



Cork County Council
Mortgage Arrears Resolution Process
Borrower Information Booklet

Q. Have you difficulty in paying your bills?

Q. Have you missed a Mortgage Repayment?

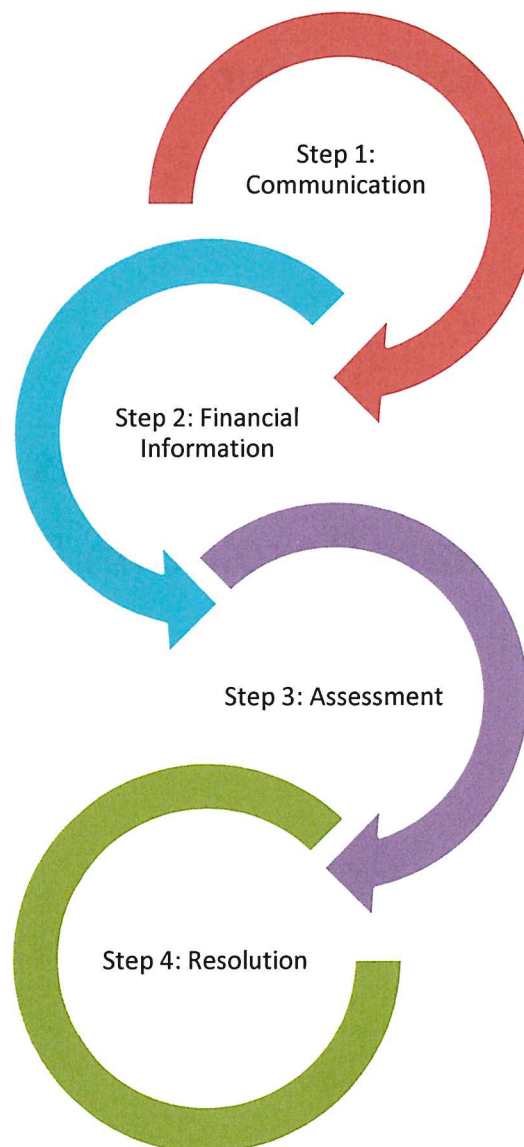
Q. Are you likely to miss your next or future Mortgage Repayment?

If yes, you should talk to us about our Mortgage Arrears Resolution Process (MARP)

We have a process called the Mortgage Arrears Resolution Process (MARP) to help support mortgage borrowers who are in arrears, or are at risk of going into arrears. We have a dedicated team in our Arrears Support Unit that will work with borrowers. If you are deemed to be eligible for the process we will work with you to bring you through this process in order to try to get the best solution to address your arrears situation

There are four steps in the process and this booklet will explain each of these steps to you.

STEPS IN THE MORTGAGE ARREARS RESOLUTION PROCESS



STEP 1: Communication

Anyone can be affected by financial difficulties at any time and this can result in problems paying bills. If you are experiencing such difficulties with paying your mortgage or are concerned that you may not be able to pay your next or future mortgage repayments in full, then you need to come and talk to us. We have a dedicated team in the Arrears Support Unit.

You can contact the Arrears Support Unit Monday to Friday on 021-4285262. One of our Arrears Support officers will help you through the process. If you would prefer to meet someone in person call the Arrears Support Unit on the above number to make an appointment.

Ignoring the problem will not make it go away. We can only try to help if you talk to us.

It is important that you co-operate with us during MARP. While you are co-operating with us in the MARP you are afforded certain protections. However, failure to communicate or engage properly with us can have implications for this protection, we may classify you as not co-operating, and you could be exited from MARP losing these protections.

A full explanation of what is considered to be not cooperating is contained in the next step; Step 2: Financial Information, and you should ensure that you read this carefully and understand the implications.

Our Communication Policy

We have a Communication Policy in place to ensure that our communication with you is fair and reasonable. The policy sets out what you should expect from us and what we expect from you in return.

When your account goes into arrears:

- We will contact you in writing to inform you of the situation and invite you to engage with us to try to find a solution;
- We will contact you on a regular basis in writing to give you updates on your account status;
- We will be reasonable in all contact we have with you and we will be open and transparent in all communications;
- We will allow you a reasonable length of time to gather and submit information;
- We will not make unnecessary contact with you.

We will expect you to:

- Provide us with the information that we require in order to take you through the MARP within a reasonable timeframe;
- Be open with us about your situation;
- Engage with us by responding to all communication sent to you.

STEP 2: Financial Information

In order to start to assist you with your arrears we must fully understand your financial situation. And as a result you will be required to provide us with full details of your income and expenditure. We need you to complete a Standard Financial Statement (SFS). You can obtain a SFS from our website or from the Arrears Support Unit. It is important that you complete this document fully and honestly as this information will be used to determine the best options that may be available to you.

In addition to the SFS you will be required to provide the backup documentation as outlined on the form. Cork County Council may seek additional information on any detail that you have entered on the SFS. Cork County Council will afford you a reasonable length of time to complete and submit the form and to submit any additional information required. The Central Bank has prepared a guide 'Mortgage Arrears – A Consumer Guide to Completing a Standard Financial Statement' which you can access on the web.

