

# GUIDE TO OUR MORTGAGE ARREARS RESOLUTION PROCESS



*Let's talk today*

**PHONE: 1850 930 235**

KBC Bank Ireland plc is regulated by the Central Bank of Ireland.



# HELPING YOU DEAL WITH MORTGAGE REPAYMENT DIFFICULTIES

At KBC Bank Ireland (KBC), we understand that our customers may at times experience difficulties meeting their mortgage repayments. We would like to assure you that we are fully committed to helping our customers who are experiencing financial difficulty to find a solution to manage their mortgage.

This guide is designed to help you understand the Mortgage Arrears Resolution Process (MARP) and what support is available to you. It has been divided into three parts to make it easier for you to read and follow.

The first part of the guide, **The Mortgage Arrears Process – In Summary**, outlines the process from the moment you first pick up the phone through to discussing a final resolution with you. The second part, **The Mortgage Arrears Process – Repayment Arrangements**, gives you more detail on the process including some pros and cons of the various arrangements available. The third part, **Additional Information**, contains some frequently asked questions and answers, along with useful contact information.

At KBC we're always here to help you through this process so please get in touch with us anytime. Our team are here to talk to you and help answer any questions you may have.

We would strongly recommend that you also seek independent financial and/or legal advice in relation to the options available to you.

**Call:** We are here between 8.30am – 7pm Monday – Friday. All you have to do is call **1850 930 235** to speak to one of our specially trained Arrears Support Team.

**In Person:** We can meet with you at a time and place that is suitable to you. Please call us to arrange an appointment.

*Remember if your financial situation has changed recently and you are concerned about your mortgage repayments the first thing you should do is to contact us as soon as possible. The sooner we understand your situation, the sooner we can work together to find an appropriate solution for you.*

# PART 1

## THE MORTGAGE ARREARS RESOLUTION PROCESS (MARP) IN SUMMARY

The first part of this guide gives you a summary on:

What is the MARP and its steps	P. 2-3
How to contact us	P. 4
How to complete a Standard Financial Statement	P. 4-5
Assessment of your situation	P. 6
Seeking a resolution	P. 7

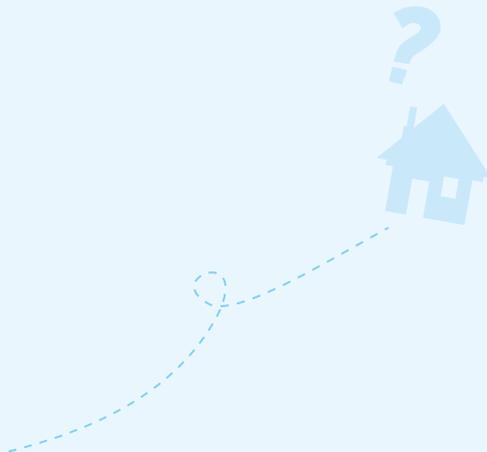


# WHAT IS THE MORTGAGE ARREARS RESOLUTION PROCESS?

The Central Bank of Ireland's Code of Conduct on Mortgage Arrears (CCMA) sets out the framework that all lenders must use when dealing with customers in mortgage arrears or in pre-arrears. It requires lenders to handle all such cases sympathetically and positively, with the objective at all times of helping people to meet their mortgage obligations.

At KBC we are fully committed to this framework and our comprehensive **Mortgage Arrears Resolution Process (MARP)** is a four step process designed to help you if you fall behind in your mortgage repayments or are at risk of falling behind.

Please note that the Central Bank of Ireland's CCMA applies to the mortgage loan on your home in Ireland or on a rental property in Ireland - as long as the rental property is the only property you own in Ireland.



# MARP: 4 STEPS TO ADDRESS YOUR MORTGAGE DIFFICULTIES

**1** PLEASE CONTACT US 

**2** COMPLETE A STANDARD FINANCIAL STATEMENT (SFS) 

**3** WE WILL ASSESS YOUR SITUATION 

**4** WE WILL SEEK A REPAYMENT ARRANGEMENT THAT'S APPROPRIATE FOR YOU 

Remember we can always meet with you at any stage of the process, at a time and place that is convenient for you. Contact us on 1850 930 235 to arrange an appointment.

**1**

## PLEASE CONTACT US



All you have to do to take that first step is to call a member of our dedicated Arrears Support Team on **1850 930 235** anytime between 8.30am and 7.00pm Monday to Friday.

We recognise it can be difficult to make the first contact but once you have made contact and spoken to one of our advisors, you are on your way towards resolving your mortgage repayment difficulties.

Please remember to continue engaging with us throughout this process. Keep all lines of communication open – ensuring all your contact details are correct - and respond as quickly as you can to any of our letters and phone calls. This will help us to identify a possible solution for you in a timely and efficient manner.

**2**

## COMPLETE A STANDARD FINANCIAL STATEMENT (SFS)



Your next step is to complete and return a Standard Financial Statement (SFS) – which is available via post, email, our website or any one of our KBC Hubs.

