



Mortgage Arrears Resolution Process


We're here to help...

Your financial situation may have changed in recent years and you may have fallen into arrears on your mortgage repayments, or you may be concerned about falling into arrears in the future. Whatever the cause of your financial problems, at St. Canice's Kilkenny Credit Union Ltd we are committed to supporting you if you are in financial difficulty.

This guide is designed to help you understand the **Mortgage Arrears Resolution Process (MARP)** and what support is available to you. We provide it to help members who think they may be in financial difficulty, those already in difficulty and those who are currently in an agreed arrangement with their mortgage. We want to assure you that we are committed to helping you with any repayment difficulties you may have, treating you fairly, and finding the most appropriate solution to best suit your circumstances.

St. Canice's Credit Union

 Main Branch 78 High Street, Kilkenny

 Enquiries to any St. Canice's branch

 Email loans@stcanicescu.ie

 Tel (056) 772 2042

 Website www.stcanicescu.ie

 Open 6 days a week

St. Canice's Credit Union Branches

Main Street, Bagenalstown, Co Carlow R21A589

Castle Street, Ballyragget, Co Kilkenny R95 AK19

Mill Street, Callan, Co Kilkenny R95 F500

Dunnamaggin, Co Kilkenny R95 P932

Mary Street, Durrrow, Co. Laois R32 EY76

Shannon Street, Mountrath, Co Laois R32 H2VX

Main Street, Rathdowney, Co Laois R32 AY16

High Street, Graignamanagh, Co Kilkenny R95 C436

No 27 Goods Shed Square, MacDonagh Junction Shopping Centre, Kilkenny R95 EY24

Main Street, Ballingarry, Co. Tipperary E41X5X7

Useful Contacts

If you have any further questions about the Mortgage Arrears Resolution Process you can get advice from the sources below:

St. Canice's Kilkenny Credit Union Limited

Main Branch: 78 High Street, Kilkenny

Branch Network: Bagenalstown, Ballingarry, Ballyragget, Callan, Dunnamaggin, Durrrow, Graignamangh, MacDonagh Junction Shopping Centre in Kilkenny, Mountrath and Rathdowney.

Telephone: 056 77 22042 / **Email:** info@stcanicescu.ie

Website: www.stcanicescu.ie

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: 1890 777 777 / **Website:** www.centralbank.ie

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. If you are in mortgage arrears or are worried about mortgage arrears, you can contact the Citizens Information's new dedicated Mortgage Arrears Information help line.

Phone: 0761 074 050 (9.30am – 5pm Monday to Friday)

Website: www.citizensinformation.ie

Department of Social Protection

The Social Welfare website provides information relating to job seekers allowance, mortgage interest supplement and other welfare benefits you may be eligible for.

Website: www.welfare.ie

Money Advice and Budgeting Service (MABS)

MABS (mabs.ie) 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: 0761 07 2000

Office of the Revenue Commissioners

This website will provide you with information on all tax credits and benefits you may be entitled to.

Website: www.revenue.ie

Financial Services Ombudsman Bureau

Address: 3rd Floor Lincoln House, Lincoln Place, Dublin 2

Phone: 1890 88 20 90 (to call) **Fax:** 01 662 0890

E-mail: enquiries@financialombudsman.ie

Insolvency Service of Ireland

Under the Personal Insolvency Act 2012, you have the right to consult with a Personal Insolvency Practitioner. For more information please refer to their website at: www.isi.gov.ie

www.keepingyourhome.ie

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.

Not Co-Operating

It is vital that you co-operate with St. Canice's Kilkenny Credit Union Limited in relation to your current financial situation. Where you fail to co-operate with St. Canice's Kilkenny Credit Union Limited, you will be classified as not co-operating which may have the following implications:

- You will lose the protection afforded by the Mortgage Arrears Resolution Process (MARP).

- Legal action may be undertaken immediately. Where legal proceedings are initiated you will incur legal costs. Should it be necessary to take legal action it is important to be aware that irrespective of how the property is repossessed and disposed of, you will remain liable for any outstanding debt, including any accrued interest, charges, legal, selling and other related costs.

- This may impact on your eligibility for a Personal Insolvency Arrangement in accordance with the Personal Insolvency Act 2012.
- Charges and/or surcharge interest may be imposed on any arrears that arise on your mortgage account.

