



Mortgage Arrears Resolution Process (MARP)

INTRODUCTION

A mortgage is an important financial commitment. At Pepper Asset Servicing (Pepper), we are very aware that the current economic climate has had an effect on many people's financial situations. Unforeseen life events can also have an effect. If your financial situation has changed for any reason and you are struggling to pay your mortgage, please talk to us. There are options available and we are fully committed to working with you to find a solution. In fact, the earlier we know about your difficulties, the sooner we can help you.

Under the Central Bank of Ireland's Code of Conduct on Mortgage Arrears (the Code), Pepper implemented a 4-step process called the Mortgage Arrears Resolution Process (MARP) to help customers whose mortgage is in arrears or is 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 even if you don't currently live in it. However, it is important to bear in mind that you may lose the protections of the Code if you don't co-operate with us during the MARP (see Not co-operating - what does it mean? on page 11 for a description of not co-operating under the Code).

We have included a glossary of terms on page 14 of this booklet, which you may find useful.

Mortgage Arrears Resolution Process

HOW DOES THE MARP WORK?

There are 4 steps to the MARP:

Step 1

Communication

Step 2

Financial Information

Step 3

Assessment

Step 4

Resolution



STEP 1 COMMUNICATION

Communication - we need to talk...

We can help you if you talk to us. We know that facing financial problems can be very daunting. As soon as you know that you are in financial difficulty or are concerned that you might be getting into financial difficulties - contact us. We can start working with you straight away to help find a solution. We have a dedicated team, our Arrears Support Unit, who are available to help you every step of the way (see Useful Contacts on page 15/16 for our ASU contact details).

Summary of our communications policy

We have a communications policy. In summary, it sets out the circumstances when we may need to communicate with you and also how we will endeavour to treat you during any communications, whether this is by letter, by phone, at a face-to-face meeting or by any other method.

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

- There are letters we are required to send under the Code. We will give you information such as the amount of arrears on your mortgage, contact information and other important details.
- There may be information we need to send you about an option(s) that may help you through your current difficulties.
- We may contact you if you have not responded within the required timeline for the return of certain information.
- We may contact you to clarify some information you have given to us.
- We may contact you if you have not paid the amount agreed in any arrangement we make with you.

We will make sure not to contact you unnecessarily and we will always give you enough time to get back to us with information we have asked for before contacting you again. We will also try to make sure that what we write or tell you is easy to understand. And we are available if you need us to explain something in more detail.

If we need to phone you, it will be between the hours of 9am and 5pm Monday to Friday. We will try to make sure it is at a time that is suitable for you. Under the Code, we are required to keep recordings of our Arrears Support Unit's telephone calls with you in relation to your arrears or pre-arrears situation.

If at any time the information presented to you is not clear or if you would like further details on any given matter, please don't hesitate to contact us and we will be happy to provide this to you over the phone, in writing or in a face-to-face meeting with you.

Things to consider?

Your mortgage protection insurance/life cover

Your mortgage contract may require that the principal amount is covered by mortgage protection insurance.

It is important to be aware that while your mortgage is in arrears, your mortgage protection cover may not be sufficient to cover the balance outstanding.

Do you have Payment Protection Insurance (PPI)?

If you purchased PPI in relation to your mortgage account, you may want to contact the insurance company to make a claim on that policy. Details should be available on your certificate of insurance.

Your credit profile

Pepper registers information on your payment history with the Central Credit Register (CCR) in accordance with the Credit Reporting Act 2013.

Your credit rating may be adversely impacted if you miss scheduled repayments or do not make repayments on time. A negative credit rating may limit your ability to obtain credit in the future.

At any time in the future, Pepper may, where required or permitted, provide additional information to the CCR or any other credit registers or credit reference agencies which may affect your credit rating in a different manner.



STEP 2 FINANCIAL INFORMATION

We need to understand your finances

To make sure we have a detailed understanding of your finances, we will provide you with a form to fill in, known as the Standard Financial Statement (SFS). The SFS is designed to help you set out your current financial circumstances in detail.

