

Cabot Financial (Ireland) Limited
Mortgage Arrears Resolution Process
(MARP) Information Booklet



DECEMBER 2021

Introduction

At Cabot Financial Ireland (“Cabot”), we understand how important your home is and the challenges that individuals and families sometimes face to meet their mortgage payments. If you are facing these challenges, please talk to us as soon as possible.

Whatever your circumstances, if you are struggling to keep up with your loan repayments, it is important to let us know so that we can help you understand the options available to you.

If you are worried about any aspect of your mortgage loan, please talk to us. We have a dedicated team who will explain how we can assist you; known as the **Arrears Support Unit (“ASU”)** which can be contacted at 📞 **01 464 9172** (9am to 5.30pm Monday to Thursday and 9am to 5pm on Friday). Any information you share, or conversations you have with us, will be treated with the strictest of confidence.

You can also contact the Money Advice and Budgeting Service (“MABS”) or an appropriate alternative. MABS provide independent financial advice free of charge.

This information booklet is for customers who may be concerned about their mortgage and describes the process that Cabot has put in place to help customers through a change in financial circumstances that may make it difficult to meet their commitments under their mortgage loan.

The First Step is Yours to Take

Changes in circumstances can put pressures on your financial situation and can result in you struggling to meet the repayments on your family home. Whether you are currently in arrears or facing financial difficulties, Cabot's ASU will be happy to work with you to help find a solution.

You may have been affected by but not limited to one of the following situations:

- Unemployment
- A reduction in working hours
- Unexpected bills
- Relationship breakdown
- Over-commitment
- Health issues

Cabot Mortgage Arrears Resolution Process

The Central Bank of Ireland ("CBI") has implemented the Code of Conduct on Mortgage Arrears ("the Code"), which prescribes a process designed to help customers who are in arrears or financial difficulty on a loan secured on their "Primary Residence"¹. This process is called the Mortgage Arrears Resolution Process ("MARP").

In accordance with the Code, Cabot has adopted a process for assisting customers who find themselves in arrears or financial difficulty. MARP is a four-step process that will guide you from initial contact with us to resolution.

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

Full details of the Code, can be found on the CBI's Website:

www.centralbankofireland.ie

¹Primary Residence: means a property which is:

- a. The residential property which the borrower occupies as his/her primary residence in this State, or
- b. A residential property which is the only residential property in this State owned by the borrower.

Step 1 Communication

We will contact you when this is practical and necessary and when we need to do so to meet our obligations under the Code. For example, we will contact you to give you information or ask you for information.

Our communication will be in plain language. However, sometimes we will need to use technical terms relating to mortgages which will be fully explained to you in our communications to you.

We will communicate with you only when we need to. There may be times when we will both need to be in constant and regular contact with each other for practical reasons. There may be other times when we will need to contact you urgently.

We will give you enough time to take action or make an informed decision where we request you to do so.

If we feel you are not co-operating with us we will confirm this with you.

You can get in touch with us at:

Arrears Support Unit, Cabot Financial (Ireland) Limited,
Block D, Cookstown Court, Old Belgard Road, Tallaght, Dublin 24. ☎ 01 464 9172

We are open:

- 9am to 5.30pm Monday to Thursday
- 9am to 5pm on Friday

We have a section on our website dedicated to arrears support, you can find this at: **www.Cabotfinancial.ie**

Step 2 Financial Information

In order to accurately consider your current financial circumstances, you will be requested to complete a Standard Financial Statement (SFS). This is a form that provides a complete overview of your household income and expenditure. A blank SFS can be downloaded from our website at **www.cabotfinancial.ie** or the Central Bank of Ireland's website.

Here are some points to consider when you are filling out the SFS:

- The easiest way to see where you stand financially is to gather all your relevant information including bills, receipts and documents together - so you can write down all the money coming in and going out of your household each month.

- It is important that you include all your basic living expenses.
- It is important that you fill out the SFS accurately. We may also ask you to provide additional documentation so that we can fully assess your situation (for example, 6 months bank account statements, copies of pay slips, copies of business accounts).

If you need help or have any questions in relation to completing the SFS, please call our ASU team who will be happy to assist you with completing this form.