Under the CCMA, you can only be classified as not co-operating when any of the following apply to your particular case:

1.a. You fail to make a full and honest disclosure of information to the Credit Union, that would have a significant impact on your financial situation;

1.b. You fail to provide information, relevant to your financial situation within specified timelines.

1.c. A three month period elapses where:

1.c.1 - You have not entered into an alternative repayment arrangement, and during which you:

- Have failed to meet your mortgage repayments in full in accordance with the mortgage contract or

- Meet your mortgage repayments in full in accordance with the mortgage contract but have an arrears balance remaining on the mortgage; or

1.c.2 - You have entered into an alternative repayment arrangement, and during which you:

- Have failed to meet in full repayments as specified in the terms of an alternative repayment arrangement; and during which you:

- Have failed to make contact with, or respond to any communications from, the Credit Union or a third party acting on the Credit Union's behalf; or

- Have made contact with, or responded to communications from, the Credit Union or a third party acting on the Credit Union's behalf but have not engaged in such a way that enables the Credit Union to complete an assessment of your circumstances:

and:

2. A warning letter has been issued to you and you have not carried out the action(s) specified in that letter.

The Mortgage Arrears Resolution Process (MARP)

The Central Bank's Code of Conduct on Mortgage Arrears ("CCMA") sets out the framework that all lenders must use when dealing with members in mortgage arrears or 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. Under this framework St. Canice's Kilkenny Credit Union Limited has introduced a four-step process called the Mortgage Arrears Resolutions Process, or MARP.

Note: The CCMA applies to 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 that you may not currently be living in.

If you would like to know more about MARP or would like to begin the process, please come and talk to us today. We have a number of ways you can contact us to provide you with help and support:

- drop in to any of our 11 branches
- email info@stcanicescu.ie
- call us on 056 77 22042

Step 1 – Communication

The most important step is to talk to us as early as possible, whether you are having trouble meeting mortgage repayments now or are worried that you may have trouble in the future.

St. Canice's Kilkenny Credit Union Limited has put in place a credit control team of professional and friendly staff to help our members in difficulty. You can get in touch with the team through your local branch or through our Member Service Centre on 056 7722042. Our branch opening hours are available on our website www.stcanicescu.ie

As soon as you can get in touch, we can begin to discuss your options. Please remember, throughout this process, to continue engaging with us, to 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.

Step 2 – Financial Communication

In order to assist you, we will need to get up to date information about your income and expenditure. We will ask you to complete a Standard Financial Statement (SFS).

How can you receive your Standard Financial Statement Form?

- Download a copy at www.stcanicescu.ie
- Email info@stcanicescu.ie who will send you a copy
- Call our Member Service Centre on 056 7722042 who will send you a copy
- Visit any of our branches

You can then arrange to meet with a dedicated credit control team member, who is specially trained to assist members in financial difficulties and will guide you and provide assistance in completing the form and the next steps.

You may also need to provide additional documentation to support the information in the Standard Financial Statement. This may include:

- Account statements from other Credit Unions (at least 3 months)
- Proof of Income (e.g., recent payslips, P60, social welfare receipts)
- Business accounts for self-employed

We reserve the right to ask for more information, where appropriate.

It's important that you fill out the SFS fully and accurately, making sure that the information provided is a full and honest disclosure. If you wish, you can get independent advice when completing the Standard Financial Statement, such as from your Local Money Advice and Budgeting Services (MABS) - see 'Useful Contacts' section.

Step 3 – Assessment

We will use the information provided by you in the SFS to assess your individual situation on which the criteria for assessing requests for alternative measures will be based. Careful consideration will be given to the following:

- Your personal circumstances
- Your overall personal debt
- Your information provided in the SFS
- Your current ability to make repayments
- Your previous repayment history
- Any other relevant personal information.

Step 4 – Resolution

Following the assessment stage, we will have a clear picture of your individual situation and whether it meets the criteria for any alternative repayment options or measures. A credit control team member will be in contact with you once the assessment has been completed to advise of the next steps. We are dedicated to finding an appropriate resolution for you, wherever possible.

We have a number of arrangements or a combination of arrangements that may be available to you, depending on the outcome of our assessment in Step 3 which fall into the below three categories:

a. Short Term Repayment Arrangements

Interest Only – This means that you will only pay the interest owed on your loan during this period and not the capital amount owed.

Reduced Repayment – This means you will pay a series of agreed repayments incorporating interest and some capital, which reduces the amount of your monthly repayments for a time.

