

Guide for Mortgage Borrowers

This document sets out general information on the Credit Union and the mortgage product available and it also outlines some of the standards the Credit Union will uphold when lending.

About your Credit Union

St. Canice's Kilkenny Credit Union Limited is an independent, member owned financial institution regulated by the Central Bank of Ireland and registered with the Registry of Credit Unions under registration number CU144. The registered office of the Credit Union is 78 High Street, Kilkenny.

In this document, 'We' or 'Us' or 'the Credit Union' refer to St. Canice's Kilkenny Credit Union Limited. 'You' or 'the Borrower' or 'the Member' refers to the person applying for mortgage credit.

Key Milestones in the Application Process

- **Enquiry** – whether you are ready to apply for a mortgage now, or are just looking for advice on how to save for a deposit, our staff are happy to sit down with you to talk you through the process.
- **Application** – we will provide you with an Application Pack together with a number of documents for you to fill in. Please pay attention to the checklist at the front of the Application Form as it will speed up the process if you bring all the necessary documentation with you.
- **Approval in Principle** – when you first enquire about a mortgage with us, we will conduct a very basic assessment of the amount you could, in principle, borrow. This does not mean that we are offering to lend that amount but if you are looking to buy a home, it allows you to get started with house hunting.
- **Underwriting** – this is where we review and assess your application. We will look at all of the documents submitted and will also conduct other standard checks, like obtaining an independent valuation of the property and conducting credit history checks.
- **Full Approval** – once we have reviewed your application and are happy to proceed, a letter of offer will issue. This may contain a number of conditions and you should pay close attention to these as it will not be possible to draw down funds until those conditions are met. From here you should keep in close contact with your solicitor who will work with the solicitor of the person selling the property to ensure that the sale goes smoothly. We will also provide you with a European Standard Information Sheet (ESIS) that will provide specific details regarding your mortgage.

The Mortgage Product

We offer a variable rate mortgage; this is where the rate charged may rise or fall over the lifetime of the loan. Any change to interest rates will be communicated to borrowers in writing and in good time before the change takes effect.

Mortgages are offered for the following purposes:

1. **Buying a house** – Principle Private Residence
2. **Switching Mortgage Provider** – Principle Private Residence
3. **Renovating a house** – Principle Private Residence

You can borrow up to €350,000 with a max term of 35 years, with a fixed or variable rate mortgage.

3 year fixed rate is 3.15% (APR 3.49%) *

5 year fixed rate is 3.45% (APR 3.54%) **

Variable interest rate is 3.5% (3.56% APR variable) ***

Example of Cost of Mortgage

*A €200,000, 35 year mortgage with a **3 Year Fixed Rate of 3.15% (APR 3.49%)**, includes 36 monthly fixed repayments of €786.54 and 384 variable repayments of €823.80, excluding insurance.

If the interest rate does not vary (based on today's equivalent variable rate of 3.5%) during the term of the mortgage, the total cost of credit i.e. the total amount repayable less than the amount of the loan would be €144,616.02 The total amount repayable would be €344,616.02. The effect of a 1% increase in the prevailing variable rate (3.50%) will add €122.71 to the 384 monthly variable repayments.

A €200,000, 35 year mortgage with a **5 Year Fixed Rate of 3.45% (APR 3.54%), includes 60 monthly fixed repayments of €820.80 and 360 variable repayments of €825.92, excluding insurance. If the interest rate does not vary (based on today's equivalent variable rate of 3.5%) during the term of the mortgage, the total cost of credit i.e. the total amount repayable less than the amount of the loan would be €146,543.18 The total amount repayable would be €346,543.18 The effect of a 1% increase in the prevailing variable rate (3.50%) will add €120.59 to the 360 monthly variable repayments.

*** A €200,000, 35 year mortgage with a **Variable Rate of 3.5% (3.56% APR variable)** includes 420 monthly repayments of €826.58 per month, excluding insurance. The total cost of credit i.e. the total amount repayable less than the amount of the loan would be €147,126.95. The total amount repayable would be €347,126.95. The additional cost per month of a 1% rise in the rate of interest of such a mortgage is €119.93 and would be payable monthly.

