Mortgage Credit Directive - General Information for Mortgage Customers

KBC – who are we?

KBC is part of KBC Group, one of Europe's most recognisable financial institutions and we have been providing banking services in Ireland for over 40 years.

We have over 1,000 employees in Dublin, Cork, Limerick, Galway, Kilkenny, Waterford, Wicklow and Kildare who are dedicated to creating a bank where Customers come first. Our **Bank of You** approach shines through in all our products and services, in our dealings with our customers, our shareholders, our team and our community.

On top of all that, we're backed by the strength of our parent bank, which means customers can relax knowing that they are dealing with a financially sound bank that's all about them.

If you would like to find out more about our Mortgage offerings please call us on **1800 51 52 53** or by visiting www.kbc.ie

Registered Office: Sandwith Street, Dublin 2, Ireland
Registered in the Republic of Ireland. Number 40537

We provide mortgages for the following purposes:

1. First Time Buyer/Mover/ Negative Equity Trade Up/Trade Down: To finance the purchase of a residential property which an individual occupies or intends to occupy as his or her principal residence.
2. Switcher: To refinance an existing mortgage secured on a residential property which an individual occupies or intends to occupy as his or her principal residence.
3. BTL: To finance the purchase of a residential property which an individual intends to rent/offer for rent and does not intend to occupy as their principal residence.

Security required:

The mortgage will be secured on the property which is being financed. KBC may seek additional security in the form of a lien over a deposit account; lien over shareholding in a Limited or listed company; guarantee of a third party. This list is not exhaustive.

Maximum Duration of the mortgages we offer:

First Time Buyer/Mover: 35 years to max age 65 (30 years to a maximum age of 68)
Switcher/ Negative Equity Trade Up/Trade Down : 30 years (to a maximum age of 68)
Buy to Let (BTL): 25 years (to a maximum age of 66)

Interest Rate Types:

KBC Offer both LTV Fixed and LTV Variable Interest Types as set out below:

1. LTV Variable Rates: These rates may vary over the life of the loan and therefore your monthly instalment may rise or fall. The Loan to Value (LTV) is calculated based on the amount offered as a percentage of the external valuation of the property as received by KBC or purchase price, whichever is lower in accordance with the terms of the Letter of Offer.
2. LTV Fixed Rates: These rates are fixed for a specified period. After the fixed period the rate will revert to the prevailing new business LTV Variable Rate at that time. The Loan to Value

(LTV) is calculated based on the amount offered as a percentage of the external valuation of the property, as received by KBC or purchase price, whichever is lower in accordance with the terms of the Letter of Offer. The monthly instalment will remain fixed for the fixed rate period but on expiry the monthly instalment may vary in line with any changes to the prevailing new business LTV Variable Rates.

An example of the monthly/lifetime cost of a mortgage:
By way of example, if you are a First Time Buyer and you borrow €100,000 over 25 years at an LTV 80-90% Variable rate of 3.85%, and you have not received any advice from a Broker regarding this mortgage, the total cost of the mortgage credit would be €55,876.95 (in addition there is a valuation fee of €126.93 and a security release fee at the end of your mortgage of €38), the APRC (Annual Percentage Rate of Charge) would be 3.93% and the monthly instalment would be €519.59.

Additional Costs you may incur in taking out a mortgage with KBC:
There may be additional costs not included in the total cost of the credit which are outlined below:

(a) Cost of registering your mortgage with the Land Registry/Registry of Deeds (PRA fee). Details of this fee will be provided by your solicitor.
(b) Borrower legal fees which will be advised by your solicitor.
(c) Costs associated with any structural survey undertaken on the Security,
(d) Stage Valuations or Interim/Final Inspection fees of €63.49 where works are being completed on the property.
(e) Confirmation of Valuation fee of €63.49 if the Valuation received is dated more than 2 months prior to drawdown.
(f) Property Insurance Costs and
(g) Life Assurance Policy Costs.
(h) Bank Legal fees of up to a maximum of €1,250 plus VAT (BTL Only)
(i) Fee to a Credit Intermediary for any advice received in connection with this mortgage

Repayment options:
KBC currently offers only Monthly repayments of your mortgage.

