



Mortgage Arrears Resolution Process

St Francis Credit Union – Helping you manage

St Francis Credit Union (**SFCU**) recognises that it can be very difficult and stressful when your circumstances change and you find yourself unable to meet financial commitments. This can happen if you lose your job, become ill or find your personal circumstances have changed for other reasons. Whatever the cause of your financial problems, at SFCU we are committed to supporting you if you are in financial difficulty.

This guide is designed to help you understand the Mortgage Arrears Resolution Process (MARP) and what support is available to you. 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. We want to assure you that we are committed to helping you with any repayment difficulties you may have, treating you fairly, and finding the most appropriate solution to best suit your circumstances.

The Mortgage Arrears Resolution Process (MARP)

The Central Bank's Code of Conduct on Mortgage Arrears (**CCMA**) sets out the framework that all lenders must use when dealing with members in mortgage arrears or pre-arrears. It requires lenders to handle all such cases sympathetically and positively, with the objective at all times of helping people to meet their mortgage obligations. Under this framework St Francis Credit Union has introduced a four-step process called the Mortgage Arrears Resolutions Process, or MARP.

It is important to note that the CCMA applies only 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 begin the process, please come and talk to us today.

Please also refer to www.centralbank.ie for further information on CCMA.

There are 4 steps to MARP

Step 1 - Communication

The most important step is to talk to us as early as possible, whether you are having trouble meeting mortgage repayments now or are worried that you may have trouble in the future

We have several ways you can contact us to provide you with help and support:

- call in to any of our branches
- email t.hurley@stfranciscu.ie
- call us on 065-6828305

As soon as you can get in touch, we can begin to discuss your options. Please remember, throughout this process, to continue engaging with us, to keep all lines of communication open, ensuring all your contact details are correct and respond as quickly as you can to any of our letters and phone calls. This will help us to identify a possible solution for you in a timely and efficient manner.

St Francis Credit Union Limited has the below **Communications Policy** for members in mortgage difficulties which governs all communication between the Credit Union and members that are in financial difficulty or at risk of going into financial difficulties with their mortgage. Under this Policy SFCU;

- Commits to communicating promptly and clearly with members to establish reasons for their financial difficulty;
- Undertakes to communicate with members in an open and transparent manner and in a manner that is proportionate and not excessive, taking into account the position of their mortgage and their previous conduct;
- Undertakes that communications with members will be resolution focused and conducted in a timely and professional manner; and
- Commits to act with the highest standards of professionalism, integrity, honesty and fairness in dealing with its members.

Step 2 – Financial Information

In order to assist you, we will need to get up to date information about your income and expenditure. We will ask you to complete a Standard Financial Statement (SFS). How can you receive your Standard Financial Statement Form?

- Download a copy at www.stfranciscu.ie
- Email info@stfranciscu.ie who will send you a copy
- Call our Member Service Centre on 065 6828305 who will send you a copy
- Visit any of our branches

You can then arrange to meet with a dedicated credit control team member, who is trained to assist members in financial difficulties and will guide you and provide assistance in completing the form and the next steps.

Step 3 – Assessment

Once the Standard Financial Statement and other relevant information is received we will assess your circumstances. This assessment will determine if any of our alternative repayment arrangements (**ARA**) are suitable to you. As part of this step we will consider a number of factors which will include;

- Your current personal circumstances and how they might have changed
- Your overall personal debt
- The information provided in the SFS
- Payment protection policies (if applicable)
- Your current and previous repayment capacity
- Any other case specific relevant information

We may seek further information or clarification at this stage and will contact you if this is the case.

Step 4 – Resolution

Following the assessment stage, we will have a clear picture of your individual situation and whether it meets the criteria for an ARA or other option. A credit control team member will be in contact with you once the assessment has been completed to advise of the next steps.

While we can't guarantee that an ARA will be possible in every case we are dedicated to finding an appropriate resolution for you, wherever possible.