We will also require evidence of your income and expenses, for example, we will ask for pay slips covering the last three months, confirmation of Social Welfare payments, Supplementary Welfare Scheme or Family Income Supplement as well as your most recent three months' bank statements. Depending on your circumstances additional documents may be requested. If you are self-employed, audited financials, tax returns and your most recent three months' bank statements for your business may be requested.

You can fill in this form at home, or a member of the ASU team can call you at a time that is convenient for you and can take this information over the phone.

Alternatively, MABS or an appropriate alternative can provide assistance in completing the SFS should you wish. The Central Bank of Ireland has also published a guide to completing the SFS.

A link to both the Money Advice and Budgeting Service and Central Bank websites are available in the Useful Contacts section of this booklet.

Step 3 Assessment

The ASU will give careful consideration to your individual circumstances based on the information you have provided, to assess if an alternative repayment arrangement might be suitable. The factors considered will include:

- Your personal circumstances
- Whether or not the cause of your current difficulties is temporary in nature
- Your current income and outgoings
- Savings, investment or other financial means
- Your repayment history
- Your overall personal indebtedness
- Your ability to meet repayments in the short and longer term

Step 4 Resolution

Once the review of your account and financial circumstances is complete, the ASU will assess if an alternative repayment arrangement is a suitable option for you.

The ASU will only recommend an arrangement that they consider to be both affordable and sustainable for you.

Depending on your circumstances, a short-term or long-term arrangement may be proposed.

Any repayment arrangement suggested will be subject to your agreement and approval, the terms and conditions will be explained to you, including the cost of the arrangement and the impact it will have on your repayments, both during the arrangement term and afterwards. You will be given sufficient time to make an informed decision.

There is no guarantee that a suitable, sustainable and mutually agreeable solution will be found. However, your ongoing engagement in the process will permit us to take your financial and personal circumstances into account.

You may wish to seek advice on your options. We have provided the details of the Money Advice and Budgeting Service in our Useful Contacts section.

Alternative Repayment Arrangements (“ARA”)

Alternative repayment arrangements available may be short term or long-term arrangements, depending on your particular circumstances. The options we offer, which are subject to an individual assessment of your case and meeting our eligibility criteria as outlined in Step 2 Financial Information are as follows:

Arrangement	How it Works	Considerations
Interest Only Repayment	<p>You would pay only the interest accrued on your loan for a short period of time.</p> <p>The capital repayments on your loan are suspended for that period of time.</p>	<p>Your mortgage repayments are reduced to cover only the interest accrued on your loan for the period of the arrangement. Your repayments will increase at the end of the arrangement term as the capital that has been deferred remains outstanding.</p>
Reduced Repayments	<p>You would pay a reduced monthly repayment for a period of time.</p> <p>You would pay more than the interest accrued but less than the usual capital repayment.</p>	<p>Your mortgage repayments are reduced for an agreed period.</p> <p>At the end of the period your repayments will be higher as the capital that was deferred remains outstanding.</p>
Moratorium	<p>We suspend your monthly repayments in full for a short period of time, typically up to 3 months</p>	<p>Your mortgage repayments are suspended for an agreed period to deal with short-term difficulties.</p> <p>At the end of the arrangement your repayments will be higher as the deferred interest and capital remains outstanding.</p>
Arrears Repayment Plan	<p>We may agree increased repayments for a period of time to address your arrears.</p>	<p>Your monthly repayment amount is increased to address your arrears over an agreed period of time based on your affordability. At the end of the Arrears Repayment Plan your arrears will have been repaid in full.</p>
Term Extension	<p>Should your circumstances permit it, we may propose lengthening the term of your mortgage to reduce your monthly repayments.</p>	<p>The term of your mortgage is extended, which will have the effect of reducing your monthly repayments.</p> <p>As you will be repaying your loan over a longer period of time the overall repayment will be higher over the extended life of the loan.</p>
Capitalisation of Arrears	<p>The arrears are added to the mortgage balance and the monthly repayment is recalculated to ensure that the full outstanding balance is cleared in full by the end of the term.</p>	<p>Your monthly repayment amount is increased to address the arrears over the remaining term of the loan</p>
Split Mortgage	<p>Your mortgage is split into two parts. You make an interest-only payment on the first part, and a capital-and-interest repayment on the second part.</p>	<p>Before you enter into this arrangement you must identify how you expect to repay the part of the mortgage you are only paying interest on. How the mortgage is split between the two parts, and so the percentage of the loan in each, will depend on your circumstances. We will review this split with you from time to time.</p>

These ARAs may be offered as a standalone arrangement or a combination of a number of ARA's to form one ARA depending on the circumstances and requirements to reach a sustainable solution.

