

WHAT TO DO WHEN YOU ARE STRUGGLING TO MEET YOUR MORTGAGE REPAYMENTS?

Mortgage Arrears Resolution Process
(MARP) Booklet

This Booklet is also available on our Website
www.leedsbuildingsociety.ie

WHAT SHOULD YOU DO IF YOU ARE EXPERIENCING OR THINK THAT YOU MAY EXPERIENCE FINANCIAL DIFFICULTIES?

If you are in arrears on your mortgage repayments or think that you are in danger of falling into arrears then the most important thing for you to do is to maintain contact with us. By having contact with you we can understand your situation better and work together to find a solution.

If you are experiencing financial difficulties and have not already had contact with us please phone us now on 0044 113 2257973 and ask to speak with our "Arrears Support Unit." If we have already spoken to you please be sure to continue to take our calls, to respond to our letters and to get in contact immediately if your situation changes.

Please also ensure that you keep anyone else who pays the mortgage with you up to date with the situation and be aware that if you bought your home with other borrowers, each of you is responsible for the money borrowed, even if you only normally pay part of the mortgage.

HOW CAN LEEDS BUILDING SOCIETY (LBS) HELP YOU?

We have a process known as the Mortgage Arrears Resolution Process – or MARP – for managing customer accounts when a customer experiences, or thinks that he/she may experience financial difficulties. If you are in this position, then, depending on your particular situation, LBS will consider alternative payment arrangements with you with a view to temporarily reducing your monthly payments.

For example, we may be able to:

- Arrange a home visit to discuss your current circumstances and obtain a Financial Analysis report
- Change the way you pay e.g. from monthly to weekly
- Change your method of payment e.g. direct debit, standing order, cheque/draft
- Change your repayment type on a temporary or permanent basis
- Extend the length of your mortgage term
- Look to agree affordable arrangements after considering your current financial circumstance
- Capitalise your arrears once we have received a minimum of your monthly payment for six consecutive months

As a last resort and once all avenues have been exhausted we may look to commence possession proceedings. However, we will continue to try and agree a mutually acceptable solution.

In deciding whether we can offer you any of these alternative payment arrangements, LBS will take account of:

- Your personal circumstances
- The current term of your mortgage
- Your current income and expenditure and your ability to meet a reduced payment
- The past payment history on the mortgage
- Your other borrowings
- Your willingness to engage with us in an open and honest way and to provide the necessary paperwork to allow us to understand your situation.

Entering into an alternative payment arrangement with LBS, will not mean that a customer will be required to change from a tracker mortgage to another mortgage type.

HOW DOES THE MORTGAGE ARREARS RESOLUTION PROCESS – OR MARP – WORK?

Once you contact LBS to discuss your situation:

1. The first thing that we will do is to collect financial and other information from you. The way we will do this is by completion of a Financial Statement. We will be happy to assist you to complete this over the phone, but if you prefer, you are very welcome to meet with one of our representatives in our Dublin branch. Alternatively we can send it by post for you to complete at home.
2. We will also chat through your current circumstances so that we can understand your situation better. We may ask you to send us some documents to make sure that we have a complete picture of your situation.
3. If you have other borrowings we may also discuss these with you and the possibility of re-scheduling these if you haven't already done so.
4. Once we have all of the information that we require to assess your case, taking into account all of the facts, to see whether any of the alternative payment arrangements mentioned above are suitable for you.
5. If one or more of the options are available to you we will then contact you to confirm this and we will explain the implications of the proposal. We would recommend that you seek independent advice at this stage to help you assess the proposal.
6. If you accept our proposal you will be required to confirm this to us. We will then monitor the arrangement and review your case at least every 3 months to take into account any change in circumstances.

If none of the alternative payment arrangements are possible we will write to you to let you know and to explain our reasons for reaching this decision. If this happens, or if you are not happy with the options that we have made available to you, you will have the right to appeal this decision.