If you feel you need some help to complete the SFS, there are a number of options:

- **Our website:** You will find the Central Bank of Ireland's Consumer Guide to Completing a Standard Financial Statement on the mortgage section of our website www.peppergroup.ie If you contact us, we can also send a copy to you.
- **Speak to us:** We can help you complete the SFS. We can do this over the phone or can arrange a meeting with you in our office, your home or another convenient location.
- **Independent advice:** You may prefer to seek independent advice or help from MABS (the Money and Budgeting Advice Service) (see Useful Contacts on page 15/16) or your financial advisor.

When we receive your completed SFS, our Arrears Support Unit will review it and we will send a copy to you by post.

IMPORTANT POINTS TO CONSIDER WHEN FILLING OUT YOUR SFS:



- The easiest way to see where you stand financially is to gather all the relevant information including bills, receipts and documents - so you can write down all the money coming in and going out each month.
- It is important that you include all your basic living expenses.
- Think of ways to reduce your spending - maybe there are some expenses you can cut out.
- Think of ways to increase your income - maybe there are State supports you can avail of (see Useful Contacts on page 15/16).
- It is important that you fill out the SFS fully and accurately. We may also ask you to provide additional documentation so that we can fully assess your situation (for example, bank account statements, copies of payslips, copies of business accounts).
- If you need help or have any questions in relation to completing the SFS, please call our ASU (see Useful Contacts on page 15/16 for our ASU contact details).

STEP 3 ASSESSMENT

We assess your financial situation

We will assess the information in your completed SFS and examine your situation on its individual merits. We will use this information in order to determine which options for an alternative repayment arrangement (ARA) may be viable.

Our criteria

We will consider the following criteria to assess your case for an ARA:

- Your personal circumstances
- Your overall level of debt
- The information provided in your completed SFS
- Your current ability to make repayments
- Your previous repayment history
- Any other relevant information of which we are aware.

In addition to considering your ability to pay in the short term, we will also consider the long-term sustainability of the mortgage.

During any period of financial difficulty, you should continue to pay as much as you can afford.

In some cases, Pepper may agree an interim repayment plan with you on a temporary basis in advance of offering you an ARA. In assessing the appropriateness and suitability of an ARA, Pepper will take into account your compliance with the terms of such interim repayment plan, in particular your repayment ability, commitment to the property and repayment of the mortgage.

You will be required to:

- 1 Provide any additional documentation requested to support your SFS
- 2 Provide details of how you intend to make any increased repayments after a reduced repayment period
- 3 Confirm your commitment to the property and repayment of the mortgage.

STEP 4 RESOLUTION

Resolution - we look for a solution

We have a number of ARA options we will explore to try to prevent your mortgage either falling into arrears, or going further into arrears. Not every option will be suitable for every situation. Following an assessment of your particular circumstances, we will determine which option(s) may work and be sustainable for you.

The options we offer, which are subject to an individual assessment of your case and you meeting our eligibility criteria, are:

Interest Only Repayments:

- You only pay the interest on your mortgage for an agreed time.
- Your monthly repayment amount reduces as you are not paying anything towards reducing the capital balance of your mortgage.
- After the interest-only period, either (i) your repayments increase to an amount that ensures you repay your mortgage within the original term; or (ii) where appropriate, the term of your mortgage will be extended.

Deferral of Repayments

(also known as a 'repayment break' or 'moratorium'):

- You are permitted to take a break from making any payment in respect of your mortgage for an agreed period - generally up to 3 months.
- After the deferral period, either (i) your repayments increase to an amount that ensures you repay your mortgage within the original term; or (ii) where appropriate, the term of your mortgage will be extended.

Reduced Monthly Repayment:

- Your monthly repayment is reduced to match your affordability for an agreed period of time - generally between 12 and 36 months.
- After the reduced payment period, either (i) your repayments increase to an amount that ensures you repay your mortgage within the original term; or (ii) where appropriate, the term of your mortgage will be extended.

Term Extension

- The term is extended so you pay the mortgage over a longer period, resulting in lower monthly repayments.
The term will only be extended if you are less than 65 years old when the current mortgage term is due to finish.
- A term extension may also be used to clear arrears.