It's very important that you fully understand any new arrangement before you go ahead with it. Therefore, Cabot strongly recommends you get independent legal or financial advice (or both) before you make any decisions. If you, or your advisers, have any questions about the alternative repayment arrangement, please do contact us and we will be happy to discuss these with you.

In addition, amendment of the term or repayment schedule may affect your life assurance cover and we recommend that you review and consider how you should adjust your life covers.

You should also be aware that, although an alternative repayment arrangement may reduce your home mortgage repayments, they will add to the overall cost of your mortgage over the term of the mortgage.

What if none of these options are suitable?

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 we can explore with you. These options are subject to an individual assessment of your case and you meeting certain criteria. They include:

1. Voluntary surrender

If you surrender your home, we will arrange the sale of your property on the open market, at the best price possible for your property. The proceeds of the sale will be used to pay the balance of your loan. The costs of the sale are added to your loan balance. If there is surplus profit from the sale after clearing the loan, this will be refunded to you. If there is a shortfall, we will agree a repayment arrangement suitable for you.

2. Voluntary/Supported sale

You may feel that your preferred option is to sell your property. By selling, you will be able to use the proceeds from the sale to pay the outstanding balance on your loan mortgage balance. Cabot offers a voluntary/supported sale scheme that is customer focused and allows you to manage the process and expense associated with the sale of a property. If there is a shortfall, we will agree a repayment arrangement suitable for you.

3. Mortgage to Rent

The Mortgage to Rent scheme is a State assisted scheme whereby you agree to sell your property to an Approved Housing Authority which allows you to remain in your property as a tenant paying rent to the authority.

The Mortgage to Rent scheme is a government sponsored scheme designed to keep people who cannot afford the loan on their family home to continue in the family home at an affordable rent. The Mortgage- to-Rent scheme would involve the sale of your property to the Housing Authority. You would stay in your home at an affordable rent, agreed between you and your Local Housing Authority.

Information on the Mortgage-to-Rent Scheme is available on their website:

[www.housingagency.ie/Housing- Information/Mortgage-to-Rent- Scheme](http://www.housingagency.ie/Housing-Information/Mortgage-to-Rent-Scheme).

Or **www.mortgagetorent.ie**

If you would like further information on any of these options, please contact us by telephone or in writing.

Further information on your options

Costs

We will not charge extra interest if you co-operate with us in the MARP.

Please note where a property is repossessed and, in the event that the property is sold at a loss, you will be liable for the outstanding debt owed including accrued interest, charges, legal, selling and other related costs. These costs vary depending on the value of the asset and the action taken.

Your Ongoing Liability

If your property is sold, each customer named on the mortgage will be liable for any shortfall incurred, if the sale proceeds do not clear the remaining balance (including any accrued interest, charges, legal fees, selling and other related costs).

Until your mortgage is paid in full, you will continue to be liable for monthly repayments based on the outstanding loan amount and interest will to be charged on this balance.

State Support

You may be entitled to Mortgage Interest Relief or other social welfare benefits. For more information, call the Citizens Information Board. Their contact details are in the Useful Contacts section of this booklet.

Central Credit Register

Cabot registers information on your payment history with the Central Credit Register (CCR) in accordance with the Credit Reporting Act 2013. If you miss repayments, your account will go into arrears. Information relating to arrears may be shared by Cabot with a Central Credit Register. This would affect your credit rating which may impact your ability to get credit in the future.

A Review of your Circumstances

Cabot will continue to review your circumstances to ensure that you are on the most appropriate arrangement for your situation.

Please continue to co-operate with these reviews. For example, by submitting an updated SFS when requested by us.

Confidentiality Agreements

We may ask you to sign a confidentiality agreement as part of an agreed option. You must not disclose this information to anyone except your advisors and you must ensure that they also keep the information confidential.

We would recommend that you seek independent legal or financial advice before signing any such agreement.