### How can you receive your SFS form?

There are many different ways to receive a copy of the SFS form:

- **Call** our Arrears Support Team: **1850 930 235** who will send you a copy
- **Download** a copy at [www.kbc.ie](http://www.kbc.ie)
- **Email** [customersupport@kbc.ie](mailto:customersupport@kbc.ie) who will send you a copy or
- **Visit** any one of our KBC Hubs. Check [kbc.ie](http://kbc.ie) for our Hub details.

On the SFS, you will be required to provide full details of your financial circumstances including borrowings, income and expenditure, which will enable us to review your existing mortgage arrangement. You will also be asked to provide supporting documentation with the SFS such as bank statements and evidence of income.

The SFS is a detailed form which can appear daunting, but don't worry, you do not have to complete this alone and there are many options available to guide you through this stage.

### If you need help completing the SFS:

- **Call** our Arrears Support Team on **1850 930 235** who will be happy to talk through any queries you might have.
- **Arrange** to meet with one of our Arrears Support Team who will be happy to guide you through the process at a time and place that is suitable for you.
- **Watch** our step-by-step video guide on [www.kbc.ie](http://www.kbc.ie) or
- **Visit** [www.mabs.ie](http://www.mabs.ie) for independent assistance from the Money & Budgeting Advice Service (MABS).

### How do you return the form?

Drop the completed form (making sure you have enclosed all relevant documentation) into any one of our KBC Hubs, post to KBC Bank Ireland, Sandwith Street, Dublin 2 or email [customersupport@kbc.ie](mailto:customersupport@kbc.ie).

### HOW LONG COULD STEP 2 TAKE?

We recommend that you allow yourself sufficient time to complete the SFS as accurately as possible and that you enclose all relevant documentation. The time this takes is under your control but the sooner you return the form to us, the sooner we can start to assess your situation.

However if you do return the form to us with information missing then the process may take longer. We strongly recommend that you seek advice (for example, you can speak with your local MABS office) if you have any difficulty understanding the form or call us on **1850 930 235** – as this will speed up the process in the long term. As a guideline, it could take up to an hour to complete the form.

It is important that you provide KBC with accurate and up to date details in the SFS and a full and honest disclosure of information that has an impact on your financial situation. This means that we will be able to find a repayment arrangement that is achievable and within your means.

### 3

## WE WILL ASSESS YOUR SITUATION



Once we receive your completed SFS we will contact you to verify the details and ensure we have all the information we need. We will then begin to review your financial situation and decide on an appropriate resolution option for you.

There are a number of different factors that we will consider as part of our assessment which include:

- Your personal circumstances
- Your current financial position
- Your overall personal debt
- Your current ability to make repayments
- Your previous payment history
- Your future ability to repay the mortgage in full over the remaining term
- Any other relevant information (e.g. employment status, any expected future income or increase/decrease in expenditure)
- KBC's underwriting criteria.

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

### HOW LONG DOES STEP 3 TAKE?

On receipt of your completed SFS, we will contact you to discuss your request for an amended repayment arrangement. Following this discussion, a decision on this request will normally be provided within two to five working days.

## 4

**WE WILL SEEK A REPAYMENT ARRANGEMENT THAT'S APPROPRIATE FOR YOU**

We have a number of repayment arrangements that may be available to you - depending on the outcome of our assessment in Step 3. These fall into three general categories:

## 1

**SHORT TERM REPAYMENT ARRANGEMENTS \***

- Interest and part capital
- Interest only
- Temporary, partial or full moratorium

These will allow you a period of time, within 12 months, to adjust your expenditure or address your unsecured debt and enable you to return to full repayments or deal with an unexpected cost event.

## 2

**LONG TERM REPAYMENT ARRANGEMENTS**

- Term extension
- Long term interest and part capital
- Long term interest only
- Interest rate reduction
- Capitalising arrears
- Split mortgage

These will allow you a period of time longer than twelve months to restructure your finances and address your unsecured debt or deal with an unexpected cost event and may enable you to return to full repayments.

## 3

**ALTERNATIVE ARRANGEMENTS**

- Negative equity tradedown
- Mortgage to rent
- Voluntary surrender
- Voluntary or assisted sale

In some circumstances, it may not be possible to offer a short or long term repayment arrangement. In such circumstances there are a number of alternative arrangements, which may require you to sell your property.

\*Short term repayment arrangements are temporary forbearance measures only. In proceeding to request a short term repayment arrangement you acknowledge and accept that the provision of a short term repayment arrangement shall not prejudice any rights, powers or remedies that may have accrued to KBC as a result of your default or any correspondence issued by KBC.

When we recommend a repayment arrangement for you:

1. We will send you a Letter of Variation (LOV) notifying you of the details of the arrangement
2. If we offer you a long term arrangement, we will tell you what other arrangements we considered and why we didn't offer them to you
3. Please read the LOV carefully and make sure you (and all mortgage parties) are satisfied with the terms of the offer
4. Then sign and return the signed copy to KBC at the address provided
5. Once we receive the signed LOV we will implement the terms of your arrangement to ensure your amended repayments start as soon as possible.

If we recommend an alternative arrangement, you will be contacted by a member of our Arrears Support Team to discuss this in detail.