Alternative Repayment Arrangements (ARA) & Other Options

We have a number of arrangements or a combination of arrangements that may be available to you. These arrangements fall into three categories:

1. Short Term – Repayment Arrangement
Interest Only Repayments- This means that you will only pay the interest owed on your loan during this period and not the capital amount owed.
Reduced Repayments - 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.
Repayment Break - 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.

2. Long Term – Repayment Arrangement
Term Extension - 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.
Capitalisation of Arrears and Interest - An arrangement to restructure your repayments by spreading the amount of any arrears and interest over the remaining term of your mortgage
Fixed Repayment - 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.

3. Other Options
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 the lender. The lender sells the property to an Approved Housing Association (AHA) and you will remain in the property as Social Housing tenants of the AHA.
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 the Credit Union, 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 the Credit Union.
Voluntary Surrender - This involves us selling the property on your behalf and assessing your ability towards repayment of the outstanding balance of your mortgage following the sale of the property.

The availability of the Alternative Repayment Arrangements & Other Options outlined above is dependent on qualifying criteria with each case assessed on an individual basis.

Alternative Repayment Arrangements (ARA) – Additional Information

- If we decide to offer you an ARA we will write to you setting out the terms and conditions of that arrangement. It's very important that you fully understand the new arrangement before you go ahead with it. For this reason, we recommend you get independent legal or financial advice (or both) before you make any decisions. If you, or your advisers, have any questions about the ARA, contact us and we will be happy to discuss these with you.
- You should also be aware that, although an ARA may reduce your home mortgage repayments, they will add to the overall cost of your mortgage over the term of the mortgage. Arrears on your mortgage will be reported to the Central Credit Register, as required by law, and to the Irish Credit Bureau. This may affect your future ability to borrow.

- You have the right to make a complaint at any time in relation to the treatment of your case under the MARP process or the Credit Unions compliance with the MARP process. Complaints can be made by telephone, in person through your local branch, in writing or by email.
- You have the right to appeal the decision in the event that:
 - the Credit Union offers you an ARA which you have declined, and you have been advised in writing of other possible options that you may wish to consider,
 - the Credit Union declines to offer you an ARA, or
 - the Credit Union classifies you as not co-operating

You must write to us within 20 business days of receiving a letter from the Credit Union in relation to one of the above scenarios.

- We will review your situation regularly to ensure that you are on the most appropriate arrangement for your circumstances. You are required to tell us if your ability to repay your mortgage changes at any time, whether it improves or where you are unable to make the agreed repayments. This will allow us to make a timely and informed decision about the most appropriate way forward in light of your new situation.
- If you have purchased payment protection insurance in relation to your mortgage account and have subsequently gone into arrears you may wish to make a claim on that policy.

Not Co-Operating

It is vital that you co-operate with St Francis Credit Union Limited at all stages of the MARP as outlined in this booklet. Where you fail to co-operate with St Francis Credit Union 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 (including legal proceedings for repossession of the property) may be undertaken immediately. Where legal proceedings are initiated you will incur legal costs. Should it be necessary to take legal action it is important to be aware that 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.
- This may impact on your eligibility for a Personal Insolvency Arrangement in accordance with the Personal Insolvency Act 2012.

Under the CCMA, you can only be considered as not co-operating when any of the following apply to your particular case:

1. You fail to make a full and honest disclosure of information relevant to your current financial situation;
2. You fail to provide requested information within the timeline specified;
3. There has been a 3 month period during which
 - a. You have not entered an ARA and you have failed to meet your mortgage payments in full, **or** you have met your mortgage payments in full but your account has been in arrears for 3 consecutive months
or
 - b. You have entered an ARA but have not made repayments as agreed in the ARA
and
 - c. You have failed to make contact with or responded to any communication from the Credit Union
or
 - d. You have made contact and responded to our communications but have not engaged in any meaningful way to allow us to complete an assessment of your circumstances.

If the circumstances above prevail we will issue a warning letter advising you that you are considered non-cooperating, advising you of the implications if you are classified as non-cooperating and giving you a specified period to submit the required information or take the required steps as appropriate. In the event that you fail to take the required steps within the specified timeframe the ASU will inform you in writing that you have been classified as Not –Cooperating and that you will no longer enjoy the protections afforded you by MARP under the CCMA.