HOW TO APPEAL A DECISION

If you feel we are not dealing with you fairly, you can request a copy of our Internal Complaints Procedure, which will explain what you need to do. In the first instance your appeal will be dealt with by the General Manager, Head of Collections or Collections Manager. If you are not happy with our decision you can direct your complaint to the following:

Compliance Department
Leeds Building Society
105 Albion Street
Leeds
United Kingdom
LS1 5AS

Tel – 0044 1132257777
Fax – 0044 1132167289

We will confirm receipt of your complaint within seven days and also advise of expected timescales for completion of our investigations.

The outcome of your complaint will be sent in writing.

WHAT CONTACT CAN YOU EXPECT FROM LBS IF YOUR ACCOUNT IS IN ARREARS?

While your account is in arrears without an arrangement in place, to make sure you are fully aware of the balance on your account, you will receive letters from us informing you of the level of arrears.

If you do not contact us to discuss your situation we will contact you with a view to trying to resolve the arrears situation. In addition to this, we may appoint a Field Agent to visit you, to assist you to complete a Financial Statement and to explain your options to you. You will be advised of this in advance, however, you do of course reserve the right to refuse this facility.

Finally, if we agree an alternative payment arrangement with you and you do not stick to it we may contact you to understand why and to review your situation.

WHAT WILL HAPPEN IF YOUR ACCOUNT IS IN ARREARS AND YOU DON'T KEEP IN CONTACT WITH LBS?

LBS can only work with you to help you to find a solution to your mortgage arrears if you keep in contact with us. If you don't keep in contact with us or don't co-operate (i.e. If you don't answer or return our calls, if you don't reply to our letters, or if you don't give us the information we need to assess your case), we will be left with no alternative but to start legal action for repossession of the property. The charges are shown in the table below.

Name of Charge	Amount
Unpaid direct debit/ Unpaid Cheque	€15.00
Reminder Letter	€10.00
Field Agent Visit	€37.00

Failure to make contact with us could result in the loss of your home and could result in you being liable for the legal fees that we incur in taking legal proceedings against you.

WHO CAN GIVE YOU INDEPENDENT ADVICE ABOUT YOUR SITUATION IF YOU ARE EXPERIENCING FINANCIAL DIFFICULTIES?

You may find it useful to refer to the www.keepingyourhome.ie website. This is provided by the Citizens Information Board and the Money Advice and Budgeting Service (MABS). Keepingyourhome.ie aims to provide comprehensive information on the services and entitlements available if you are having difficulties paying your mortgage. We would also strongly recommend that you seek professional advice and guidance from MABS if you have not already done so. MABS is a government-supported agency, which provides an independent, confidential and free service for people experiencing financial difficulty. They will assess your situation and work with you to reach an agreement with LBS and with anyone else to whom you owe money.

WHERE CAN YOU GET FINANCIAL HELP?

It is your interest to ensure that your income is maximised and that a budgeted approach to your day to day spending is maintained, prioritising your mortgage, which is secured on your home. It may be useful to use a budget planner, an example of which can be found on www.itsyourmoney.ie or www.mabs.ie. In order to maximise your income you should consider the following:

- You should first check and make sure that you are claiming Tax Relief at Source (TRS) if you are entitled to it. This is mortgage interest relief paid by the Revenue Commissioners and is available for the first 7 years of most mortgage loans. If you are not already claiming it you can apply for this on-line at www.revenue.ie/en/online/mortgage-interest-relief.html.
- You should check whether you are eligible for Mortgage Interest Supplement. This is short-term assistance provided by HSE to help those eligible to pay their mortgage interest payments. Information can be found under the supplementary welfare section at www.citizensinformation.ie/en/social_welfare/social_welfare_payments/.
- You should check to see if you have a mortgage protection policy under which you are entitled to claim as a result of your changed circumstances.
- You should check with your local Citizens Information Centre to see if you are entitled to social welfare benefits such as Family Income Supplement or Unemployment Benefit. Your local telephone directory contains details of your nearest Citizen Information Centre. The website www.citizensinformation.ie/en/ may also contact useful information.

