



Mortgage Arrears Resolution Process (MARP) Information Booklet for Borrowers whose mortgage is in arrears or is at risk of going into arrears

This document contains important information for Borrowers who think they might be or find themselves in arrears or pre-arrears.

Introduction

Under the Central Bank of Ireland's Code of Conduct on Mortgage Arrears (the 'Code') Link Financial has implemented a 4 step process called MARP to help Borrowers whose mortgages are in arrears or at risk of going into arrears. The Code applies to a mortgage taken out on your primary residence which is the residential property you occupy as your home or your only residential property in the State although you may not reside in it.

The Code affords all Borrowers specific protections and is legally binding under Section 117 of the Central Bank Act 1989. Importantly, Borrowers will lose the protections of the Code should they fail to co-operate with Link Financial during our application of MARP.

This booklet outlines an explanation of MARP together with our criteria for assessing request for Alternative Repayment Arrangements (ARA's). Link Financial will endeavor to advise you on all your options more details of which are set out in this booklet.

Link Financial treats each case individually and our decision is based on the information you provide and any relevant security that we hold. Security will include assets, undertakings, indemnities, guarantees or charges over assets offered to a regulated entity to secure a credit facility agreement.

We recommend that you read all the information contained in this booklet and contact us as soon as possible if you are, or feel you may shortly be, facing financial difficulties. It is in your interest to engage with us about arrears and/or pre-arrears.

What is MARP and how does it work?

We understand that from time to time you may face financial difficulties which could affect your ability to re-pay your credit agreement with us. If you find yourself in this situation our staff are on hand to help you and can work with you to try and arrive at a solution.

MARP is a 4 step process that is initiated by us where arrears have arisen on mortgage account and the account remains in arrears for 31 days from the date the arrears arose. MARP can also apply to pre-arrears cases or where there is an ARA in place but this breaks down or the term of the APA expires.

The four steps to our MARP procedures are based on the following;

1. Communication
2. Financial Information
3. Assessment
4. Resolution

Step 1 – Communication

Communication is key to any successful resolution of the financial problems you may be facing. If you discuss the issues with us and provide the requisite financial documentation we can start working with you straight away to help find a solution.

We have a dedicated Arrears Support Unit (ASU) who are there to assist you every step of the way.

You can call the ASU on 091 700010 - Monday to Thursday 9am to 7pm and 9am to 5.30pm on Fridays.

Regardless of the nature of the communication – whether it is by phone, by letter or face to face we will endeavor to treat you fairly with the objective at all times being to assist you meet your mortgage obligations.

While you are in the MARP, we will keep in contact with you.

- There are letters we are required to issue under the Code – we will provide you with information such as the amount of arrears on your mortgage, contact details and other important information
- We will inform you of your options that may help you through your financial difficulties
- We may contact you if you have not responded within requisite timelines for the return of certain financial information
- We may contact you to clarify certain information you have supplied
- We may contact you if your ARA falls into arrears

Notwithstanding the above Link Financial will make sure not to contact you unnecessarily and we will always provide you with enough time to get back to us with information we have requested before we contact you again.

If we are required to contact you by phone we will only do so between the hours of 9am and 7pm Monday to Friday. We can arrange to call you back if the time is not suitable for you. As per the terms of the Code we are required to keep a recording of all calls with you in relation to your arrears or pre-arrears.

Things to consider?

- A. Your mortgage protection insurance/life cover
- B. Do you have Payment Protection Insurance
- C. Your Credit profile with the Irish Credit Bureau (ICB)

Step 2 - Financial Information

In order for us to assist you with your arrears we need to understand your finances. The only way we can have a detailed understanding is by us providing you with a Standard Financial Statement (SFS). You can download [Link Financial's Standard Financial Statement here](#). This will help Link Financial gain a better understanding of your current financial circumstances and also provide you with a clear picture of the issues.

If you require assistance with completing the SFS there are a number of options;

- Speak to us – We can help you complete the SFS

- Independent Advice – You may prefer to seek independent advice or help from MABS or contact them on their website at www.mabs.ie

On receipt of the completed SFS our ASU will review it and send you a copy. You may be required to provide supporting documentation to corroborate information in the SFS. Link Financial will ensure any assessment is carried out in a timely manner.

When completing your SFS you should consider the following;

- Do you have an accurate picture of all relevant expenses such as bills, expenses and all expenditure?
- Have you made any efforts to reduce your spending?
- Do you have up to date bank statements, credit card statements, pay slips or other documentation that we may require to support the details on your SFS

Step 3 – Assessment

Our ASU will assess the information based on the individual merits of the situation. Following our assessment we will be able to determine which options for an Alternative Repayment Arrangement (ARA) best suits your needs.

Link Financial will look at the following heading in making any assessment;

- Personal circumstances

- Overall indebtedness

- Information provided in SFS
- Current repayment capacity
- Previous repayment history
- Other relevant information of which we are aware

In certain situations we may agree to an interim payment plan which will be offered to you in advance of offering you an ARA. In assessing your suitability for an ARA we may look to your repayment record on any interim payment plan that was offered. During any period of financial difficulty, you should continue to pay as much as you can afford.

Step 4 – Resolution

We have a number of ARA options that we will explore with you to try prevent your mortgage falling into arrears or going further into arrears.

Some of the options that we will explore with you;

- Interest-only repayments for a specified period
- Permanently reducing interest rate on your mortgage
- Temporarily reducing interest rate on your mortgage for a specified period
- Arrangement to pay interest and part of normal capital element for a specified period
- Deferring payment of all or part of the instalment repayment for a specified period
- Extending the term of the mortgage
- Changing the type of mortgage
- Warehousing part of the mortgage (including through a split mortgage)
- Combination of any of the above options

Link Financial will endeavor to document our reasons and considerations on each option examined and provide you with reasons why we consider some more suitable to your particular situation than others.