Confidentiality Agreements

Where an ARA, or an option, other than an ARA is being proposed to you by St Francis Credit Union, you may be required to enter into a confidentiality, non-disclosure 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 the Credit Union and you and/or the scope and terms of such discussions/negotiations. You may not disclose this Information to any third party except to your advisors, agents, or other specified persons and you are obliged to ensure that such persons also keep the information confidential.

Useful Contacts

Central Bank of Ireland

The Central bank are responsible for regulating the financial services market. The Code of Conduct on Mortgage arrears is an example of such regulation. A full copy of the code is available to download from their Website, www.centralbank.ie. The CBI can also be contacted by calling **1890 777 777**

Citizens Information Board

The Citizens information gives information and advice on the broad range of public services available to Irish citizens from the state. These cover rights under being made redundant, social welfare entitlements and other rights as a consumer. They can be contacted on **0761 07 4000** or visit www.citizensinformation.ie

MABS – Money Advice and Budgeting Service

MABS offers free and confidential independent advice and assistance with managing your finances. You may wish to seek assistance from MABS. The can be contacted at **076 107 2000** or visit www.mabs.ie
www.keepingyourhome.ie

This website is provided jointly by MABS and the Citizens information board and is a very important source of information for members who have a mortgage and are experiencing financial difficulties, or believe that they will in the near future due to changing circumstances.

Department of Social Protection

The Social Welfare website provides information relating to job seekers allowance, mortgage interest supplement and other welfare benefits you may be eligible for.

To find out where the closest office to you is call **1890 66 22 44** or visit www.welfare.ie

Free Legal Advice Centre (FLAC)

FLAC provides basic free legal services in the areas of social welfare, credit and debt and public interest law. It is important when considering an ARA, or other alternative solution that members seek independent Legal advice as well as financial advice. FLAC can be contacted on **1890 350250** or visit www.flac.ie

National Consumer Agency (NCA) The NCA is a statutory body which is charged with protecting the interests of consumers. The NCA is a source of useful information that helps consumers understand their rights when purchasing goods and services and may assist members in managing their money and making more informed consumer decisions. They can be contacted on 1890 432 432 or visit www.consumerhelp.ie

Insolvency Service of Ireland – (ISI)

The ISI is a state body that is charged with the responsibility for all matters concerning the Personal Insolvency legislation 2012. They are charged with informing borrowers of their rights and informing them of the legal remedies available to borrowers who find themselves in financial difficulty. They also maintain the various Registers for each of the Insolvency Protocols. A register of approved Personal Insolvency Practitioners is also available on their website. They can be contacted on 076 106 4200 or by visiting www.isi.gov.ie

Financial Services Ombudsman

The Financial Services Ombudsman is an independent body which deal with complaints from consumers about their dealings with regulated financial service providers such as St Francis Credit Union. It is a free service and they can be contacted on **1890 88 20 90** or **01 662 0899** or by visiting www.financialombudsman.ie

Office of the Revenue Commissioners

It may be helpful for members who have experienced a change in their circumstances to contact the revenue commissioners to ensure that they have maximised their entitlement to tax credits and reliefs (eg Mortgage Interest Relief). To find relevant numbers visit www.revenue.ie

WARNING: YOUR HOME IS AT RISK IF YOU DO NOT KEEP UP PAYMENTS ON A MORTGAGE OR ANY OTHER LOAN SECURED ON IT

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.

Your loan from St Francis Credit Union is a variable rate mortgage

WARNING: THE PAYMENT RATES ON THIS LOAN MAY BE ADJUSTED BY THE CREDIT UNION FROM TIME TO TIME.

If you avail of an ARA that results in a term extension

WARNING: THIS LOAN MAY TAKE LONGER TO PAY OFF THAN YOUR PREVIOUS LOANS. THIS MEANS YOU PAY MORE THAN IF YOU PAID OVER A SHORTER TERM