When you have completed and returned the SFS, one of our Arrears Support Team will review the form and may then arrange to meet you to ensure that we have a full understanding of your financial situation.

Failure to complete the SFS or failure to complete the SFS fully and honestly may result in you being classified as not co-operating.

Not co-operating:

You can only be considered as not co-operating with us when:

1. **any** of the following apply to your case:
 - a) You fail to make a full and honest disclosure of information to us, that would have a significant impact on your financial situation;

b) You fail to provide information, relevant to your financial situation, within the timeline specified by us

c) A three month period elapses:

- (i) (a) where you have not entered into an alternative repayment arrangement, and during which you have failed to meet your mortgage repayments in full or you meet your mortgage repayments in full but have an arrears balance remaining on the mortgage; or
(b) where 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
- (ii) during which you
 - (a) have failed to make contact with, or respond to any communications from us or a third party acting on our behalf; or
 - (b) have made contact with, or responded to communications from us or a third party acting on our behalf but have not engaged in such a way that enables us to complete an assessment of your circumstances;

and

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

Consequences of not co-operating

Not co-operating with this process has serious consequences for you and your home which may result in:

- Your exit from MARP;
- Legal action for repossession of your property being taken immediately after we classify you as not co-operating;
- Your eligibility for a Personal Insolvency Arrangement, in accordance with the Personal Insolvency Act 2012, being affected.

STEP 3: Assessment

We accept that everyone's situation is different and as a result we will assess the information in your completed SFS and examine your situation on its individual merits. We will use the information you have provided to determine which options for an alternative repayment arrangement may suit your situation.

We will consider the following in our assessment:

- Your personal circumstances;
- Your overall level of debt;
- The information provided in your completed SFS;
- Your current ability to make repayments;
- Your repayment history;
- Any other relevant information.

If your circumstances change you must notify us of this immediately and you will be required to complete a new Standard Financial Statement.

STEP 4: Resolution

We will explore all options for alternative repayment arrangements when considering your case, in order to determine which options are viable and appropriate for you. Such alternative repayment arrangements may include one or more of the following:

Short Term Options

1. an interest-only arrangement for a specified period;
2. an arrangement to pay interest and part of the normal capital element for a specified period;
3. deferring in exceptional circumstances payment of all or part of the instalment repayment for a specified period;

Long Term Options

4. extending the term of the mortgage to a maximum of 35 years and a maximum age of 70 of the borrower, depending on the type of loan, the remaining term and the circumstances of the individual borrower;
5. changing the type of the mortgage, depending on the type of loan, the remaining term and the circumstances of the individual borrower;
6. capitalising the arrears and interest; at the interest rate applicable to the parent mortgage;
7. extending the term of the mortgage to a maximum of 35 years and freezing the amount owed at 70 with a charge on the property for the amount owing.

Other Options

If we are not in a position to offer an alternative repayment arrangement following the review of the completed Standard Financial Statement as there is insufficient disposable income to allow sufficient repayments on the mortgage loan, our team will discuss other options with you.

Mortgage to Rent (MTR):

The MTR scheme is a government scheme which aims to help people who have serious difficulties with their mortgage and who are unlikely to ever make full repayments on their mortgage in the

future. If you were deemed eligible you would transfer your mortgaged property to us and the agreed valuation amount is put against the balance owed on your mortgage. You and your family remain in the property as our tenant paying us an income based rent.

If the valuation amount is not the full amount owed by you, you will be liable for the remaining debt and we will enter in to an arrangement for the repayment of this money over a specific period of time. If MTR is offered to you and you accept the option you will no longer own your home.

Voluntary Sale:

You agree to sell the property yourself and the proceeds from the sale are put against the balance owed by you on the mortgage loan. You remain in your property until it is sold.

If the sale of the property does not raise the full amount owed by you, you will be liable for the remaining debt and we will enter into an arrangement for the repayment of this money over a specific period of time

Voluntary Surrender:

You agree to voluntarily hand over ownership of your property to us, you give us full possession of the property. Cork County Council may sell the property or keep the property for use as part of its housing stock. If the property is sold it is at the sole discretion of Cork County Council what is accepted as the final sale price and this amount will be used to pay your arrears and to reduce or clear your remaining mortgage balance.

If the sale of the property does not raise the full amount owed by you, you will be liable for the remaining debt and we will enter into an arrangement for the repayment of this money over a specific period of time

Complaints

You have a right to make a complaint to us in relation to:

- The treatment of your case under MARP
- Cork County Council's compliance with the requirements of MARP

You can make a complaint, verbally or in writing, to Cork County Council.

Where you make a verbal complaint, we will offer you the opportunity to have the complaint handled in accordance with our written complaints process, outlined below.

Where you make a written complaint, we must acknowledge your complaint in writing within 5 business days of receiving it, and we will provide you with the name of the contact person in relation to your complaint.

We will provide you with regular written updates on the process of the investigation of the complaint at intervals of not more than 20 business days from the date on which your complaint was made.