## **KEEPING IN CONTACT**

It is important that you keep in touch with us at all times throughout this period. The Central Bank's Code of Conduct of Mortgage Arrears sets out implications for you should you not actively engage with KBC and provide all the information required to assess your situation.

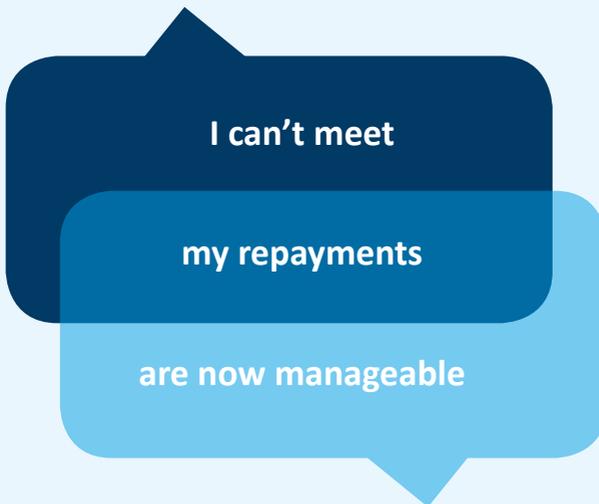
If you do not remain engaged with KBC there is a danger you may be classified as a 'not co-operating borrower' and lose the protections of the MARP.

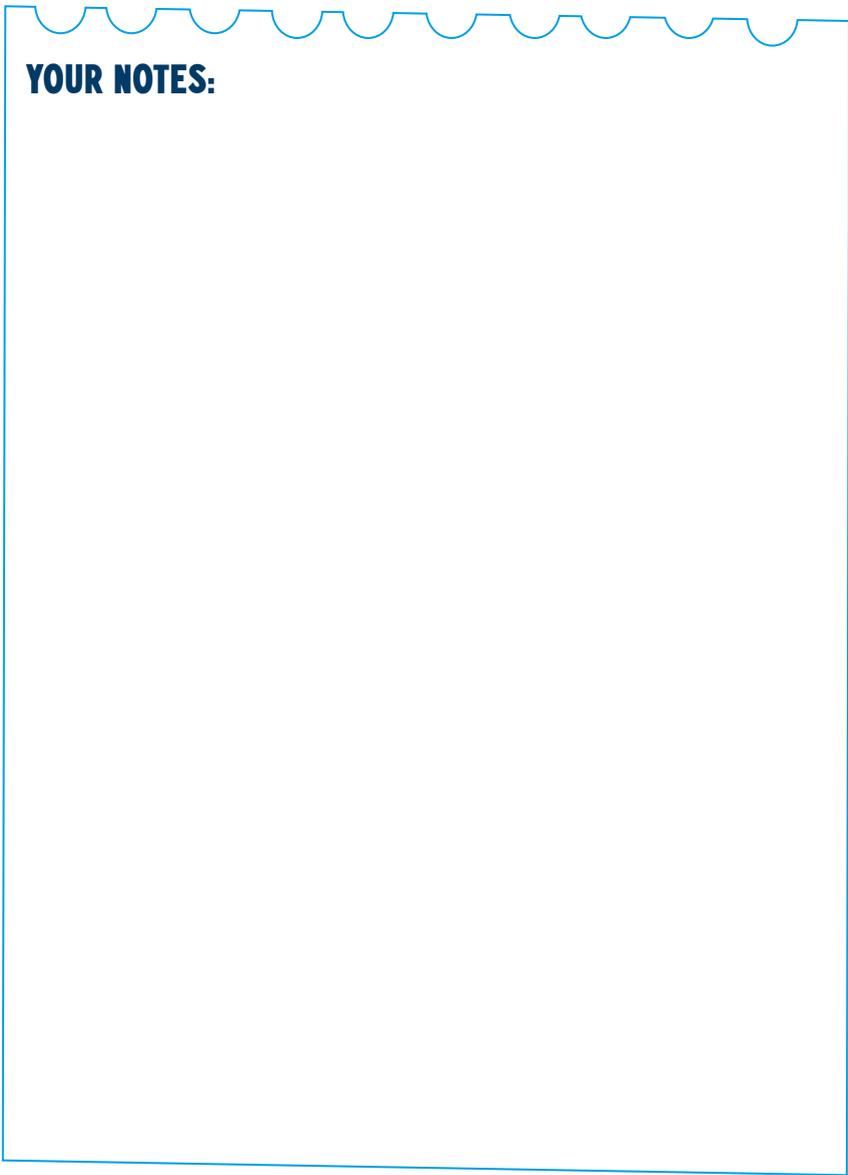
## WHAT ARE THE PROTECTIONS OF THE MARP?

- ✔ To provide fair and appropriate resolutions for customers in arrears
- ✔ To protect borrowers from repossession and undue pressure
- ✔ To encourage open communications in a timely manner.

## SO LET'S WORK TOGETHER

Start the engagement process today by contacting one of our Arrears Support Team on 1850 930 235 and let's work together towards a resolution.





