

# Mortgage Arrears Resolution Process



Capital  
Credit Union

## Working Together

At Capital Credit Union (CCU) we understand that your financial circumstances may change. You may be struggling to pay your mortgage and worrying about making ends meet. If you are facing this kind of difficulty, please don't feel in any way uneasy about coming in and talking to us as soon as possible. In fact, the earlier you make us aware of your issues and concerns, the sooner CCU can help you. CCU can't ignore the fact that you may be in arrears, but CCU can help you get a realistic view of your financial situation and the options available to you.

CCU are fully committed to helping you find a resolution, where possible. Our focus is to keep our members in their family home wherever possible, where they are working with us to prioritise their mortgage repayments.

Facing financial problems can be very daunting, but remember you are not alone in finding yourself in this situation. If you are concerned about your mortgage repayments or are already in arrears on your repayments, talk to CCU today. This is the first and most important step you need to take to find a resolution. CCU have fully trained staff members who are available to help you every step of the way.

## Mortgage Arrears Resolution Process (MARP)

Under the mandate of the Central Bank's Code of Conduct on Mortgage Arrears (CCMA), CCU has introduced a **four-stage process called the Mortgage Arrears Resolution Process, or MARP**. This process aims to engage with, support and find resolution for our members who are in mortgage arrears, or are at risk of going into arrears.

The protection of 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 get the process started, come, and talk to us today.

**Call us on 01 2990400** if you want to discuss any aspect of your mortgage account with one of our Credit Control Advisors.

### **Call into any CCU branch.**

We have dedicated, trained and knowledgeable staff in every branch if you would like to discuss any aspect of your mortgage. Just ask to speak to one of our Credit Control Advisors.

### **Click on [www.capitalcu.ie](http://www.capitalcu.ie)**

Our website contains a dedicated section, 'Concerned About your Mortgage Payments?' for our members who are in arrears or facing arrears.

## MARP Stages

### STAGE 1: Communication

It is very important not to ignore the early signs of financial difficulty or stress. Contact CCU as soon as you become aware of any potential financial difficulties or are in any way concerned about going into financial difficulties. This will enable CCU to immediately start working with you to explore the options available and find a resolution, where possible. CCU have dedicated expert and professional staff to help our members in difficulty. As soon as you get in touch, we can begin to work with you to explore your options.

**The first and most important step you can take is to talk to us as soon as you know you are in difficulty or are at risk of going into difficulty.**

### STAGE 2: Financial Information

In this stage of the process, you will meet with a dedicated Credit Control Advisor who is specially trained to assist members in financial difficulties. They will give you a form called a Standard Financial Statement (SFS) to fill out - this form allows you to set out your current financial circumstances and gives us, and you, a clear picture of your financial situation to see if there are any expenses you can reduce or eliminate immediately so as to help you prioritise your mortgage repayments.

It is important that you complete the form fully and accurately providing a full and honest account of your finances. If you need help with the form, don't be afraid to contact us, we are happy to help. You might also wish to seek independent advice to help with completing the SFS- see 'Useful Contacts'.

You may also need to provide additional documentation to support the information in the SFS which may include:

- Account statements from other banks (at least 3 months);
- Copies of payslips; and
- Copies of business accounts for self-employed.

#### Filling out the SFS

- Before you start to complete the SFS, gather together all your receipts, documents and bills that show all the money you have coming in and going out on a monthly basis.
- Make sure you are realistic about what each item costs.
- Make sure you are claiming any tax credits and social welfare entitlements you may be eligible for (such as Supplementary Welfare Scheme)

### STAGE 3: Assessment

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

- Your personal circumstances – household income, expenditure and household budget;
- Your overall personal debt;
- Your current ability to make repayments;
- Your previous repayment history; and
- Any other relevant personal information.

At the end of the assessment stage, CCU will have a clear picture of your individual situation and whether it meets the criteria for any alternative repayment options or measures.

### STAGE 4: Resolution

Once we have gathered and assessed all the information relating to your financial circumstances, CCU will work with you to explore all possible options. CCU are dedicated to finding an appropriate resolution for you, wherever possible.