Keep in Touch

It is important that you keep Cabot informed about any changes to your circumstances whether your situation improves or worsens. If we know about this then we can make an informed decision about how best to proceed.

All the above options can be explained in more detail by our team of professionals, but it is important that you seek independent and impartial advice about the implications of these alternatives.

We would also strongly recommend that you check any insurance arrangement that you have in place, e.g. Life insurance policies or Mortgage Payment Protection policies to make sure that these cover any changes we agree to implement on your mortgage account.

If you have purchased Payment Protection Insurance on this mortgage you may be able to submit a claim on your policy. Please liaise with your insurers directly.

Non co-operative customers

It is vitally important that you always co - operate with Cabot and that you are open and honest about your circumstances and financial situation.

If any of the following listed below applies to you then Cabot may consider you to be deemed non-co-operative:

- You fail to make a full and honest disclosure of information to us that has a significant impact on your financial situation.
- You fail to provide Cabot with information requests that are relevant to your financial situation, within the timescales specified by us.
- A three-month period elapses where you have not entered into an alternative repayment arrangement, and during which you have failed to meet your mortgage repayments in full or if you meet your mortgage repayments in full but continue to have an arrears balance on your mortgage.
- You do not meet the full repayments required as specified in an alternative repayment arrangement and have not contacted Cabot or responded to any communications from us.
- You have contacted or responded to communications from Cabot but have not engaged with us in a manner that allows us to complete an assessment of your circumstances and you have not carried out the actions specified in a letter from Cabot.
- The warning letter, required in accordance with Provision 28, has been issued to you and you have not carried out the action(s) specified in that letter.

What are the Implications of Not Co-Operating?

If we classify you as non-co-operative, you will no longer be under the protections of the MARP under the Code of Conduct on Mortgage Arrears. If you fail to co-operate and address your arrears, we may commence legal proceedings to take possession of your property.

This may impact on your eligibility for a personal insolvency arrangement under the criteria set out in the Personal Insolvency Act 2012.

We do not charge surcharge interest on arrears. However, interest is charged on the full amount outstanding on your loan. You will pay increased interest if you are in arrears as the balance outstanding will include your arrears amount.

Appeals

We hope that our customers consider our processes to be fair and transparent. However, Cabot recognises that there may be occasions when its customers wish to appeal a decision that has been made.

Cabot has a fair and impartial appeals process in place, overseen by individuals who are suitably qualified and experienced.

You have a right to appeal a decision of the ASU if:

- An alternative repayment arrangement has been offered by Cabot and you are not willing to enter into the alternative repayment arrangement.
- If we have declined to offer an alternative repayment arrangement to you.
- Where Cabot has classified you as non-co-operative.

You have the right to appeal to the Appeals Board up to 20 business days after you receive notification of our decision.

All appeals must be made in writing and addressed to:
The Appeals Board, Cabot Financial Ireland,
Block D, Cookstown Court, Old Belgard Road Tallaght, Dublin 24.

Cabot will acknowledge your appeal within 5 business days of receipt and will keep you updated every 20 business days with the progress of your appeal.

A final decision will be communicated to you in writing within 40 business days of Cabot having received your appeal. This decision will explain fully the reasons behind our final decision.


The customer is entitled to refer the outcome of an appeal decision to the Financial Services and Pensions Ombudsman should they wish.

Complaints

Cabot is committed to offering high quality customer service. However, if you have a complaint about how we treat you or our obligations under the code, we will review your case as part of our standard complaints process and will address your concerns fairly and as quickly as possible.

Cabot will acknowledge your complaint within 5 business days of receipt and will keep you updated every 20 business days with the progress of your complaint.

A final decision will be issued to you in writing once we have completed our investigations. In any event we will issue a response within 40 business days.

To submit a complaint, you can write to Cabot at:
Complaints Department, Cabot Financial Ireland,
Block D, Cookstown Court, Old Belgard Road, Tallaght, Dublin 24
Or phone us on  **01 464 9172**.

If you remain dissatisfied or in the unlikely event of us not issuing our Final Response within 40 business days of us initially receiving your complaint, you have the option to refer the matter to the Financial Services & Pensions Ombudsman Bureau.