**YOUR NOTES:**

# PART 2

## THE MORTGAGE ARREARS RESOLUTION PROCESS REPAYMENT ARRANGEMENTS

The second part of this guide gives you more information on:

Short term repayment arrangements	P. 12-13
Long term repayment arrangements	P. 13-14
Alternative arrangements	P. 17



## SHORT TERM REPAYMENT ARRANGEMENTS

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**1. Interest only:** You only pay the interest on your mortgage for a period of up to 12 months.

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**Advantage:** Temporarily reduces your overall mortgage repayments for the period of the arrangement.

**Disadvantage:** As you have not made any capital repayments during the term of the arrangement your monthly repayments over the remaining term of the mortgage will increase.

**2. Interest and part capital:** You only pay the interest on your mortgage and part capital for a period of up to 12 months.

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**Advantage:** Temporarily reduces your overall mortgage repayments for the period of the arrangement.

**Disadvantage:** As you have made reduced capital repayments during the term of the arrangement your monthly repayments over the remaining term of the mortgage will increase.

**3. Temporary, partial or full moratorium:** You defer paying all your capital and all or part of your interest repayments for a specified period of time.

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**Advantage:** Allows you time to stabilise your financial position.

**Disadvantage:** As you have not paid all or part of your interest and all capital repayments during the term of the moratorium your monthly repayments over the remaining term of the mortgage will increase, once the temporary, partial or full moratorium expires.

**Important things to consider on short term arrangements:**

*NOTE 1: During the period of the short term repayment arrangement it is critical that you take the necessary steps to prioritise your mortgage repayments above all other debt to ensure that you are in a position to return to full capital and interest repayments on your mortgage. This may also include an adjustment on your monthly household expenditure. You may also need to renegotiate repayments on other debt such as an overdraft, credit card, or credit union loan.*

*When any of the short term repayment arrangements expire, KBC will re-calculate your repayments based on the outstanding capital balance and the remaining mortgage term. If the term of the mortgage is not extended at this time, your mortgage repayments will be higher over the remaining term as the capital balance outstanding reduces at a slower pace than was originally agreed for your mortgage. The slower pace of capital paydown will increase the cost of credit over the remaining life of your mortgage.*

*NOTE 2: Short term repayment arrangements are temporary forbearance measures only. In proceeding to request a short term repayment arrangement you acknowledge and accept that the provision of a short term repayment arrangement shall not prejudice any rights, powers or remedies that may have accrued to KBC as a result of your default or any correspondence issued by KBC.*

## LONG TERM REPAYMENT ARRANGEMENTS

**1. Term Extension:** This is where the term on your mortgage account is extended. This reduces the amount of your monthly repayments by spreading the repayments over a longer period of time.

**Advantage:** The reduced repayment amounts are affordable based on your current financial circumstances.

**Disadvantage:** As you have extended the term on your mortgage agreement you will be liable for making repayments over a longer period of time which increases the cost that you will incur to repay the mortgage over a longer period of time.

## LONG TERM REPAYMENT ARRANGEMENTS

The following repayment arrangements, 2, 3 and 4, will allow time for your financial circumstances to improve so that you can return to full capital and interest repayments. Where you are not in a position to resume full capital and interest repayments after the period of the repayment arrangement, we will review your financial circumstances with you and you may be required to sell your property in order to repay your mortgage.

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**2. Long term interest only:** You only pay the interest on your mortgage for an agreed period longer than 12 months.

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**Advantage:** Temporarily reduces your overall mortgage repayments for the period of the arrangement.

**Disadvantage:** As you have not made any capital repayments during the term of the arrangement your monthly repayments over the remaining term of the mortgage will increase.

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**3. Long term interest and part capital:** You only pay the interest on your mortgage and part capital for an agreed period greater than 12 months.

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**Advantage:** Temporarily reduces your overall mortgage repayments for the period of the arrangement.

**Disadvantage:** As you have made reduced capital repayments during the term of the arrangement your monthly repayments over the remaining term of the mortgage will increase.

## LONG TERM REPAYMENT ARRANGEMENTS

**4. Interest rate reduction:** The repayments on your mortgage are set at an affordable level and the interest rate is reduced for a period of up to five years. At the end of the arrangement the interest rate returns to the prevailing rate as per your original terms and full capital and interest repayments resume.

**Advantage:** This accelerates the amount of capital you repay over the period of the arrangement, meaning you will reduce the mortgage balance more quickly, to a level where future capital and interest repayments are affordable.

**Disadvantage:** As your interest rate is reduced during the term of the arrangement, your monthly repayments over the remaining term of the mortgage may increase.

**5. Capitalising Arrears:** The outstanding arrears are added to the remaining capital balance of your mortgage and repaid over the remaining term.

**Advantage:** You will no longer be in arrears.

**Disadvantage:** Your repayments will increase if your mortgage end date remains unchanged.

**6. Split Mortgage:** The ultimate goal is for you to repay your mortgage in full. Your mortgage is 'split' into two portions based on your current financial affordability levels. The first portion will be repaid via capital and interest repayments over the term of the mortgage ("main mortgage portion").

The second portion of the mortgage is deferred and in some cases, this may be until maturity of the mortgage ("deferred portion") or where your financial situation improves.