Capitalising Arrears:

- Outstanding arrears and interest is added to the capital balance so your mortgage is no longer in arrears.
- To ensure the arrears amount is paid off, either (i) your repayments increase to an amount that ensures you repay your mortgage within the original term; or (ii) the term of your mortgage will be extended.

Temporary Interest Rate Reduction:

- The interest rate on your mortgage is temporarily reduced for a specified period of time
- The monthly repayments reduce for this period while the capital balance continues to be paid in full.

Permanent Interest Rate Reduction:

- The interest rate on your mortgage is permanently reduced.
- The monthly repayments reduce while the capital balance is paid within the original term.

Combination of the above:

- Any combination of the above options may be used.

Split Mortgage*:

- Your mortgage balance is split into two parts (the Main Balance and the Split Balance) depending on the amount of the mortgage that is affordable for you.
- You continue to make monthly repayments (of capital and interest) on the Main Balance.
- The Split Balance is parked and your payments are delayed for a period of time until your financial ability or circumstances improve.
- In the event of an improvement in your financial circumstances, Pepper may transfer some of the Split Balance to the Main Balance, depending on what is affordable for you.
- The Split Balance remaining at the end of the term becomes repayable in full at that time.

* Please note that the eligibility criteria for a split mortgage include that you are committed to your home and are in full-time employment.

IMPORTANT



- The availability of an ARA is subject to an individual assessment of your case and you meeting our criteria.
- The repayment options outlined above may result in you paying additional interest over the full term of the mortgage loan.
- It is important that you consider taking any appropriate independent legal and/or financial advice before availing of an ARA.
- If we:
 - (i) do not offer you an ARA, for example where we have concluded that the mortgage is unsustainable and an ARA is unlikely to be appropriate; or
 - (ii) offer you an ARA and you are not willing to accept it then

we will inform you in writing of other options that are available to you (see: Other options we offer below). In those circumstances, we may commence legal proceedings for repossession of your home either 3 months from the date the letter informing you of your other options is issued, or 8 months from the date that the arrears first arose on your mortgage, whichever date is later. Irrespective of how the 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.

Other options we offer

If we are unable to offer you an ARA (for example, where we conclude that an ARA is not appropriate because the mortgage is not sustainable, or where you choose to reject our offer of an ARA) there are other options that we can explore with you. These options are subject to an individual assessment of your case, and you meeting certain criteria. They include:

Mortgage to Rent (MTR):

The MTR scheme is a government scheme which aims to help people who have serious difficulties with their mortgage and who are unlikely to ever make full repayments on their mortgage in the future. Further details are available on our website: www.peppergroup.ie

- You sell the mortgaged property to a housing association and the proceeds are used to pay down the balance owing on your existing mortgage.

- You and your family remain in the property as a tenant of the housing association, paying an affordable rent.
- We will make a contribution towards any financial and/or legal advice you obtain in relation to MTR.
- If you take up the MTR option, you will no longer own your home and will not have any financial interest in it.

There are conditions set out by the housing association which must be met in order for you

to be considered for the MTR scheme. For more information, visit the Housing Agency website at www.housing.ie and also www.keepingyourhome.ie.

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.

Assisted Voluntary Sale (AVS):

Our AVS scheme is designed to provide you with the support and assistance you need to sell your property at the best selling price while keeping the cost to you as low as possible. Further details are available on our website:

www.peppergroup.ie.

- Pepper will pay your estate agent and solicitor fees and costs, subject to maximum limits which will be outlined to you.

- You remain in your property until it is sold and you get help to achieve the best selling price possible.
- Depending on your financial circumstances, we may provide financial assistance towards your relocation needs.

Voluntary Surrender (VS):

You agree to voluntarily hand over ownership of your property to Pepper.

- You are giving full possession of the property to Pepper and requesting that we market and sell the property.
- Pepper will have sole discretion in relation to the final price which is acceptable for the property to be sold.