In addition to the above costs, you will need to factor in the additional costs of insurances, an independent property valuation and legal fees. Your solicitor will advise you of the legal costs involved, including Property Registration Authority fees and Stamp Duty.

Maximum Loan Values

The Credit Union offers mortgages up to €350,000 over a maximum term of 35 years.

The maximum Loan to Value ('LTV') is 90% for first time and non-first time buyers. This means that the total amount of credit offered can be no more than 90% of the value of the property as appearing in the independent property valuation.

The maximum Loan to Income ('LTI') is 3.5 times your gross basic annual income.

General Mortgage Conditions

The Credit Union makes the following stipulations for mortgages. This list is a guide only and a comprehensive list of conditions is contained in the 'Mortgage Terms and Conditions' document.

1. The mortgage will be secured on the property being financed by way of first charge. We may seek additional security such as a guarantee, but if we do, this will be discussed with you in advance.
2. We will accept monthly loan repayments only.
3. There is no charge for early repayment of a variable rate loan.
4. As the property is your main home or 'principle private residence', you are required to obtain Mortgage Protection Insurance to cover the full outstanding mortgage balance in the event of death. This policy must be assigned to the Credit Union.
5. The Credit Union requires buildings and contents insurance to be obtained for all mortgaged properties. This insurance must be maintained for the full duration of the mortgage.
6. An independent valuation of the property is required for the Credit Union to assess the application. The Credit Union will arrange for the valuation to be carried out by a member of their panel of local property valuers. The cost of this will be paid for by St. Canice's Credit Union.

Communicating with You

The Credit Union commits to at all times communicate with Members in a manner that is;

➤ **Open** ➤ **Honest** ➤ **Transparent**

We are obliged to fully assess your ability to repay so that you don't take on borrowing that will put you under too much financial pressure. This will include stress testing your finances to calculate the impact of, for example, a reduction in salary or a rise in interest rates. If we are unable to offer you a mortgage we will communicate this to you as soon as possible, explaining the reasons why.

If you are not satisfied with the service you receive or have a complaint, you can pick up a copy of our complaints procedure in any branch or download it from our website; www.stcanicescu.ie. The complaint will be treated in strict confidence and if the matter is not resolved to your satisfaction within 40 business days we will provide you with a written response in accordance with our Grievance Policy. Should the matter not be resolved to your satisfaction utilising the Credit Union's process, you have a right to contact the Financial Services Ombudsman:

Financial Services Ombudsman's Bureau, 3 rd Floor Lincoln House, Lincoln Place, Dublin 2.	Lo Call	1890 882 090
	Telephone	01 662 0899
	E Mail	enquiries@financialombudsman.ie
	Website	www.financialombudsman.ie

Data Policy

The Credit Union will gather data through our interactions with Members and will comply at all times with our obligations set out under the Data Protection Acts. We will seek your consent prior to using any personal data for the purposes of assessing a mortgage application. You have a right to receive a copy of your personal data held by the credit union following a written request and the payment of a nominal fee. Should there be any mistake or inaccuracies in your personal data, you have a right to have this corrected free of charge.

Member Default & Arrears

The Credit Union will always seek to assist Members who are in default or experiencing financial difficulty. If a Member is in difficulty repaying their mortgage they should contact the credit union as early as possible to discuss potential options. The Credit Union may, if necessary exercise our rights and remedies set out in the Mortgage Terms and Conditions.

We follow the Mortgage Arrears Resolution Process (MARP) We have a helpful guide to the MARP on our website or in each branch. 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.

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

Warning: You may have to pay charges if you pay off a fixed rate loan early.

Warning: The payment rate on a variable housing loan may be adjusted by the lender from time to time.

Warning: The cost of your monthly repayments may increase

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.

Warning: Credit cannot be granted where the information provided is insufficient for the lender to fully assess your creditworthiness