**Advantage:** Reduces the overall mortgage repayments for the period of the arrangement – whilst repayments of capital and interest on the ‘main mortgage portion’ of your arrangement will ensure that this portion of the mortgage is paid over the remaining term.

The arrangement will be reviewed at regular intervals and where your affordability levels improve, an affordable element of ‘the deferred portion’ will be transferred back to the ‘main mortgage portion’.

**Disadvantage:** If you do not have alternative arrangements in place to repay the remaining capital balance of ‘the deferred portion’ on maturity of the mortgage, it may be necessary to sell your property at that point.

**Important things to consider on a long term arrangement:**

*During the period of the long term repayment arrangement it is critical that you take the necessary steps to prioritise your mortgage repayments above all other debt to ensure that you are in a position to return to full capital and interest repayments on your mortgage. This may also include an adjustment on your monthly household expenditure.*

*Please note that long term repayment arrangements numbered 1 - 3 and 5 will result in an increase in the cost of credit over the remaining term of your mortgage. This is a result of the capital balance outstanding reducing at a slower pace than was originally agreed for your mortgage.*

## ALTERNATIVE ARRANGEMENTS: WHAT DO THESE INCLUDE?

KBC will always endeavour to find a short term or long term arrangement but where it is not appropriate we will write to you to outline the reasons why we have declined an arrangement. The most common reason why an arrangement is not appropriate is due to affordability.

**The availability of these options is subject to an individual assessment of each case and meeting the lender's (or third party's) criteria.**

In such circumstances there are a number of alternative arrangements, which may require you to sell your property. These include:

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**1. Negative Equity Trade Down:** You trade down to a new lower value property. There are certain qualifying criteria for this (e.g. maximum income, maximum property value). This will also involve an outstanding amount relating to your existing mortgage for which you will remain liable.

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**Advantages:** The funds from the sale of your existing property are then used to pay off any arrears and reduce the remaining mortgage balance. Your new mortgage will be for the cost of your new property and any shortfall from the sale of your existing property.

The benefit for you is that the mortgage for your new property is at a reduced level that matches your affordability.

**Disadvantage:** You will need to move out of your present home to a property that is more appropriate to your current financial circumstances.

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**2. Mortgage to Rent:** Ownership of your home is transferred to a housing authority to which you then become a tenant. The availability of this arrangement will be subject to approval from the housing authority and KBC. The Citizens Information Board operates a Mortgage Arrears Information Helpline to provide further information regarding this. (See 'Useful Contacts' on page 26).

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**Advantage:** The benefit for you is that you will remain in your home.

**Disadvantage:** You no longer own the property and will pay rent to the housing authority.

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**3. Voluntary Surrender:** You move out of the property and permit KBC to sell or rent the property.

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**Advantage:** When the property is sold by KBC, the proceeds from the sale are used to pay off your arrears and reduce the remaining mortgage balance.

**Disadvantage:** If the property is sold for less than the balance outstanding on your mortgage, you remain liable for any outstanding mortgage balance, which will be repaid by you over an agreed period. We will work with you to agree an affordable repayment schedule on your outstanding mortgage balance.

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**4. Voluntary or Assisted Sale:** We permit you to sell the property yourself and repay your mortgage loan with the proceeds of the sale.

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**Advantage:** When the property is sold, the proceeds from the sale are used to pay off your arrears and reduce the remaining mortgage balance.

**Disadvantage:** If the property is sold for less than the balance outstanding on your mortgage, you will remain liable for any outstanding mortgage balance which will be repaid by you over an agreed period. We will work with you to agree an affordable repayment schedule on your outstanding mortgage balance.

### Important things to consider on Voluntary Sale and Voluntary Surrender:

*Property prices may rise or fall over time. As a property owner, the value of your property will be affected by increases or decreases in property valuations over time. Where you or KBC sell your property to a third party, you will not be affected by increases or decreases in the valuation of the subject property from the date of sale.*

## INDEPENDENT ADVICE: LONG TERM REPAYMENT ARRANGEMENTS OR ALTERNATIVE ARRANGEMENTS

If you receive a Letter of Variation (LOV) from us in Step 4 offering either a long term repayment arrangement or alternative arrangement we recommend that you seek independent financial advice before signing and accepting the terms of the offer.

The **‘Mortgage Advisory Service’** for Long Term Repayment Arrangements or Alternative Arrangements is a Government led initiative which allows you to seek independent advice from a participating accountant - where a long term repayment arrangement is being offered to you.

KBC, as part of this service, will pay up to a maximum of €250 plus VAT to an accountant of your choice for the provision of this advice. The full list of participating accountants is available at [www.keepingyourhome.ie](http://www.keepingyourhome.ie). Once you have selected your preferred accountant you then make contact with them to arrange a consultation.

### How to use the ‘Mortgage Advisory Service’:

**A**

Select the participating accountant you wish to provide this advice.