Early Repayment:
You have the possibility to repay this loan early, either fully or partially. A variable rate loan may be redeemed in full by the borrower at any time without penalty. If you fully or partially redeem a loan during a period in which the rate of interest on the loan is fixed, a break funding fee may be payable to the lender. Details of how this fee is calculated are set out in the statutory warnings section in the Letter of Offer. If you availed of our mortgage contribution offer and redeem the loan within three years from the date of drawdown, we reserve the right to clawback the mortgage contribution received by the borrower. Should you decide to repay this loan early, please contact us to ascertain the exact level of the exit charge at that moment.

Valuation Requirement:
A Valuation of the proposed security is required prior to drawdown of the mortgage. The cost of this valuation is €126.97 and it will be borne by the Borrower. The Bank will instruct this valuation.

Additional items you will be required to have in place before drawdown of your mortgage:

1. Property Insurance (KBC can provide this insurance or you can seek an alternative provider)
2. Life Assurance(KBC can provide this insurance or you can seek an alternative provider)

3. If you are availing of any of KBC's current account discount interest rates (KBC's prevailing new business fixed or variable rate with a discount of 0.20%), you must mandate your salary to your KBC Current Account. (In an instance where a customer is self-employed, you must establish a monthly transfer to the Current Account to lodge an amount that is at least equal to the monthly mortgage repayment). You must also pay your new KBC Mortgage by Direct Debit from your KBC Current Account. If you cease mandating your salary to your KBC Current Account and/or paying your KBC mortgage by Direct Debit from your KBC Current Account, the interest rate on your KBC Mortgage will increase by 0.20% i.e. the discount will no longer apply.

Warning re Non-Compliance with the terms of your mortgage:

Should you fail to comply with the terms of the credit agreement KBC may demand repayment of the loan (together with all other sums payable in connection with the loan) on giving seven days notice to you. In addition there may be the following financial and/or legal consequences:

1. Additional interest of 1% per annum above the rate of interest applicable to the loan may be charged (as well after demand or judgment as before) on any arrears balance.
2. Our obligation to provide the loan or any part of it will cease and we may demand repayment of the loan (together with all accrued but unpaid interest and all other sums payable in respect or in connection with the loan).
3. You would be liable for all costs, charges, fees and expenses incurred in and about the protection and enforcement of our security for the loan on the basis that such costs, charges, fees and expenses are recoverable as if they were taxed as between a solicitor and his own client;
4. If you default under the terms of your loan, you will also be deemed to be in default under any other loans or facilities you hold with KBC Bank Ireland plc or any other company within the KBC Bank NV Group even in circumstances where there are no arrears on these loans. In addition a default under your loan with KBC may constitute a default under loans you hold with other financial institutions depending on the terms and conditions of those loans.
5. We may be required to submit details of your loan to credit reference agencies. If you default in the repayment of your loan this will be advised to the credit reference agencies and may impact your ability to obtain credit from financial institutions in the future.
6. If we hold money to your credit in another account, we may in accordance with the terms of our General Homeloan Conditions and security documents set-off the amount standing to your credit on that account against the amount outstanding in connection with the loan
7. We may enforce our charge over the property taken as security by either seeking possession of the property or appointing a receiver over it. We or the receiver may thereafter seek to sell the property and apply the proceeds of sale against the amount outstanding in connection with the loan. If a balance remains outstanding in connection with the loan after the proceeds of sale have been applied to the loan account the borrower remains liable for this balance. You would also be liable for the cost of the repossession proceedings and an approximate guide of these costs would be €10,000. The above estimate is merely indicative of the costs of such proceedings and in certain

circumstances the costs can substantially exceed this amount. If proceedings are protracted this will increase the overall costs incurred. You will 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.

8. We may enforce any other security we hold in connection with the loan such as guarantees.
9. We may seek judgment against you for all amounts outstanding in connection with the loan including all interest, costs, fees and charges. You would be liable for the costs of these proceedings. If we obtained judgment against you we could then seek to enforce this judgment in a number of ways including attaching it as a judgment mortgage against any other properties you might own or seizure of goods by the Sherriff to the value of the debt.
10. We may apply to court to have you adjudged bankrupt. You would be liable for the cost of these legal proceedings and if adjudged bankrupt would be restricted in your ability to deal with your assets and financial affairs for a period of one year.

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

Warning: The payment rates on this housing loan may be adjusted by the lender from time to time.

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.

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