IMPORTANT



- The options outlined above are subject to an individual assessment of your case and you meeting the relevant eligibility criteria of Pepper (and of a third party, where relevant).
- It is important that you consider taking any appropriate independent legal and/or financial advice before availing of one of these options.
- For any of the above options, if the proceeds from the sale of the property do not clear the outstanding balance of your mortgage account (including any accrued interest, charges, legal, selling and other related costs where applicable), you will remain liable for the shortfall. We will review any remaining shortfall balance due and tailor a solution based on your individual circumstances.
- In the event of a surplus following the sale of the property after repaying the balance of your mortgage account (including any accrued interest, charges, legal, selling and other related costs where applicable), the surplus proceeds will be returned to you.

Confidentiality

Our communications with you in relation to your mortgage will be confidential and any meetings in relation to arrears or pre-arrears will be conducted with utmost privacy.

Where we offer you an ARA or one of the other options outlined above, we may require you to enter into a confidentiality agreement. Under such an agreement, you confirm that you will keep information relating to the ARA or the other option confidential and, in particular that you will not disclose the terms of the ARA or the other option to anyone else. We will require such an agreement where we think it is in our reasonable commercial interests to do so or where we think that it is appropriate to the circumstances of your case.

Not co-operating - what does it mean?

It is important that you engage with us throughout the MARP, otherwise there is a risk that you may be classified as not co-operating within the meaning of the Code. The definition of not co-operating is set out in Chapter 2 of the Code but in the summary, you can be considered not co-operating when:

- You do not make a full and honest disclosure of all relevant information that would have a significant impact on your financial situation; OR
- You do not provide information we require to assess your situation within the timelines we specify; OR
- For a period of 3 months:

You have not communicated or engaged with us in a way that enables us to complete an assessment of your circumstances;

AND

You have either failed to meet your mortgage repayments in full (per your original contract or the terms of an alternative repayment arrangement) or your account has been in arrears.

what specific actions we require you to carry out to avoid being classified as not co-operating. We are permitted to classify you as not co-operating where you fail to carry out the actions specified in that letter within 20 business days.

The implications for you of being classified as not co-operating include:

- The MARP no longer applies.
- Charges and/or surcharge interest may be imposed on arrears arising on your mortgage account.
- We may commence legal proceedings for repossession of the property immediately after classifying you as not co-operating. In this case, irrespective of how the 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.
- There may be an impact on your eligibility for a Personal Insolvency Arrangement in accordance with the eligibility criteria set out in the Personal Insolvency Act 2012. Information about the personal insolvency processes under that Act is available on the Insolvency Service of Ireland's website (see Useful Contacts on page 15/16).

If we think you are not co-operating, we will issue a warning letter to you in accordance with Provision 28 of the Code. This letter will outline

Your Right to Complain

You have a right to make a complaint to Pepper Mortgage Department in relation to:

- 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 Pepper Mortgage Department (see Useful Contacts on page 15/16).

Where you make a verbal complaint, we will offer you the opportunity to have the complaint handled in accordance with our written complaints process outlined below.

Where you make a written complaint, we will acknowledge your complaint in writing within 5 business days of receiving it and we will provide you with the name of a contact person in relation to the complaint.

We will provide you with regular written updates on the progress of the investigation of the complaint at intervals of not more than 20 business days from the date on which your complaint was made.

We will attempt to resolve your complaint within 40 business days. If your complaint is not resolved within 40 business days, we will inform you of the anticipated timeframe within which we hope to resolve the complaint.

We will inform you in writing of the outcome of our investigation within 5 business days of the completion of the investigation.

If you are dissatisfied with the response to your complaint, you have the right to refer the matter to the Financial Services and Pensions Ombudsman (see Useful Contacts on page 15/16).

Your Right to Appeal

You have a right to appeal to our dedicated appeals board (the Appeals Board) where you are unhappy with a decision made by us during the MARP, including where:

- We offer you an ARA but you are not willing to enter into the ARA offered
- We decline to offer an ARA
- We have classified you as not co-operating.

The Appeals Board will consist of 3 of Pepper'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 (see Useful Contacts on page 15/16) within 20 business days from the date that you have received the letter notifying you of the decision.