**B**

Make contact with your selected accountant and set-up an appointment. It is important that you bring the following 4 items to your appointment:

- Copy of your completed Standard Financial Statement
- Copy of your Letter of Variation (LOV) outlining the revised terms of your mortgage agreement
- Standard Financial Statement summary sheet
- Mortgage Forbearance Advice Confirmation Form (This is a confirmation from KBC once you notify KBC that you will be using the Mortgage Advisory Service)

- C** Your chosen accountant will then provide you with the mortgage forbearance advice to help you decide on the option put forward by KBC.
- D** When you have met with your chosen accountant and the consultation is complete, please make sure to sign the Mortgage Forbearance Advice Confirmation Form and leave it with your accountant who will invoice us directly for the cost of this service.
- E** Please then sign and return the LOV to us - along with any supporting documentation – assuming you have decided to proceed with the mortgage solution offered by KBC.

If you have any questions or concerns or want to appeal the recommendation, please contact our Arrears Support Team on **1850 930 235**.

It is recommended that you do seek independent legal and financial advice. KBC is not responsible for the advice you receive, or how you choose to act on that advice.

## **KEEPING IN CONTACT**

Once any one of our arrangement types described have been put in place, our Arrears Support Team will continue to keep in touch with you to make sure that the arrangement remains appropriate for you.

Should your circumstances change it is very important that you make immediate contact with KBC to discuss your situation so that we can review other options that may be appropriate for you. Our team will always be on hand to help and support you through the process.

We will notify you in writing where we have not been able to agree an alternative repayment arrangement. We appreciate that it is difficult for our customers who find themselves in this situation, but we will continue to work with you and support you through challenging times.

# PART 3

## THE MORTGAGE ARREARS RESOLUTION PROCESS

### ADDITIONAL INFORMATION

The third part of this guide gives you a summary on:

What KBC promises to do for you	P. 22
Questions and answers	P. 23-25
Useful contacts and information	P. 26-27



## WHAT KBC PROMISES TO DO FOR YOU

Please contact our dedicated Arrears Support Team on 1850 930 235 if you need any further explanation or guidance on the Mortgage Arrears Resolution Process.

At KBC we promise to work with you and all our customers in financial difficulty to find sustainable solutions where possible, always being clear and fair in our communications and dealings and always mindful and respectful of your individual circumstances.

KBC will also provide financial support to help with your relocation expenses should you voluntarily sell or voluntarily surrender your property.

### **In everything we do, including our communications with you, we will always endeavour:**

- ✔ To treat all of our customers fairly and consistently
- ✔ To be compliant with all relevant legal and regulatory requirements in our communication with our customers
- ✔ To ensure that our communications are written in a way that is clear and easy to understand
- ✔ To ensure that our customers have clear and reasonable timelines to respond to our requirements

And remember, that one of our dedicated Arrears Support Team is happy to visit you with information and guidance on this process at a time and place that is suitable to you. Please call us at any time during this process if you feel you would like additional support or would like any further advice. We understand that this can be a difficult time, please be assured that we are here to guide you and help you find an appropriate arrangement to meet your needs.

You may wish to seek some independent assistance for example, from the Money and Budgeting Advice Service (MABS) or other state supports may be available. Further information can be found under 'Useful Contacts and Information' on page 26.

## QUESTIONS AND ANSWERS

### How do I make an appeal?

You have the opportunity to submit an appeal to KBC Bank Ireland Appeals Board (see 'Useful Contacts & Information' on page 25), in relation to a decision by KBC regarding any of the following:

- Where an alternative repayment arrangement is offered to you by KBC and you are not willing to enter into such an arrangement
- Where KBC declines to offer an alternative repayment arrangement to you
- Where KBC classifies you as 'not co-operating'

This appeal must be made in writing to the KBC Bank Ireland Appeals Board within 20 business days of the receipt of our decision in writing. If you are not satisfied with the decision of the KBC Bank Ireland Appeals Board, you have the right to contact the Financial Services and Pensions Ombudsman (See 'Useful Contacts and Information' on page 26).

### How do I avoid being classified as a 'not co-operating' borrower?

During the four step process, we may ask you to provide us with information to help us understand your circumstances better. It is therefore very important that you remain engaged with us and provide KBC with a full and honest disclosure of the information we need, within the timeframe advised.

If a customer does not remain in meaningful and regular contact with us they may be classified as a 'not co-operating borrower' for the following reasons;

1. If they fail to make a full and honest disclosure of significant information; or
2. If they fail to provide information in the timelines requested; or
3. If they fail to meet their mortgage repayments in full or carry an arrears balance on their mortgage and fail to engage with us in a way that allows us to complete a full assessment of their circumstances for a period of three months.

## What are the consequences of being classified as ‘not co-operating’?

Any customer who is classified as a not co-operating borrower will lose the protections offered under the MARP and KBC may start legal proceedings to repossess the property. **This is not the option we want for any of our customers.**

If a customer is deemed as ‘not co-operating’ the following consequences apply:

- They will be outside the Mortgage Arrears Resolution Process (MARP) and its protections will no longer apply.
- KBC may commence legal proceedings for repossession of their property immediately and they may be liable for any additional costs.
- This may have an impact on their eligibility for a Personal Insolvency Arrangement.
- They may be subject to additional fees and charges on their arrears.