IMPORTANT

It is important that you consider taking any appropriate legal and/or financial advice before availing of an ARA.

If we do not offer you an ARA because we feel the mortgage is unsustainable and an ARA is unlikely to be appropriate or where an ARA was offered but you are not willing to accept it then we will inform you in writing of other options that may be available. In such circumstances, we may issue legal proceedings for repossession of your home either 3 months from the date the letter informing you of your options is issued or 8 months from the date the arrears first arose on your mortgage, whichever date is later.

Please note that irrespective of how your property is repossessed and disposed of you will remain liable for the outstanding debt, including any accrued interest, charges, legal, selling and other related costs.

Some other options include;

- Mortgage to Rent (MTR) – For more information on the MTR please contact the Housing Agency website at www.housing.ie and also <https://mabs.ie>
- Trading Down – You may find it more affordable to sell your current home, clear your mortgage and use any surplus equity to move to a smaller property
- Voluntary Sale – You agree to sell the property yourself and the proceeds from the sale are used to pay off your arrears and to reduce or clear your remaining mortgage balance
- Voluntary Surrender – You agree to voluntarily hand over ownership of your property to Link Financial who will market and sell the property. Link Financial will have sole discretion in relation to the final price which is acceptable for the property to be sold

Please note that in either the Voluntarily Surrender option or the Voluntarily Sale option if the proceeds from the sale of the property do not clear the balance on your mortgage account (including any accrued interest, charges, legal, selling and related costs) you will remain liable for the for the shortfall. We will review any outstanding shortfall and tailor a solution based on your individual circumstances.

What does not Co-operating mean and how does it affect me?

It is important that you engage with us on all steps of the MARP. In the event that you fail to engage with us and you chose to ignore all calls and correspondence issued by Link Financial there is a real risk you will be classified as not co-operating. You will be deemed to be not co-operating in the following circumstances;

- If you fail to make a full and honest disclosure of information that may have a significant impact on your financial situation
- If you fail to provide information requested and within a specified reasonable time period
- Where a 3 month time period has elapsed and you have not entered into an ARA, failed to meet your mortgage repayment as it falls due, arrears continue on your account or where you have failed to meet the terms of the ARA that you entered into

Link Financial will issue you with a Warning Letter pursuant to Section 28 of the Code which will advise you that you will be classed as Not Co-operating in the event that you fail to remedy certain actions within 20 business days.

If you are classified as Not Co-operating we may commence legal proceedings for repossession immediately after said classification. Furthermore, a classification of Not Co-Operating may impact on your eligibility for a Personal Insolvency Arrangement.

Confidentiality

We will ensure that all communication with you regarding your mortgage or meetings in relation to your arrears or pre-arrears will be conducted with utmost privacy.

In offering you an ARA or one of the other options we may require you to enter a confidentiality agreement. Under the terms of such an agreement you confirm that you will keep information relating to the ARA or other option confidential and not disclose details of the ARA to anyone else. We will determine if your circumstances require such an agreement to be executed.

State Supports

In assessing your financial position have you considered all state support agencies such as Mortgage Interest Relief or Mortgage Interest Supplement?

Communication

Link Financial will ensure that all communication with you is proportionate and not excessive as per Section 22 of the Code. We will take into account all personal circumstances and ensure no unnecessary frequent communication is made.

We are committed to ensuring that no communication from us could be classified as aggressive or intimidating or harassing.

Link Financial's policy on communication is approved by our Board of Directors.

Right to Appeal and Right to Make a Complaint

You have the right to appeal any decision of Link Financial if you are unhappy with how we reached our decision. There are 3 grounds on which you are afforded the right of appeal;

1. Where we offer you an ARA but you are unwilling to enter into the ARA offered
2. Where we decline to offer an ARA
3. Where we have classified you as Not Co-operating

The appeals board will consist of 3 of Link Financial's senior personnel who have not been involved in your case previously. To make an appeal you must submit your appeal in writing to the Appeals Board at Link Financial, 16 Briarhill Business Park, Ballybrit, Galway and we must receive it within 20 business days from the date that you have received the letter notifying you of the decision.

We will acknowledge receipt of the appeal within 5 days and seek to reach a decision on the appeal within 40 business days. We will send you an update on the appeal after 20 business days.

If you are dissatisfied with the outcome of your appeal, you have the right to refer the matter to the Financial Service Ombudsman (<https://www.fspo.ie/>) either by phone at +353 1 567 7000 or email info@fspo.ie or by writing to the office at 3rd Floor, Lincoln House, Lincoln Place, Dublin 2 D02 VH29

You have the right to make a complaint to Link Financial in respect of;

- Our treatment of your case under the Code
- Our compliance with the requirements of the Code

You can make a complaint verbally or in writing to the ASU in Link Financial by contacting 091 700010 and asking for the ASU.

On receiving a complaint we will acknowledge the complaint within 5 business days of receiving it and provide you with the contact details of who will be dealing with that complaint. We will attempt to resolve the complaint within 40 business days and we will provide you with an update after 20 business days.

If you are dissatisfied with the outcome of your appeal, you have the right to refer the matter to the Financial Service Ombudsman (<https://www.fspo.ie/>) either by phone at +353 1 567 7000 or email info@fspo.ie or by writing to the office at 3rd Floor, Lincoln House, Lincoln Place, Dublin 2 D02 VH29

Contact Us

Link Financial

16 Briarhill Business Park, Ballybrit, Galway

Telephone: +353 (91) 700010

If you would like any further information about the CCMA a copy can be obtained here:

www.centralbank.ie

