



# Struggling with mortgage payments?

**Worried about paying your  
mortgage?**

A practical guide for  
mortgage customers.

Applicable in NI

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# Working together to find resolutions

**Practical advice** when you are facing mortgage arrears.

Like many homeowners your financial situation may have changed in recent years. You may have fallen into arrears on your mortgage repayments, or you may be concerned about falling into arrears in the future. Whatever the cause of your financial problems, the most important thing to do is face up to them and examine the practical options available. We are fully committed to helping you with this and using our expertise to find a resolution, where possible.

If you are in arrears with your mortgage, or falling behind with your repayments, take the first step and talk to us. We can't ignore the fact that you may be in arrears, but we can help you get a realistic view of your financial situation and the options available to you.

**Our focus is to keep our customers in their family home wherever possible, where they are working with us to prioritise their mortgage repayments.**

## What to do if you are in arrears or facing arrears?

If you are concerned about your mortgage repayments or are already in arrears on your repayments, talk to us today. This is the first and most important step you need to take to find a resolution.

**Call us:** 028 9082 1682

**Email us:** [fsgcollections@aib.ie](mailto:fsgcollections@aib.ie)

**Click on:** [aibni.co.uk](http://aibni.co.uk)

We have a dedicated section on our website entitled 'Worried about Payments' for our customers who are in or facing arrears.

# Four steps to finding a resolution

Helping you through challenging times.

We have a four step process that aims to engage with, support and find resolution for our mortgage customers who are in arrears or at risk of going into arrears.

This process is referred to as Mortgage Forbearance (see Glossary for full definition) and is based on regulatory rules set out in the Financial Conduct Authority's Mortgages and Home Finance Conduct of Business Sourcebook (MCOB).

## Step 1

### Communication

#### We are here to listen, support and provide help

It is very important not to ignore the early signs of financial difficulty or stress. If you are already in arrears with your mortgage repayments, or are concerned about going into financial difficulties, you should contact us as soon as possible. This will enable us to immediately start working with you to explore the options available and find a resolution, where possible.

We have put in place a dedicated team of expert and professional staff to help our customers in difficulty; you can talk to one of our team today on **028 9082 1682** (9am-5pm, Monday to Friday) or email us at **fsgcollections@aib.ie**

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.

## Step 2

### Financial Information

#### Get a clear picture of your finances

We will ask you to provide details of your current financial position.

We will provide you with an Income and Expenditure form to complete - this form allows you to set out your current financial circumstances and gives us, and you, a clear picture of your financial situation.

We will guide you and provide assistance in completing the form. You can also find a copy of the form in the section of our website entitled 'Income and Expenditure form: Help and Guidance' [aibni.co.uk](http://aibni.co.uk)

You may also need to provide additional documentation to support the information in the Income and Expenditure form. This may include:

- Account statements from other banks (at least three months),
- Copies of last three payslips,
- Copies of business accounts if you are self-employed.

It is important that you fill out the Income and Expenditure form fully and accurately, making sure that the information provided is a full and honest disclosure. If you wish, you can get independent advice in completing the form (see our list of useful contacts starting on page 7).

#### Filling out the Income and Expenditure form

- Before you start to complete the form, 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 being realistic about what items cost.



Filling out our Income and Expenditure form is the best way to get a clear picture of your finances and see if there are any expenses you can reduce or eliminate immediately to help you prioritise your mortgage repayments.

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## Step 3

### Assessment

#### Assess your financial situation

We will use the information provided by you in the Income and Expenditure form to assess your individual situation, on which the criteria for assessing requests for alternative payment options 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,
- Any other relevant personal information.

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



Our goal is to keep our customers in their family home wherever possible, where they are working with us to prioritise their mortgage repayments.

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## Step 4

### Resolution

#### Working with you to find a resolution

Once we have gathered and assessed all the information relating to your financial circumstances, we will work with you to explore all possible options. We 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. This could prevent your mortgage from falling into arrears, or further into arrears.

## Alternative repayment options:

Following the assessment of your Income and Expenditure form, we will seek to agree an alternative repayment arrangement with you. We outline below the alternative repayment arrangements available, how the arrangements work and the key features of these arrangements.

- **‘Interest-only’** – this means that you will only pay the interest owed on your loan for an agreed period and not the capital amount owed.
- **‘Contracted 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 period of time.
- **‘Repayment moratorium’** – 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.
- **‘Extension of loan term’** – 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. The age of the borrower would be an important consideration in this scenario.
- **‘Capitalisation of the 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.
- **‘Changing the type of the mortgage’** – this means that you move to a different mortgage product that would reduce your monthly repayments (subject to availability and criteria.)
- **‘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, maybe at a loss if the property is in negative equity. Where a shortfall exists, that is 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 us and advised to you.

The availability of all the options outlined above is based on your circumstances and affordability and is assessed on an individual case by case basis.