## How much will legal proceedings cost?

You may be liable for the cost of any legal proceedings and an approximate guide of these costs would be €10,000. This is an indicative figure and in certain circumstances the costs can substantially exceed this amount. If proceedings are protracted this will increase the overall costs incurred. You may also be liable for the payment of your own costs (including legal costs) and (if ordered by the Court) the costs of any other party (if any) involved in such possession proceedings. If, during any legal proceedings, we agree a repayment arrangement with you, any legal costs we have incurred may be added to your mortgage balance. In the event that your property is sold, you will remain liable for any debt which remains outstanding, including any accrued interest, charges, legal, selling and other related costs.

## Will my credit rating be affected if I enter into the Mortgage Arrears Resolution Process?

Your credit rating may be affected if you have an overdue balance on your mortgage account or if your property has been repossessed. This may affect your ability to obtain credit in the future.

KBC will provide credit reference agencies (including the Irish Credit Bureau and/or the Central Credit Register) with information on your account. It is important to know that if your account is in arrears, this will be reported. If you are in an arrangement, the terms of your arrangement

will be reported. How it is reported will be detailed in your letter of variation (LOV).

### What is the process if I wish to make a complaint?

At KBC we are committed to providing you with the best possible service. If you feel that at anytime our service has been unsatisfactory, you can make a complaint under one of the following categories:

- Our treatment of your case under the CCMA (Code of Conduct on Mortgage Arrears)
- Our compliance with the requirements of the CCMA (Code of Conduct on Mortgage Arrears)

Verbal or written complaints can be made to our customer contact team by calling **1850 930 235** or via email [customersupport@kbc.ie](mailto:customersupport@kbc.ie) or in writing to KBC Sandwith Street, Dublin 2. We will respond to your complaint within 20 working days.

### Do I have to sign a confidentiality clause?

For certain arrangements, we have confidentiality clauses in the Letter of Variation. A confidentiality clause would mean that you have to keep the existence and the terms of the proposal confidential. This includes our negotiations and discussions with you in connection with the arrangement. You would not be able to discuss this with any third party other than those you have engaged to work with KBC on your behalf or to offer you financial or legal advice in connection with the arrangement.

### Can I make a claim on my payment protection insurance?

If you have purchased payment protection insurance in relation to your mortgage account and have subsequently gone into arrears you may wish to make a claim on that policy.

## USEFUL CONTACTS & INFORMATION

NAME	CONTACT INFORMATION
<p><b>KBC Arrears Support Unit</b> If your financial situation has changed recently or you are concerned about your finances.</p>	<p><b>Call:</b> 1850 930 235</p>
<p><b>KBC Bank Ireland Appeals Board</b> If you wish to make an appeal in writing</p>	<p><b>Write to:</b> KBC Bank Ireland Appeals Board, KBC Bank Ireland, Sandwith Street, Dublin 2</p>
<p><b>Irish Mortgage Holders Organisation (IMHO)</b> Free independent service of debt negotiation for distressed mortgage holders of KBC Bank Ireland with a view to reaching an agreed acceptable solution for both parties.</p>	<p><b>Call:</b> 1800 988 977 8.00am – 7.00pm Monday to Friday &amp; 10.00am to 1.00pm on Saturdays. <b>Visit:</b> <a href="http://www.mortgageholders.ie">www.mortgageholders.ie</a></p>

### State Supports Available

NAME	CONTACT INFORMATION
<p><b>MABS (Money Advice &amp; Budgeting Service)</b> A free, independent, confidential service for people in debt or in danger of getting into debt.</p>	<p><b>Call:</b> MABS Helpline: 0761 072 000 <b>Visit:</b> <a href="http://www.mabs.ie">www.mabs.ie</a></p>
<p><b>Revenue Commissioners and Dept of Social Protection</b> For information on eligibility for State supports such as Mortgage Interest Supplement &amp; Mortgage Interest Relief</p>	<p><b>Visit:</b> <a href="http://www.revenue.ie">www.revenue.ie</a> and <a href="http://www.welfare.ie">www.welfare.ie</a></p>
<p><b>Citizens Information Board</b> Gives information, advice and advocacy on a broad range of public and social services, including health, unemployment, social welfare and money.</p>	<p><b>Call:</b> LoCall: 0761 074 000 <b>Visit:</b> <a href="http://www.citizensinformation.ie">www.citizensinformation.ie</a></p>
<p><b><a href="http://www.keepingyourhome.ie">www.keepingyourhome.ie</a></b> This website gives comprehensive information on the services and entitlements available to you if you are having difficulty paying your rent or mortgage. It is provided by the Citizens Information Board and MABS</p>	<p><b>Visit:</b> <a href="http://www.keepingyourhome.ie">www.keepingyourhome.ie</a></p>