We will attempt to resolve your complaint within 40 business days. If your complaint is not resolved within 40 business days, we will inform you of the anticipated timeframe within which we hope to resolve the complaint.

We will inform you in writing of the outcome of our investigation within 5 business days of the completion of the investigation.

If you are dissatisfied with the response to your complaint, you have the right to refer the matter to the Financial Services and Pensions Ombudsman (see Useful Contacts on page 11).

Appeals

You have the right to appeal to Cork County Council's Appeals Board where you are unhappy with a decision made by us during the MARP, including where we:

- offer you an alternative repayment arrangement but you are not willing to enter into the ARA offered
- decline to offer an alternative repayment arrangement
- have classified you as not co-operating

The Appeals Board consists of 3 of Cork County Council's senior management who have not been involved in your case previously. To make an appeal, you must submit your appeal in writing to the Appeals Board within 20 business days from the date that you have received the letter notifying you of the decision.

The Appeals Board will acknowledge your appeal in writing within 5 business days of receiving your appeal. The Appeals Board will provide you with regular written updates on the progress of your appeal, at intervals of not more than 20 business days.

The Appeals Board will consider and adjudicate on your appeal within 40 business days of receiving the appeal and will notify you in writing of their decision within 5 business days of their decision.

If you are unhappy with a decision of the Appeals Board, you have the right to refer the matter to the Financial Services and Pensions Ombudsman (see Useful Contacts on page 11).

Important Information

Alternative Repayment Arrangements

Alternative repayment arrangements availability is subject to individual case assessment

Cost of your Mortgage

Some of the Short /Medium/ Long Term options may increase the total cost of credit over the term of your mortgage.

Independent Advice

Before you make a decision you must fully understand the implications of any new loan arrangement. We strongly recommend that you obtain independent legal and financial advice before agreeing to any resolution arrangement.

Review Process

Once you remain within the MARP, we will monitor any alternative repayment arrangement put in place. We will also carry out an annual review to establish if there has been any change in your financial circumstances since the arrangement first began. If you do not keep to the terms of your arrangement a review will take place immediately

Outstanding Debt

If a balance remains on your mortgage account if you enter into an option other than an alternative repayment arrangement you will remain liable for the outstanding debt.

Credit Rating

Alternative repayment arrangements will be reported by Cork County Council to the Irish Credit Bureau or any other credit reference agency or credit register and this will have an impact on your credit rating

Mortgage Protection Insurance

If you have purchased payment protection insurance in relation to your mortgage account which is now in arrears you may wish to make a claim on your policy.

Irish Credit Bureau

Information relating to your arrears will be shared with the Irish Credit Bureau or other relevant credit reference agency or credit register where our contract with you allows us to do so or where we are obliged by law to do so.

Useful Contacts

Cork County Council Arrears Support Unit (ASU)

Address: Floor 5, Finance Department, County Hall, Cork.

Phone: 021-4285262

Hours: Monday – Friday 9am – 5pm

Website: www.corkcoco.ie

Citizens Information Board

The Citizens Information Board gives information, advice and advocacy on a broad range of public and social services including health, unemployment, social welfare and money.

Phone: 0761 07 4000 (Monday – Friday 9am - 8pm)

Website: www.citizensinformation.ie

Department of Social Protection

You may be eligible for State supports such as *Mortgage Interest Supplement & Mortgage Interest Relief*. The Department of Social Protection has information in relation to these and any other welfare benefits you may be entitled to.

Lo Call: 1890 662 244

Website: www.welfare.ie

Financial Services and Pensions Ombudsman

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. Financial Service and Pensions Ombudsman, Lincoln House, Lincoln Place, Dublin 2, D02 VH29.

Phone: 01 567 7000

Email: info@fspo.ie

Website: www.fspo.ie

Free Legal Advice Centre (FLAC)

FLAC provides basic, free legal services to the public in the four main areas of: legal aid, social welfare, credit and debt, and public interest law. The website has contact details for all local Legal Advice Centres.

Phone: 1890 350 250

Website: www.flac.ie

Insolvency Service of Ireland (ISI)

The following is a link to the ISI which will provide information on the processes under the Personal Insolvency Act 2012 as amended by Courts & Civil Law (Miscellaneous Provisions Act) 2013 and Personal Insolvency (Amendment) Act 2015.

Phone: 076 106 4200

Website: www.isi.gov.ie

Keeping Your Home Website

This is a joint website for the Citizens Information Board and MABS, which provides comprehensive information on the services and entitlements available to you, if you are having difficulty paying your mortgage.

Website: www.keepingyourhome.ie

Cork County Council Housing Department

Cork County Council housing department will provide you with information on the housing options that are available to you should you lose your home.

Money Advice & Budgeting Service (MABS)

MABS is a free, national, confidential and independent service for people in financial difficulty or in danger of falling into financial difficulty.

MABS Helpline

Phone: 0761 07 2000

Website: www.mabs.ie

Website: www.keepingyourhome.ie

National Consumer Agency

The National Consumer Agency (NCA) is a statutory body established by the Irish Government. It aims to protect consumer interests.

Lo Call: 1890 432 432

Website: www.itsyourmoney.ie

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