## Important points to note in relation to alternative repayment options:

- **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. We strongly recommend that you obtain independent 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 Plan (if you have one). Please contact your policy provider for more details.
- Life assurance cover should take account of alternative repayment arrangements such as interest-only or repayment breaks. We strongly recommend that you get advice on your life assurance needs.
- You have the right to make a complaint at anytime in relation to the treatment of your case. Complaints can be made in various ways for example, by telephone, in person through your local branch, in writing or by email.

# Useful Contacts

If you have further questions about mortgage arrears, you can get information and advice from the sources below.

**Call today and speak to one of our team:**



Email us [fsgcollections@aib.ie](mailto:fsgcollections@aib.ie)

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Click on [aibni.co.uk](http://aibni.co.uk)

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Our website contains a dedicated section called 'Worried about payments'



Call us on **028 9082 1682**

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Useful contacts continued overleaf

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## Money Helper

Money Helper is an independent service set up by the government to help you work out what's right for you. They give free, unbiased advice online, on webchat, over the phone or face to face.

You may wish to seek assistance from Money Helper

**Freephone Helpline: 0800 138 7777**

**WhatsApp: +447701342744**

**[www.moneyhelper.org.uk](http://www.moneyhelper.org.uk)**

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## Financial Conduct Authority (FCA)

The Financial Conduct Authority (FCA) regulates firms and individuals that are involved in advising on, arranging or managing home finance, which includes mortgages, home purchase plans and home reversion plans. This means firms involved must be regulated by the FCA.

**Phone: 0800 111 6768**

**Email: [consumer.queries@fca.org.uk](mailto:consumer.queries@fca.org.uk)**

**website: [www.fca.org.uk](http://www.fca.org.uk)**

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## Advice NI

There are a number of ways that Advice NI Advisers can help. Advisers do not tell clients what to do, but explain their options and the possible outcomes of different courses of action.

If you are in mortgage arrears or are worried about mortgage arrears, you can contact the Advice NI on **Freephone helpline 0800 915 4604**.

**Advice NI**

**Forestview**

**Purdy's Lane**

**Newtownbreda**

**Belfast**

**BT8 7AR**

**[www.adviceni.net](http://www.adviceni.net)**

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## Department for Social Services

The Department of Social Services website provides information regarding a range of benefits you may be eligible for.

[www.health-ni.gov.uk/topics/social-services](http://www.health-ni.gov.uk/topics/social-services)

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## HM Revenue and Customs

This number will provide you with information on all tax credits and benefits you may be entitled to.

Phone: 0345 300 3900

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## Financial Ombudsman Service

Exchange Tower  
Harbour Exchange Square  
London E14 9SR

Phone: 0800 023 4567

Email: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)

[www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

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# Glossary

## Arrears (Payment Shortfalls)

Payment shortfalls arise on your mortgage account where you do not make a full mortgage repayment or only make a partial mortgage repayment, as per the original mortgage contract, by the scheduled due date.

## Forbearance

An agreement to a revised payment plan by a lender, to help a borrower in financial difficulty.

## Mortgage Conduct of Business

Mortgage Conduct of Business rules are published by the Financial Conduct Authority. This sets out how mortgage lenders must treat mortgage holders who are in mortgage arrears or facing mortgage arrears. A copy can be downloaded from the Financial Conduct Authority's website ([www.fca.org.uk](http://www.fca.org.uk)).

## Mortgage

A mortgage describes a long-term loan provided to a borrower by a lender, secured against the borrower's home.

## Mortgage holder

Also referred to as 'the borrower'. The mortgage holder or borrower includes all parties named on the mortgage loan account.

## Pre arrears

A pre arrears case arises where either:

- (a) you, as the borrower, contact your lender to inform them that you are in danger of going into financial difficulties and/or are concerned about going into mortgage arrears  
or
- (b) the lender establishes that you, as the borrower, are in danger of going into financial difficulties which may impact on your ability to meet your mortgage repayments.

## Primary residence

A primary residence is a residential property which the borrower occupies as his/her main residence.

## **Income and Expenditure form**

An Income and Expenditure form is a budgeting tool which lists all of your monthly household income and outgoings. It is used by us as part of the assessment process when considering an alternative repayment arrangement and is available on our website, or by contacting us on **028 9082 1682**

## **Term**

The 'term' of your mortgage is the period of time for which your mortgage was taken out.

## **Fixed rate**

If you have a fixed rate mortgage, the interest rate remains constant throughout an agreed term – irrespective of the changes in Bank's base rate – and you pay the same amount each month during that term. A borrower may switch from a fixed rate mortgage but an early repayment charge will apply.

## **Variable rate**

If you have a variable rate mortgage, the interest rate goes up and down. This means that your monthly mortgage payment can go up or down with the interest rate changes.

## **Tracker**

This kind of mortgage has an interest rate which follows the Bank's base rate. The monthly mortgage repayment goes up when the base rate goes up, and goes down when the base rate goes down.







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**028 9082 1682**

**fsgcollections@aib.ie**

**aibni.co.uk**

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