USEFUL CONTACTS

- Leeds Building Society – Collections Department - 0044 113 2257973
- Leeds Building Society – Dublin Office - 00353 16788824
- Money Advice Budgeting Service (MABS) - www.mabs.ie
- Irish Revenue - www.revenue.ie
- Social Welfare Office - www.welfare.ie
- Financial Regulator - www.itsyourmoney.ie
- IBF – Dealing with Mortgage Difficulties – www.ibf.ie

WHAT HAPPENS TO YOUR CREDIT RATING IF YOUR ACCOUNT IS IN ARREARS?

All members of the Irish Credit Bureau (ICB), including LBS, are obliged to report the status of all loan accounts to the ICB accurately at the end of every month. This means that we are required to inform the ICB if an account is up to date or in arrears and, if the account is in arrears, the number of missed payments at each month end. The most recent 2-year history for each account is maintained by the ICB and this is kept for a period of 5 years after the account is closed. During this time it can be referred to by any other financial institution considering a credit application for you. The evidence of missed payments and increasing arrears on your ICB record may mean that it is difficult for you to access credit in the future.

AT WHAT POINT WILL LBS CONSIDER REPOSSESSION OF YOUR HOME?

You should be aware that, in general, if you co-operate with LBS, we would not begin legal action to repossess your home for a minimum of twelve months after arrears first arise on your account and you have been given an opportunity to clear them. In any case, the repossession of your property is the last resort, but we will consider in the following circumstances:

- If you refuse to engage with us or work with us to find a solution to your arrears problem

- If you are able to meet your mortgage payments in full but choose not to
- If you won't work with the Society to agree an acceptable arrangement
- If you reach an agreement with the Society and choose not to stick to it
- If we cannot reach any acceptable solution having explored all available avenues with you

In this case we will work sympathetically with you to see if a sale of the property may help to avoid repossession.

At all times we will keep trying to solve the problem with you, repossession is the last resort.

WHAT WILL HAPPEN IF LBS REPOSSESSES YOUR HOME?

In the event that the Society repossesses your house we will market the property for sale as soon as possible and obtain the best price that might reasonably be paid, taking into account property-specific factors and factors such as market conditions at the time. You will be liable for the costs incurred in bringing the property to the market together with the selling costs.

Should the proceeds of the sale be insufficient to clear the outstanding debt owed to the Society (including accrued interest, charges, legal, selling and related costs), you will remain liable for the shortfall and we will seek to recover this. Any surplus on sale will be returned to you.

WHAT OTHER OPTIONS SHOULD YOU CONSIDER IF YOUR MORTGAGE ACCOUNT IS IN ARREARS?

We would encourage you to consider all of the options available to you to address an arrears situation. These include the possibility of trading down, selling the house yourself, or voluntarily surrendering it to the Society. If you decide to pursue any of these alternatives you should seek independent legal and financial advice.

WHAT IS THE POSITION IF YOU SELL YOUR HOME OR VOLUNTARILY SURRENDER IT?

You need to be aware that if selling your home does not raise enough money to pay off your mortgage, you will still owe us the unpaid amount and we will seek to recover this.

If you voluntarily surrender your house, you still owe any amount that cannot be cleared from the loan when the property is sold. Your loan will include the legal and other related selling costs along with any accrued interest. If you are considering this we strongly recommend that you discuss this option with your solicitor.

WHAT COSTS ARE YOU LIABLE FOR IF WE TAKE ACTION TO REPOSSESS YOUR PROPERTY?

If possession proceedings are taken by LBS, because we can't reach an acceptable arrangement with you, you may be liable for the costs of these proceedings. These costs could range in excess of €8,500 but in exceptional cases may be considerably higher.

You may be liable for these costs and charges even if LBS eventually repossesses your property.

Following repossession further additional costs may also be incurred by you, relating to the management and sale of the property.