

Managing Your Mortgage Borrowings

A Guide for KBC Homeloans Customers



We are here to assist you
Talk to us today

KBC Homeloans

Our door is always open for you

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Introduction

At KBC Homeloans, we understand that 2010 will present both opportunities and challenges to many of our customers. We appreciate that many of you may be concerned or worried about your personal finances.

We have devised this guide to assist you in managing your debt including how KBC can support you if you face difficulty with your mortgage borrowings.

Financial Health Check

These are challenging times and it can be hard to adjust your lifestyle to the current economic environment. Nobody knows what lies ahead so it is important to plan as much as possible.

The following are some warning signs that may indicate you are facing financial challenges:

- **You don't have any savings or your savings are running out**
- **You only pay the minimum balance off your credit cards each month**
- **You are occasionally late making payments on bills or you skip them completely**
- **You don't know how much debt you actually have**
- **You have been denied credit**
- **Your salary does not clear your overdraft**
- **Reduction in overtime/bonus/shorter working hours**

The easiest way to see where you stand financially is to write down all the money you have coming in and going out each month. The net result will highlight whether you have enough to meet your monthly outgoings.

Our **Financial Health Check Planner** will make this job easy for you. Simply fill in all the fields that apply to you. Once you have calculated all your income and expenditure over the month you will see at a glance whether you are living within your means. There is an online version of this available on our website www.kbchomeloans.ie in the existing customer section which will automatically do all the calculations for you.

If your expenditure is more than your income we have some helpful steps on the next few pages on how to tackle the situation including how KBC can support you in managing your mortgage borrowings.

Financial Health Check Planner

Your Income	Monthly Amount
Net Monthly Salary Monthly Social Welfare Benefits Monthly Child Benefits Monthly Rental Income Mortgage Income Supplement Other Income	
Monthly Total (A)	
Debt Repayments	Monthly Amount
Mortgage Repayments Credit Union Repayments Unsecured Loan Monthly Repayments Personal Loan Credit Card Monthly Repayments Other Monthly Debt Commitments (not specified above)	
Monthly Total(B)	
Your Monthly Income After Debt Repayments (A-B = C)	
Household Expenditure	Monthly Amount
HOUSEHOLD Childcare Groceries Clothing - Adults & Children	
Utilities Gas/ Oil/ Electricity, Refuse Charges/ TV Cable etc Other - Please specify	
Travel Petrol Rail/Bus/Taxi Costs Car Maintenance/Parking	
Insurance Motor/ Tax Home Life Health Other - Please specify	
Leisure Expenses Alcohol/ Cigarettes Eating out Club membership Other - please specify	
Regular Savings Monthly Savings, Pension Contribution	
Total Monthly Expenditure (D)	
Monthly Surplus Income Deficit (C-D)	

Managing Your Debt

When you are having money problems and your monthly expenses are greater than your income you may be tempted to ignore the situation hoping things will sort themselves out. Unfortunately this is not likely to happen.

Remember that getting into arrears can affect your credit rating and make it difficult to get loans in the future.

However, taking a few practical steps can assist you get back on track.

Get in touch immediately - If you are worried about not being able to pay your monthly bills get in touch with the various companies and let them know so that you can work out a solution before the problem gets out of control. If you are concerned about your mortgage payment please contact us as soon as possible and let us help. Call us on **1850 930 650**. Further information available on page 5 on how we can help you.

Budget - Having tracked your monthly income and expenditure with the Financial Health Check Planner review it and work out a revised budget reducing unnecessary expenses. Some key points to note when completing your budget:

- **Be realistic about what items cost**
- **List all your spending no matter how small**
- **Save money if possible to have a buffer for the future**
- **Compare planned income and expenditure against actual at the end of each month and adjust your budget for the following month if needs be**

Insurance Policy - If you have a **mortgage repayment protection policy**, check with your provider whether it could help with your payments.

Tax Credits and Benefits - Claim all your personal tax credits, allowances and benefits. Visit www.revenue.ie and www.welfare.ie for more information.

