice (or both) before you make any decisions. If you, or your advisers, have any questions about the alternative repayment arrangement, contact us and we will be happy to discuss them with you.

If you do not wish to accept the suggested alternative repayment arrangement but would like us to consider another such arrangement please let us know.

When no suitable alternative repayment arrangement can be found

It is not always possible to find a suitable and affordable alternative repayment arrangement, or you may choose not to accept the arrangement(s) suggested. Where we are unable to agree an alternative arrangement, there are other options available to you:

Mortgage to Rent

This is a government initiative to help homeowners who have fully engaged with the MARP process to remain in their family home, but on a rental agreement basis. This involves the voluntary surrender of your property. We will then sell the property to an Approved Housing Association (AHA) and you will remain in the property as a tenant.

Voluntary sale

This involves you selling the property, with our agreement, on the open market and paying the proceeds to us. 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 by you under new terms agreed by ICS Mortgages.

Voluntary surrender

This involves the voluntary surrender of your property by you to ICS Mortgages. We will then sell the property on the open market. 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 to ICS Mortgages.

The options outlined above all have strict qualifying criteria (ICS Mortgages or third party) and each case is assessed on an individual case by case basis.

Not co-operating borrowers

It is extremely important that you continue to communicate with us and co-operate with us during the MARP process.

Under the Code, customers that are not co-operating can lose the protections of the Code.

You will be considered to be not co-operating with us if any of the circumstances 1 to 4 below apply.

1. If you have failed to provide full and honest information that has a significant effect on your financial situation; and we have sent you a warning letter as required by the Code but you have failed to carry out the actions specified in that letter.
2. If you did not provide us with relevant information about your financial situation, within the timescale we specified; and we have sent you a warning letter as required by the Code but you have not carried out the actions specified in that letter.
3. If you have not entered into an alternative repayment arrangement with us and there has been a three-month period during which:
 - ▶ you have failed to pay your mortgage repayments in full, or you have made your mortgage repayments in full but are still in arrears, and
 - ▶ you have failed to contact, or respond to any communications from us; or
 - ▶ you have contacted or responded to communications from us but have not done everything required for us to complete an assessment of your circumstances; and
 - ▶ we have sent you a warning letter as required by the Code but you have not carried out the actions specified in that letter.
4. If you have entered into an alternative arrangement with us and since then there has been a three month period during which you have failed to pay the new repayments under the alternative arrangement in full and you:
 - ▶ have failed to contact or respond to any communications from us; or
 - ▶ have contacted or responded to communications from us, but have not done everything required for us to complete an assessment of your circumstances; and
 - ▶ we have sent you a warning letter as required by the code but you have not carried out the actions specified in that letter.

The consequences of not co-operating are serious. Those consequences are set out in the Code and include the following:

- ▶ We may apply fees, charges, and extra interest on arrears. We will continue to charge interest on the amount that is outstanding, including the arrears, at the current rate of interest applied to your mortgage account. In addition, we will charge you an administration fee of a minimum of €2.54 per month or part of a month.
- ▶ We may commence proceedings to repossess your property
- ▶ You may no longer be eligible for a Personal Insolvency Arrangement (PIA) under the personal Insolvency Arrangement Act 2012. (For information on PIA's contact the Insolvency Service of Ireland. Their contact details are in this booklet under Useful Contacts)
- ▶ If proceedings seeking possession of the mortgaged property are initiated against you, substantial costs may be incurred which will be added to the loan account. An estimate of these costs would be between €5,000 and €10,000 and could exceed this figure depending on the circumstances of the case.

The appeals process

Should you believe that the alternative repayment arrangements that are being considered or suggested are not the most suitable to you, or if the Arrears Support Unit have decided that there are no alternative repayment arrangements suitable to you, you can appeal the decision of the Arrears Support Unit to the Appeals Board.

You may appeal the decision of the Arrears Support Unit if:

- ▶ We decline to offer you an alternative repayment arrangement; or
- ▶ We have deemed you are not co-operating under the terms of the code; or
- ▶ An alternative arrangement has been offered to you but you have decided not to enter into it.

Decisions of the Arrears Support Unit may be appealed by applying in writing to the Appeals Board within 20 business days of receiving a letter from us in relation to one of the above scenarios.

The ICS Mortgages Appeals Board.

ICS Mortgages,
PO Box 1077,
Maynooth,
Co. Kildare

Phone: 1890 542 542

If you are not happy with the decision of the Appeals Board, you may write to the Financial Service Ombudsman (the contact details are available under 'Useful Contacts' below).