Depending on your circumstances, one of our alternative repayment options may be appropriate for you and may help prevent you from falling into arrears, or further into arrears. Each of the options for alternative repayment arrangements has strict qualifying criteria, with each case assessed on an individual case-by-case basis.

## Resolution Options Available

Below is a list of potential alternative repayment arrangements and their key features for illustrative purposes only:

<b>Interest Only</b>	This means that you will only pay the interest owed on your loan during this period and not the capital amount owed.
<b>Fixed Repayment</b>	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.
<b>Repayment Break</b>	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>Extension of Loan Term</b>	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.
<b>Capitalisation of Arrears and Interest</b>	An arrangement to restructure your repayments by spreading the amount of any arrears and interest over the remaining term of your mortgage.

## Other Options Available

Where we are unable to agree an alternative repayment arrangement, there are other options available to you:

**‘Voluntary Surrender’** – this involves the voluntary surrender of your property, by you to CCU. Where a shortfall exists, the shortfall will be repayable by you under new terms agreed by CCU.

**‘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 CCU who sells the property to an Approved Housing Association (AHA). 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 CCU, 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 CCU.

Each of the options above has strict qualifying criteria, with each case assessed on an individual case-by-case basis.

## Alternative Repayment Arrangements: Important Points to Note

- An alternative repayment arrangement may be affordable for you in the short term but could be more expensive over the life of the loan;
- You need to fully understand the implications of any new loan arrangement before you formally accept it. CCU strongly recommends that you obtain independent legal, tax and financial advice before agreeing to any resolution arrangement, in particular if you have any questions as to the legal, tax or financial implications of the arrangement;
- Amending the repayment schedule, term, or frequency of your mortgage will impact the benefit(s) covered by your Mortgage Payment Protection Insurance. Please contact your insurance provider for more details;
- Life Assurance cover should take account of alternative repayment arrangements such as Interest Only or Repayment Breaks. CCU strongly recommend that you get advice on your life assurance needs;
- Once you remain within the MARP process, CCU will continuously monitor any alternative arrangement once it is put in place to establish if there has been any change in your financial circumstances since the arrangement was put in place. However, a review will take place immediately if you do not keep to the terms of your arrangement.

Where an alternative repayment arrangement, or an option, other than an alternative repayment arrangement is being proposed to you by CCU, you may be required to enter into a confidentiality 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 CCU and you and / or the scope and terms of such discussions /negotiations. CCU recommends you take independent legal advice prior to entering into a confidentiality/similar agreement.

## CCU Communications

CCU commits to communicating promptly and clearly with members to establish reasons for their financial difficulty. CCU aims to treat all members fairly and to act to the highest standards of professionalism at all times.

CCU ensures that:

- all meetings with members in relation to arrears or pre-arrears are conducted with utmost privacy;
- communications are clear, concise and easy to understand;
- communications are never aggressive, intimidating or harassing;
- the volume of communications is proportionate and not excessive;
- the member is given sufficient time to complete any actions required before follow-up communication is attempted; and
- future communication is agreed so that the member is aware of any next steps.

## Non Co-Operating Borrowers

It is vital that you co-operate with CCU in relation to your current financial situation. Where you fail to co-operate you will be classified as not co-operating which may have the following implications:

- You will lose the protection afforded by the MARP;
- Legal action may be undertaken immediately. Where legal proceedings are initiated you will incur legal costs. 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;
- May impact on your eligibility for a Personal Insolvency Arrangement in accordance with the Personal Insolvency Act 2012; and
- Charges and/or surcharge interest may be imposed on any arrears that arise on your mortgage account.

Under CCMA, you can only be classified as not co-operating when:

1. Any of the following apply to your particular case:
    - a. you fail to make a full and honest disclosure of information to CCU, that would have a significant impact on your financial situation;
    - b. you fail to provide information, relevant to your financial situation, within specified timelines. Our timeline for returning appropriate supporting information, including a completed SFS, is 30 days; or
    - c. a three-month period elapses:
      - i) (A) where you have not entered into an alternative repayment arrangement, and during which you:
        - (i) have failed to meet your mortgage repayments in full in accordance with the mortgage contract;
        - or
        - (ii) meet your mortgage repayments in full in accordance with the mortgage contract but have an arrears balance remaining on the mortgage; or
      - (B) where you have entered into an alternative repayment arrangement, and during your 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 CCU, or a third party acting on its behalf; or
      - (B) have made contact with, or responded to communications from, CCU or a third party acting on its behalf but have not engaged in such a way that enables CCU 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.