Once our Internal Complaints Procedure is considered to have been exhausted you may wish to refer your complaint to the Financial Services & Pensions Ombudsman Bureau office. Please find below the relevant contact details:

Financial Services & Pensions Ombudsman's Bureau,
3rd Floor, Lincoln House, Lincoln Place, Dublin 2, D02 VH29

Email: info@fspoi.ie | ☎ **+35315677000** | Website: www.FSPO.ie

It is important to remember that our Internal Complaints Process must be completed before the Ombudsman will review your concerns.

Useful Contacts

The following is a list of helpful contacts that you may find useful:

Cabot Financial Ireland

Arrears Support Unit, Cabot Financial Ireland,
Block D, Cookstown Court, Old Belgard Road, Tallaght, Dublin 24

A copy of this booklet and additional information including a copy of the Standard Financial Statement is available on our Website : www.CabotFinancial.ie

Money Advice and Budgeting Service (MABS)

MABS is a free confidential and independent service in the Republic of Ireland for people in financial difficulty. ☎ **0818 07 2000**

Website: www.keepingyourhome.ie | www.mabs.ie

The Competition and Consumer Protection Commission

The Competition and Consumer Protection Commission provides consumer information and performs the education functions on behalf of the Central Bank of Ireland. This includes providing information on the Code. The following website provide useful information for customers: www.consumerhelp.ie

Central Bank of Ireland

The Central Bank's website provides independent information on financial products and details of financial services providers.

On the website you can find the text of the Code as well as a consumer guidance note "Mortgage Arrears – A Consumer Guide to dealing with your Lender" which you may find useful. ☎ **1890 777 777** | Website: www.centralbank.ie

Citizens Information Board

The Citizens Information Board helps people access comprehensive and clear information relating to social services.

Citizens Information Centres are located around the country.

Lo Call: ☎ **0761 07 4000** (Monday to Friday 9.00am-8.00pm)

Website: **www.citizensinformation.ie**

Department of Social Protection

The website of the Department of Social Protection provides information about Job Seekers Allowance, Supplementary Welfare Scheme and other welfare benefits in the Republic of Ireland. Website: **www.welfare.ie**

Office of the Revenue Commissioners

The website of the Revenue Commissioners offers information on tax credits and benefits you may be entitled to in the Republic of Ireland, including Mortgage Interest Relief. Website: **www.revenue.ie**

Insolvency Service of Ireland

The Insolvency Service of Ireland is a statutory body set up under the Personal Insolvency Act 2012 and its role includes the provision of information to the public relating to the Act.

Insolvency Service of Ireland,

Block 2, Phoenix House, Conyngham Road, Dublin 8, D08 T3CK

☎ **076 106 4200** | Website: **www.isi.gov.ie**

Financial Services & Pensions Ombudsman's Bureau

3rd Floor Lincoln House, Lincoln Place, Dublin 2

Email: info@fspo.ie | ☎ **+35315677000** | Website: **www.FSPO.ie**

Abhaile

Abhaile is a new State-funded service to help homeowners find a resolution to home mortgage arrears. It provides vouchers for free financial and legal advice and help from experts, which are available through MABS.

A dedicated adviser will work with you and your lender to find the best solution for your situation. ☎ **0818 07 2000** | Website: **www.mabs.ie**

Please note carefully the following information relating to Irish Housing Loans covered under the Irish Consumer Credit Act 1995 and the Consumer Protection Code.

Warning: Your home is at risk if you do not keep up repayments on a mortgage or any other loan secured on it. If you do not meet the repayment on your loan, your accounts will go into arrears.

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.

If you have a Variable Rate mortgage:

Warning: The payment rates on this housing loan may be adjusted by the lender from time to time.

If you have an Interest-only mortgage:

Warning: The entire amount that you have borrowed will still be outstanding at the end of the interest only period.

If you have an Endowment linked loan:

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.

If you have a Fixed Rate mortgage:

Warning: You may have to pay charges if you pay off a fixed-rate loan early.

If you have a Debt Consolidation mortgage:

Warning: This new loan may take longer to pay off than your previous loans. This means you may pay more than if you paid over a shorter term.



Cabot Financial Ireland

Arrears Support Unit
Block D
Cookstown Court
Old Belgard Road Tallaght
Dublin 24

 **01 464 9172**
www.cabotfinancial.ie

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