The Appeals Board will acknowledge your appeal in writing within 5 business days of receiving your appeal. The Appeals Board will provide you with regular written updates on the progress of your appeal at intervals of not more than 20 business days.

The Appeals Board will consider and adjudicate on your appeal within 40 business days of receiving the appeal and will notify you in writing of their decision within 5 business days of their decision.

If you are unhappy with a decision of the Appeals Board, you have the right to refer the matter to the Financial Services and Pensions Ombudsman (see Useful Contacts on page 15/16)

ADDITIONAL INFORMATION

If you are in financial difficulty, it is important not to ignore the problem. Speak to any finance providers that you owe money to - they should have processes in place to help you.

You may wish to seek assistance from MABS. This is a national, free, confidential, independent advice service for people in debt difficulties or in danger of getting into difficulties (see Useful Contacts on page 15/16).

You may be eligible for State supports to help with part of your mortgage repayments.

You should contact Citizens Information or the Department of Social Protection (see Useful Contacts on page 15/16) for details of welfare benefits that you might be entitled to.

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.

WARNING



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

If you have a variable interest rate mortgage:

THE PAYMENT RATES ON YOUR HOUSING LOAN MAY BE ADJUSTED BY THE LENDER FROM TIME TO TIME.



If you have an endowment mortgage:

WARNING



THERE IS NO GUARANTEE THAT THE PROCEEDS OF THE INSURANCE POLICY WILL BE SUFFICIENT TO REPAY THE LOAN IN FULL WHEN IT BECOMES DUE FOR REPAYMENT.

Early surrender of the insurance policy in respect of an endowment loan may result in a return to you which would be less than the premiums paid and other charges.

GLOSSARY

Below is a glossary of the terms used in this booklet. Where relevant, the definition provided in the Code is used.

Arrears arise on a mortgage loan account where a borrower has not made a full mortgage repayment, or only makes a partial mortgage repayment, in accordance with the original mortgage contract, by the scheduled due date.

Borrower includes all parties named on the mortgage loan account.

Business day means any day except Saturday, Sunday, bank holidays and public holidays.

Code of Conduct on Mortgage Arrears / CCMA (the Code) means the Code issued under Section 117 of the Central Bank Act 1989. It applies to mortgage lending activities of all regulated entities except credit unions, operating in the State and applies to the mortgage loan of a borrower which is secured by his/her primary residence. The Code can be found at www.centralbank.ie.

Communication means the imparting or exchanging of information between a lender and a borrower by speaking, by writing or by any other method.

MARP means the Mortgage Arrears Resolution Process as described in Provision 16 of the Code.

Pepper means Pepper Finance Corporation (Ireland) DAC as the lender in respect of any loan agreement or, as applicable, as servicer on behalf of the lender in respect of the loan agreement.

Primary residence means the residential property which the borrower occupies as his/her primary residence in this State or a residential property which is the only residential property in the State owned by the borrower even if he/she doesn't currently live in it.

Repossession means any situation where a lender takes possession of a property.

Split Mortgage means where a lender agrees to split a borrower's mortgage loan into an affordable loan, which the borrower continues to repay, and a remaining balance, which is set aside or warehoused to a later date.

Standard Financial Statement (SFS) is the document which a lender must use to obtain financial information from a borrower in order to complete an assessment of that borrower's case.

Voluntary Sale means the borrower's voluntary sale of the primary residence in order to repay part, or all, of the mortgage loan.

Voluntary Surrender means the borrower's voluntary surrender of his/her primary residence to the lender.

You means the borrower(s) under any loan agreement for which Pepper is the lender, or for which Pepper acts as servicer on behalf of the lender.