## State Supports Available

NAME	CONTACT INFORMATION
<p><b>The Housing Agency</b> The Housing Agency was set up to work with and support local authorities, approved housing bodies and the Department of the Environment, Community and Local Government in the delivery of housing and housing services.</p>	<p><b>Call:</b> 01 656 4100 <b>Visit:</b> <a href="http://www.housing.ie">www.housing.ie</a> <b>Email:</b> <a href="mailto:info@housingagency.ie">info@housingagency.ie</a></p>
<p><b>Central Bank of Ireland</b> The Central Bank's website includes the Code of Conduct on Mortgage Arrears (July 2013).</p>	<p><b>Call:</b> 1890 777 777 <b>Visit:</b> <a href="http://www.centralbank.ie">www.centralbank.ie</a></p>
<p><b>Department of Social Protection</b> The Department's website has details on Job Seekers Allowance, Mortgage Interest Supplement and other welfare benefits you may be entitled to.</p>	<p><b>Visit:</b> <a href="http://www.welfare.ie">www.welfare.ie</a></p>
<p><b>Office of Revenue Commissioners</b> The website contains information on all tax credits and benefits that you may be entitled to.</p>	<p><b>Visit:</b> <a href="http://www.revenue.ie">www.revenue.ie</a></p>
<p><b>Financial Services and Pensions Ombudsman</b> The Financial Services and Pensions Ombudsman is a statutory officer who deals independently with unresolved complaints from consumers about their individual dealings with all financial service providers.</p>	<p><b>Write to:</b> FSPO, 3rd Floor Lincoln House, Lincoln Place, Dublin 2. <b>Call:</b> 01 567 7000 <b>Email:</b> <a href="mailto:info@fspoi.ie">info@fspoi.ie</a> <b>Visit:</b> <a href="http://www.financialombudsman.ie">www.financialombudsman.ie</a></p>
<p><b>Competition and Consumer Protection Commission (CPC)</b> The CPC is an independent statutory body responsible for enforcing competition and providing consumers with a range of information in relation to basic rights and updates on topical consumer issues.</p>	<p><b>Visit:</b> <a href="http://www.consumerhelp.ie">www.consumerhelp.ie</a></p>
<p><b>Insolvency Services of Ireland</b> This has been developed for people who cannot afford to pay their personal and mortgage debts and has been introduced under the Personal Insolvency Act 2012.</p>	<p><b>Visit:</b> <a href="http://www.isi.gov.ie">www.isi.gov.ie</a> and <a href="http://www.citizensinformation.ie">www.citizensinformation.ie</a></p>

# GLOSSARY OF TERMS

## Arrears

Arrears arise on a mortgage account when a borrower has not made the full monthly payment due by the scheduled due date. KBC mortgage repayments are due on the 1st of every calendar month.

## Capitalisation

The process of adding arrears to the loan and repaying them over an agreed period.

## Code of Conduct on Mortgage Arrears (July 2013)

This code sets out how mortgage lenders must treat borrowers in or facing mortgage arrears, with due regard to the fact that each case of mortgage arrears is unique and needs to be considered on its own merits.

## Fixed Rate

Under a fixed rate mortgage, the interest rate remains constant throughout an agreed term – irrespective of changes in the base rate, such as the European Central Bank (ECB) rate – and the borrower repays the same amount each month during that term. A borrower may switch from a fixed rate mortgage but a charge may apply.

## Letter of Variation

This is a legal document that sets out the terms upon which KBC is prepared to vary the terms of the existing loan agreement with the Client(s).

## Mortgage

A mortgage describes a loan provided to a borrower by a lender, for which a legal claim against the property acts as security for the loan.

**Mortgage Interest Relief (MIR)**

Mortgage Interest Relief is a tax relief based on the amount of mortgage interest you pay in a given tax year for your principal private residence (your home).

**Mortgage Interest Supplement (MIS)**

Mortgage Interest Supplement provides short term support to help you pay your mortgage interest repayments. You should contact your local Social Welfare officer who will advise if you qualify and what documentation is required. If you require any documentation from us, in relation to this or any other benefit, we will provide this information within 10 working days of the receipt of your request.

**Pre Arrears**

A pre-arrears case arises where either:

- a) the Customer contacts KBC to inform them that he/she is in danger of going into financial difficulties and/or is concerned about going into mortgage arrears or
- b) the lender establishes that the borrower is in danger of going into financial difficulties which may impact on the borrower's ability to meet his/her mortgage repayments.

**Repossession**

Repossession refers to any situation where the lender takes possession of the property either by way of voluntary agreement with the borrower, through abandonment of the property by the borrower without notifying the lender or by Court Order.

**Standard Financial Statement (SFS)**

Standard Financial Statement is a budgeting tool which lists out all your monthly income and outgoings. This form is available on our website [www.kbc.ie](http://www.kbc.ie).

**Term**

The period for which the mortgage was taken out.

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

# REMEMBER TALK TO US: WE'RE HERE FOR YOU EVERY STEP OF THE WAY.

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|-------------------|---|
| <b>Call:</b>      | We are here between 8.30am and 7.00pm Monday to Friday. All you have to do is call <b>1850 930 235</b> to speak to one of our specially trained Arrears Support Team. |
| <b>Website:</b>   | <a href="http://www.kbc.ie">www.kbc.ie</a> .  |
| <b>Visit:</b>     | Any KBC Hub. Log on to <a href="http://kbc.ie">kbc.ie</a> for our Hub details.  |
| <b>In Person:</b> | We can meet with you at a time and place that is suitable for you. Please call us to arrange an appointment.  |