



Pepper Finance Corporation (Ireland) DAC Variable Rate Policy Statement

Warning: We may change the interest rate on this loan. This means the cost of your monthly repayments may increase or decrease.

About us

Pepper Finance Corporation (Ireland) DAC (“**Pepper**”) trading as Pepper Money, Pepper Homeloans and Pepper Asset Servicing is authorised by the Central Bank of Ireland.

In January 2016, we started providing mortgage loans (mortgages) using the trading names of Pepper Money and Pepper Homeloans. Together, these are known as “**Pepper Money**”.

We manage mortgages using the trading name “Pepper Asset Servicing”. This covers both those mortgages provided by Pepper Money and also mortgages that were drawn down prior to 2012 and subsequently acquired by the Pepper Group. Together, these are known as “**Pepper Mortgages**”.

What do we consider when setting out variable interest rates?

When setting mortgage interest rates we consider a range of factors:

- **Business costs:** We take account of our business costs. These include our running costs (including expected costs in the future), our own borrowing costs and any other aspect of our funding arrangements, and the cost of our legal and regulatory requirements.
- **Credit Risk:** Consideration is given to the risk that some customers may not pay their mortgage and Pepper may suffer a loss as a result.
- **General:** We also consider general factors, such as economic growth and inflation rate, the housing market conditions, our business strategy and the level of competition in the market.

Changes to these factors could result in changes to the variable interest rates.

How do we make decisions when setting variable interest rates?

Mortgages taken out since January 2016

Pepper has a Product Governance Committee. Among other things, the Committee is responsible for considering any changes to the variable interest rates for mortgages taken out since January 2016. It is made up of senior members of Pepper’s management team and reports to the Board. It meets monthly, or as required. The Committee considers the internal and external factors outlined above and whether any change should be made to variable interest rates.

Pepper Asset Servicing, PO Box 687, Shannon, Co. Clare

www.peppergroup.ie



Mortgages taken out before 2012

No changes have been made to variable interest rates on the mortgages in the portfolio acquired by the Pepper Group in 2012. An Operating Committee meets monthly to discuss matters relating to these mortgages. At these meetings, consideration is given to whether any change should be made to variable interest rates.

Why do we have different variable interest rates?

We have different variable interest rates for different categories of customers.

Mortgages taken out since January 2016

For mortgages taken out since January 2016, different variable interest rates apply and these depend on the loan-to-value (LTV) band of the mortgage. LTV refers to the size of the *Loan* to the *Value* of the property and LTV bands on mortgages offered by Pepper can go up to 90% of the value of a property. The higher the LTV mortgage, the riskier the loan will be. This will result in a higher variable interest rate for the customer.

Our rates also differ by customer type and circumstances. For example, there is more risk involved in lending to customers who are self-employed or on fixed term contracts, or who had a historic payment issue. This means that the variable interest rate will be higher for these types of customers. In addition, some products, such as an interest-only loan (where customers only pay the interest on the loan for a period) may also result in a higher variable interest rate.

Mortgages taken out before 2012

Different interest rates were offered when the mortgages were provided. However, Pepper has not made any changes to the variable interest rates on these mortgages since the Pepper Group acquired the mortgage portfolio in September 2012.

Customers in arrears or financial difficulty

If you are in arrears (meaning you have fallen behind on your repayments) or if you are in financial difficulty, it is important that you contact us. A temporary or permanent reduction in the variable interest rate on your mortgage may be considered as part of an alternative repayment arrangement. Such an arrangement is based on your personal situation.

Could you get a different type of interest rate or a lower interest rate?

We encourage you to look at your mortgage options regularly because a different product may lead to savings for you. You can review our mortgage options at www.peppermoney.ie.

If you wish to discuss your mortgage options, please contact our customer services team. They can be contacted on 1890 882092 (or +353 1 9607930 if calling from outside Ireland).

If you wish to apply for a different mortgage with Pepper, please note that a credit assessment may be required. This includes a credit check with the Irish Credit Bureau (ICB) or any other credit agency. It may also involve a new valuation of your property. Please note that your existing lending terms and conditions apply when changing a mortgage to a different type or a different interest rate.



Customers in arrears or financial difficulty

If you are in arrears or if you are in financial difficulty, it is important that you contact us. If you have not already done so, you can contact us on **1890 551504** (or **+353 61 705900** if calling from outside Ireland).

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

Variable Rate loans

WARNING: THE PAYMENT RATES ON THIS HOUSING LOAN MAY BE ADJUSTED FROM TIME TO TIME.