Our communications with you

We commit to communicating with you promptly and clearly in an open and transparent manner which is proportionate and not excessive, taking into account the position of your mortgage and your previous account conduct.

Our communication with you will be resolution focused and conducted in a timely and professional manner.

Making a complaint

If you are not happy with our treatment of your case or your account, please call us on 1890 542 542 or write to us at:

ICS Mortgages,
PO Box 1077,
Maynooth,
Co. Kildare

If you are not happy with our resolution of your complaint, you may complain in writing to the Financial Services and Pensions Ombudsman. The Financial Services and Pensions Ombudsman deals with complaints from consumers who have not been able to get a satisfactory response or service from their financial services provider. The details on how to make a complaint are available on their website.

The Financial Service and Pensions Ombudsman
3rd Floor, Lincoln House, Lincoln Place, Dublin 2.

Phone: 01 5677000
Website: www.fspo.ie

Other important information in relation to your mortgage

Credit-reference Agencies:

If you are in arrears, details will be recorded by credit-reference agencies such as the Central Credit Register. This could make it more difficult for you to get credit from us or other financial institutions in the future.

Use of Confidentiality Agreements:

Where an alternative repayment arrangement or option is being proposed to you by ICS Mortgages, you may be required to enter into a confidentiality, non-disclosure or other similar agreement. This agreement obliges you to keep confidential the existence and terms of the proposal and/or the fact that discussions took place. You may not disclose this information to any third party except to your advisors.

Proceedings for Repossession:

We only start proceedings to repossess and sell your home as a last resort. If the proceeds we receive from selling your home do not cover all amounts you owe us (including unpaid interest and charges, and any legal and selling costs), you will have to pay the outstanding amounts.

If we take legal action to repossess a property, substantial costs will be incurred, which will be added to the loan account. We estimate that the costs will be €5,000 and €10,000 and could exceed this amount, depending on the circumstances of the case.

Mortgage Interest Relief:

You may be entitled to Mortgage Interest Relief or Mortgage Interest Supplement. For more information, call the Citizens Information Board. Their contact details are in our Useful contacts section.

Useful contacts

The ICS Mortgages Arrears Support Unit
ICS Mortgages,
PO Box 1077,
Maynooth,
Co. Kildare

Phone: 1890 542 542

The ICS Mortgages Appeals Board
ICS Mortgages,
PO Box 1077,
Maynooth,
Co. Kildare

Phone: 1890 542 542

Citizens Information Board
The Citizens Information Board is a national agency that provides information and advice on social services. They also run the Money Advice and Budgeting Service.

Mortgage Arrears Information Helpline:
076 10 74050
Website: www.citizensinformationboard.ie
www.keepingyourhome.ie

Money Advice and Budgeting Service (MABS) MABS is a free, confidential and independent service for people in financial difficulty.

MABS helpline 0761 07 2000
Email: helpline@mabs.ie
Website: www.mabs.ie

Insolvency Service of Ireland
The Insolvency Service of Ireland is the national agency responsible for all matters concerning personal insolvency.

Phone: 076 1 064 200
Website: www.isi.gov.ie

Central Bank of Ireland
The Central Bank's website provides independent information on financial products. There is also a full copy of the Code of Conduct on Mortgage Arrears.

Phone: 1890 777 777
Website: www.centralbank.ie

The Competition and Consumer Protection Commission

This consumer agency is an independent statutory body that enforces competition and consumer protection law in Ireland

Helpline: 1890 432 432
Website: www.ccpc.ie

Department of Social Protection
This website provides information relating to Jobseeker's Allowance, Mortgage Interest Supplement and other state benefits you may be entitled to.

Website: www.welfare.ie

Office of the Revenue Commissioners
The Office of the Revenue Commissioners' website provides information on all tax credits and benefits you may be entitled to.

Website: www.revenue.ie

Financial Services and Pensions Ombudsman
The Financial Services Ombudsman deals with complaints from consumers who have not been able to get a satisfactory response or service from their financial services provider. The details on how to make a complaint are available on their website.

The Financial Services and Pensions Ombudsman
3rd Floor,
Lincoln House,
Lincoln Place,
Dublin 2.

Phone: 01 5677000

Email: info@fspo.ie

Website: www.fspo.ie



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Dilosk DAC, trading as Dilosk and ICS Mortgages, is regulated by the Central Bank of Ireland.