MABS - Get free independent debt management advice from your local Money Advice & Budgeting Service (MABS) office. They will assist you in completing a budget and in some circumstances talk to organisations you owe money to and work out a revised repayment schedule that works best for you.

Web: www.mabs.ie

Telephone: 1890 283 438

How KBC Can Help You

If you are having problems making your monthly mortgage repayments please contact us as soon as possible.

Our team is here to help you and will work with you to find a solution to assist you in meeting your monthly mortgage payments. Some of the options that we can explore include:

- **Reduced payments for a period of time (which would reduce your monthly payments, but increase the overall cost of the mortgage).**
- **Extension of your mortgage over a longer period of time (which again would reduce your monthly payments, but increase the overall cost of the mortgage).**
- **A change in the date you make your payments during the month.**

Each individual case will differ and a member of our staff may call you to discuss your financial circumstances. Once we have suggested a solution, we will explain how it works and give you time to consider it.

We recommend that all customers get independent financial advice before changing their mortgage arrangement.

KBC Contact Details

Telephone: 1850 930 650
Email: customersupport@kbc.ie
Postal Address: Customer Support,
KBC Homeloans,
Sandwith Street,
Dublin 2.

KBC is committed to The Irish Banking Federation (IBF) 'Statement of Intent' which commits to working with customers who are facing repayment difficulties. Visit www.ibf.ie for more information.

Useful Contacts & Information

There are a number of government organisations which can provide you with information on your entitlements, financial advice and assistance.

Social Welfare

The website of the Department of Social & Family Affairs has details on job seekers allowance, mortgage interest supplement and other welfare benefits that you may be entitled to. It also has full details of the various contact numbers for all local centres.

Web: www.welfare.ie

Office of the Revenue Commissioners

The Revenue Commissioners website contains information on all tax credits and benefits that you may be entitled to. It also has full details of the various contact numbers for all local centres.

Web: www.revenue.ie

Financial Regulator

The Financial Regulator website provides independent information on financial products and includes the Code of Conduct on Mortgage Arrears which applies to KBC Homeloans.

Web: www.itsyourmoney.ie

Telephone: 1890 777 777

MABS

The Money Advice & Budgeting Service is a national, free, confidential and independent service for people in debt or in danger of getting into debt.

Web: www.mabs.ie

Telephone: 1890 283 438

Citizens Information

The Citizens Information Board is the 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.citizensinformation.ie

Telephone: 1890 777 121

Warning:

Your home is at risk if you do not keep up payments on a mortgage or any other loan secured on it.

Variable rate Warning:

The cost of your monthly repayments may increase - If you do not keep up your repayments you may lose your home. The payment rates on this housing loan may be adjusted by the lender from time to time.

Fixed rate Warning:

You may have to pay charges if you pay off your fixed-rate loan early.

Interest only Warning:

The entire amount that you have borrowed will still be outstanding at the end of the interest-only period.

Debt consolidation Warning:

This new loan may take longer to pay off than your previous loans. This means you may pay more than if you paid over a shorter term.

Endowment loan Warning:

There is no guarantee that the proceeds of the [Insurance Policy / Pension Policy] will be sufficient to repay the loan in full when it becomes due for repayment.

KBC Bank Ireland plc t/a KBC Homeloans is regulated by the Financial Regulator. Lending criteria Terms and Conditions apply. Security and insurance are required. The following information relates to new mortgage applications (including top-up loans): The maximum mortgage is 80% of the property value. As a general rule, loan amounts are subject to monthly repayments not exceeding 30% to 40% of disposable income and will vary according to individual circumstances. A typical variable mortgage rate of €100,000 over 20 years costs € 567 per month (APR 3.28%) excluding insurance. The cost of your monthly repayments may increase. A 1% rise will increase this repayment to €619 (APR 4.37%) excluding insurance. This is an increase of € 52 per month. Rates quoted above are correct as at 14th January 2010. Please contact KBC Homeloans to receive more information on charges which may apply to early repayment of fixed loans. For accurate real-time information and rates, please contact KBC directly for specific tailored information to meet your particular requirements. All information, prices and rates quoted in this Guide are for guidance only and do not form any part of a legal contract, agreement or understanding.