## Making a Complaint

You have a right to make a complaint at any time if our products and services do not live up to your expectations. Under the Code of Conduct of Mortgage Arrears, you can make a specific complaint in relation to:

- how we treat your case under the Code, and
- our compliance with the requirements under the Code.

Complaints can be made through various media, for example, by telephone, in person through your local branch or in writing. Complaints should be addressed to the Complaints Officer, Capital Credit Union, Main Street, Dundrum, Dublin 14.

All complaints received will be acknowledged in writing or on other durable medium by the credit union within 5 working days of the complaint being received.

The credit union will, while investigating the complaint, give the complainant a regular update on the progress of the investigation at intervals of not less than 20 business days.

Where the complaint remains unresolved or is not resolved within 40 business days, the credit union will inform the complainant of the anticipated timeframe within which the credit union hopes to resolve the matter and the right of the member to refer the complaint to the Financial Services Ombudsman (FSO). The member will be given the contact details of the FSO:

The Financial Services Ombudsman can be contacted at: 3rd Floor, Lincoln House, Lincoln Place, Dublin 2.

Contact details:

Tel: + 353 (1) 5677000

Fax: + 353 (1) 6620890

Email: [info@fspo.ie](mailto:info@fspo.ie)

Website: [www.fspo.ie](http://www.fspo.ie)

## Making an Appeal

You have the right to appeal where you are unhappy with a decision made by CCU under MARP in the event that:

- CCU 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;
- CCU declines to offer you an alternative repayment arrangement;
- CCU classifies you as not co-operating.

If you wish to appeal, you must write to us within 20 business days of receiving a letter from CCU in relation to one of the above scenarios, setting out the reason for the appeal, at the following address: Complaints Officer, Capital Credit Union, Main Street, Dundrum, Dublin 14.

Your appeal will be reviewed by an Independent Appeals Committee who have not been involved in your previously.

When CCU receive your appeal, we will write to you within 5 business days to confirm this. CCU will provide you with regular written updates on the progress of your appeal at intervals of not more than 20 business days.

When CCU have made a decision on the appeal, we will write to you within 5 business days. If you are not happy with CCU's decision, you can refer the matter to the Financial Services Ombudsman (FSPO), which is an independent body. The FSPO will ask to see a copy of our final decision letter to you.

The contact details of the FSO:

The Financial Services Ombudsman can be contacted at: 3rd Floor, Lincoln House, Lincoln Place, Dublin 2. Tel: + 353 (1) 5677000 Fax: + 353 (1) 6620890 Email: [info@fspoi.ie](mailto:info@fspoi.ie) Website: [www.fspoi.ie](http://www.fspoi.ie)

## Useful Contacts

If you have further questions about the CCMA and how it relates to you, you can get information and advice from the sources below.

### Money Advice and Budgeting Service (MABS)

You may wish to seek assistance from Money Advice and Budgeting Service (MABS) who offer free and confidential independent advice and assistance with managing your finances. Telephone 0761 07 2000 [www.mabs.ie](http://www.mabs.ie)

### Stepchange Debit Charity Ireland

Stepchange Debit Charity Ireland ([www.stepchangedebtcharity.ie](http://www.stepchangedebtcharity.ie)) is a free and independent telephone advice service for people who are struggling with debt or mortgage payments. Their Freephone helpline number is 1800 937 435. The line is available Monday to Friday from 9am until 5pm, and is free to call from landlines and mobiles.

### 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 [www.centralbank.ie](http://www.centralbank.ie)

### Citizens Information

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). [www.citizensinformation.ie](http://www.citizensinformation.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](http://www.isi.gov.ie)





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Get in touch today



**(01) 299 0400**



**info@capitalcu.ie**



**capitalcu.ie**