USEFUL CONTACTS

Customer Service

9:00am - 5:00pm

Monday - Friday

Customer Service

Website: www.peppergroup.ie

For all Pepper Residential Loans;	Phone Number	
	Ireland	Outside Ireland
Residential Loan Servicing	0818 818 181	+353 61 236 928
If your Loan is with Tanager DAC;	Phone Number	
	Ireland	Outside Ireland
Tanager DAC	0818 800 325	+353 61 236 956
If your Loan is through Ulster Bank Ireland DAC;	Phone Number	
	Ireland	Outside Ireland
Ulster Bank Ireland DAC	0818 812 430	+353 61 236 952
If your Loan is through Finance Ireland;	Phone Number	
	Ireland	Outside Ireland
Finance Ireland	0818 995 995	+353 61 236 925
If your Lender prior to the transfer of your Loan to Pepper was Mint Funding Limited, please call;	Phone Number	
	Ireland	Outside Ireland
Mint Funding Limited	0818 239 239	+353 61 236 907
For Personal Insolvency;	Phone Number	
	Ireland	Outside Ireland
Personal Insolvency	0818 452 453	+353 61 236 933

USEFUL CONTACTS

Pepper Appeals Board

Address: The Appeals Board
Pepper Asset Servicing
4310 Atlantic Avenue,
Westpark Business Campus
Shannon, Co Clare

Central Bank of Ireland

Provides independent information on financial products and includes the Code of Conduct on Mortgage Arrears.

Website: www.centralbank.ie

Citizens Information

Provided by the Citizens Information Board, this website provides information on public services and entitlements in Ireland. It also has contact details for all local Citizens Information Centres.

Phone: 0818 074 000

Hours: Monday to Friday 9am - 8pm

Website: www.citizensinformation.ie

Data Protection Commissioner

Provides information on individuals' rights and on organisations' responsibilities relating to the storing of personal data. It also gives you guidance on how the rights and principles apply in different practical situations.

Website: www.dataprotection.ie

Department of Social Protection

This government department provides details on Jobseeker's Allowance, Mortgage Interest Supplement and other welfare benefits that you may be entitled to. The website has contact details for all local centres.

Website: www.welfare.ie

Financial Services and Pensions Ombudsman

This statutory office deals independently with unresolved complaints from consumers about their individual dealings with all financial service providers. It is a free service.

Address: Financial Services
and Pensions Ombudsman
Lincoln House, Lincoln Place,
Dublin 2, D02 VH29.

Phone: (01) 567 7000

Email: info@fspo.ie

Website: www.fspo.ie

Free Legal Advice Centre (FLAC)

Provides basic, free legal services to the public in the four main areas of: legal aid, social welfare, credit and debt, and public interest law. The website has contact details for all local Legal Advice Centres.

Phone: (01) 906 1010

Website: www.flac.ie

Insolvency Service of Ireland (ISI)

An independent statutory body established on 1 March 2013 by the Minister of Justice and Equality. The mission of the ISI is to help restore people who are insolvent to solvency in a fair, transparent and equitable way. The website explains the options available for people who are in debt and who do not see themselves being able to repay their debts in the next few years.

Hours: Monday to Friday 9am - 6pm

Website: www.backontrack.ie

Keepingyourhome.ie

Provided by the Citizens Information Board and MABS, this website provides comprehensive information on the services and entitlements available if you are having difficulties making your mortgage repayments. It also provides information on MARP.

Website: www.keepingyourhome.ie

USEFUL CONTACTS

MABS (Money Advice & Budgeting Service)

A national, free, confidential, independent service for people in debt or in danger of getting into debt. Its website provides useful budgeting tools and help with completing the SFS (in the MABS Guide to the Code of Conduct on Mortgage Arrears). It also has contact details for all local MABS offices.

Phone: 0818 072 000

Hours: Monday to Friday 9am - 8pm

Email: helpline@mabs.ie

Website: www.mabs.ie

Competition and Consumer Protection Commission

The Competition and Consumer Protection Commission (CCPC) is the statutory body responsible for promoting compliance with, and enforcing, competition and consumer protection law in Ireland. We strive to improve consumer welfare across the economy by enforcing over 40 legislative instruments, including product safety legislation.

Phone: (01) 402 5555

Office of the Revenue Commissioners

This government department provides information on all tax credits and relief that you may be entitled to. It also has contact details for all local centres.

Website: www.revenue.ie





www.peppergroup.ie