Repayment Break – An arrangement to defer the payment of all or part of your mortgage repayment for an agreed period of time to ease the immediate financial pressure on you.

b. Long Term Repayment Arrangements

Extension of Loan Term – 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.

Capitalisation of the Arrears and Interest – An arrangement to restructure your repayments by spreading the amount of any arrears and interest over the remaining term of your mortgage

Changing the Type of the Mortgage – This means that you move to a different mortgage product that would reduce your monthly repayments.

Fixed Repayment – This means you will pay a series of agreed repayments incorporating interest and some capital, which reduces the amount of your monthly repayments for a time.

Low Fixed Interest Rate – An arrangement where a reduced fixed interest rate will be applied to your mortgage for a defined period of time. This means that you will make capital and interest repayments at a reduced interest rate that is affordable to you.

c. Other Options

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. Mortgage to rent allows you to voluntarily surrender your property to the lender. The lender sells the property to an Approved Housing Association (AHA) and you will remain in the property as Social Housing tenants of the AHA.

Negative Equity Trade Down – If your home is in negative equity, you may be able to sell this property and purchase a new property of a lower value. 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.

Voluntary Sale of your Property – This involves you selling your property to clear or reduce the balance of your mortgage. Where the balance can be cleared in full, revised terms may be agreed by the Credit Union, whilst the property is selling, to match your affordability. 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 the Credit Union.

Voluntary Surrender – This involves us selling the property on your behalf and assessing your ability towards repayment of the outstanding balance of your mortgage following the sale of the property.

The availability of the options outlined above have strict qualifying criteria with each case assessed on an individual case by case basis.

Additional Notes in Relation to Alternative Repayment Options

• If we decide to offer you an alternative repayment arrangement we will write to you setting out the terms and conditions of that arrangement. It's very important that you fully understand the new arrangement before you go ahead with it. For this reason we 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 these with you.

• You should also be aware that, although an alternative repayment arrangement may reduce your home mortgage repayments, they will add to the overall cost of your mortgage over the term of the mortgage. Arrears on your mortgage will be reported to the Central Credit Register, as required by law, and to the Irish Credit Bureau. This may affect your future ability to borrow.

• You have the right to make a complaint at any time in relation to the treatment of your case under the MARP process or the Credit Unions compliance with the MARP process. Complaints can be made through various methods, for example, by telephone, in person through your local branch, in writing or by email.

- You have the right to appeal the decision in the event that:
 - the Credit Union offers you an alternative repayment arrangement which you have declined and you have been advised in writing of other possible options that you may wish to consider.
 - the Credit Union declines to offer you an alternative repayment arrangement
 - the Credit Union classifies you as not co-operating

You must write to us within 20 business days of receiving a letter from the Credit Union in relation to one of the above scenarios.

• We will review your situation regularly to ensure that you are on the most appropriate arrangement for your circumstances. You are required to tell us if your ability to repay your mortgage changes at any time, whether it improves or where you are unable to make the agreed repayments. This will allow us to make a timely and informed decision about the most appropriate way forward in light of your new situation.

• 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.

• All members must co-operate with MARP. The Credit Union may commence legal proceedings for repossession of the property immediately after classifying a member as not co-operating. Please see the section in relation to the definition of not co-operating.

Communications

St. Canice's Kilkenny Credit Union Limited has a Communications Policy for members in mortgage difficulties which governs all communication between the Credit Union and members that are in financial difficulty or at risk of going into financial difficulties with their MARP protected mortgage.

• The Credit Union commits to communicating promptly and clearly with members to establish reasons for their financial difficulty.

• The Credit Union will communicate with members in an open and transparent manner and in a manner that is proportionate and not excessive, taking into account the position of their mortgage and their previous conduct.

• Communications with members will be resolution focussed and conducted in a timely and professional manner.

• The Credit Union commits to act with the highest standards of professionalism, integrity, honesty and fairness in dealing with its members.

Use of Confidentiality Agreements

Where an alternative repayment arrangement, or an option, other than an alternative repayment arrangement is being proposed to you by the Credit Union, 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 and/or negotiations are taking place between the Credit Union and you and/or the scope and terms of such discussions/negotiations(Information). You may not disclose this Information to any third party except to your advisors, agents, employees and/or directors and you are obliged to ensure that such persons also keep the information confidential.