

Money Matters

Help for what matters

 Ulster Bank

Ulster Bank's no nonsense
guide to: **Managing Debt**

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Understanding debt

1. Know your options

Anyone can get into difficulty managing their debt. Even small changes in your circumstances can put huge pressure on your finances and these can quickly result in missed loan repayments and mortgage arrears. However, there are solutions. With our help, taking control of your debt and getting back on track could be easier than you think.

It is why we have produced this guide so you can see just how many helpful services are available to you if you are trying to stay on top of your finances.

For instance, if you anticipate difficulty paying your Ulster Bank mortgage, or are already in arrears with your mortgage arrears payments, this guide will show you how Ulster Bank will help by taking you through the steps we follow as part of our Mortgage Arrears Resolution Process (MARP). Also, whether your debt is with us or another bank or mortgage provider, you will find practical solutions to help you resolve your debt.

Remember, the most important thing is to talk to us if you feel debt is becoming a problem so we can give you as much help as possible.

If you are an Ulster Bank customer and are struggling with your finances, pick up the phone or call into your local Ulster Bank branch straight away. Our staff will be happy to help you take the first steps to managing your debt, and it could lead to a new repayment schedule being organised. The number of your local branch can be found on www.ulsterbank.com or in the phonebook.

For Ulster Bank mortgage arrears related queries, please call us on **1800 435 763 (1800 help me)**. If you have a query in relation to Ulster Bank personal debt, overdrafts or loans, please call **1850 201 210**.

How to cut through the jargon

To know exactly where you stand financially, it's important to have a clear understanding of the terminology involved. We have listed the most common terms you will come across when dealing with us or other banks, below. In addition, the National Consumer Agency website www.itsyourmoney.ie has a 'jargon buster' section which you may find helpful.

Arrears

This is where a repayment has not been paid in full, on the agreed date as per your original contract repayments.

Mortgage lender

This is the credit institution that you take out your mortgage with.

Repayment mortgage

A repayment mortgage is one where you pay off the loan amount (capital) and interest at the same time.

Term

This refers to the length of your loan or mortgage. It's normally stated in months or years.

Credit history

This is the track record of your repayments on loans/mortgages/credit facilities you currently have or had in the past. An agency called the Irish Credit Bureau keeps files on borrowers and uses the information it gets from lenders to build up each borrower's credit history.

SFS (Standard Financial Statement)

A form used by banks to obtain financial information from you in order to help evaluate your financial situation. This is part of our financial assessment at Ulster Bank.

Under the Code of Conduct on Mortgage Arrears issued by the Central Bank of Ireland, all banks must have a process in place to help customers who may have difficulty paying their mortgage or have already fallen into arrears.

Moratorium

A moratorium is a temporary arrangement between the customer and the bank to defer repayments and suspend collections activity for an agreed period of time. A moratorium may sometimes be referred to as a repayment break and may be considered by the bank for a variety of reasons. For example, it could work as part of a solution to help customers experiencing financial difficulties to get back on their feet.

Ulster Bank Ireland Limited

References to Ulster Bank and Ulster Bank Group in this booklet relate to Ulster Bank Republic of Ireland.

2. What can you do about problem debt?

Being in financial difficulty can leave you in a constant state of worry making it easy to panic and ignore the situation. The longer you are struggling, the more the debt mounts so it is better to act swiftly. If you find yourself falling behind with loan or mortgage repayments, talk to us or your lender as soon as possible. By making us aware of your full financial situation, we can explore all your options and look at working out a solution for you.

Here are some additional steps to take if you find yourself in financial difficulty:

- work out a personal budget and stick to it.
- make sure you're claiming all the benefits and tax credits you're entitled to. Contact your local Community Welfare Officer or local Citizens Information Centre for advice on what your individual entitlements are.
- tackle your priority debts first, for example your mortgage and secured loans.
- see if you can work out a repayment timetable that suits everyone.
- get free independent money advice from agencies such as the Citizens Information Board (CIB) and Money Advice & Budgeting Service (MABS) by visiting www.keepingyourhome.ie and www.itsyourmoney.ie

Finally, here are some things you should never do if you find yourself in difficulty:

- never ignore missed repayments, they won't go away.
- don't ignore correspondence from your financial institution.
- don't avoid calls from your financial institution, as talking to your bank should be the first step to helping you get the situation under control.

3. How do you get into financial difficulty?

A number of factors can lead to arrears. Here are some examples of circumstances that can effect your ability to pay your bills.

Job loss

These days many people are losing their jobs or are having their hours reduced. If you've lost your job, or if your partner has lost theirs, it will have an immediate and extreme effect on your finances. If you have savings, you may be able to put these towards meeting your repayments while you look for a new job. If you don't, it can be stressful trying to make ends meet.

Reduction in Working Hours

A reduction in working hours, sometimes to two or three- day week, is also becoming commonplace. In some situations, it is possible to supplement your income with Social Welfare payments. To find out more, contact your local Social Welfare Office.

Reduction in Salary

Many companies have been forced to cut employees' salaries in an effort to reduce their operating costs. This can have an immediate effect on your monthly budgeting efforts. By using the Budget Plan, which you'll find further on in this booklet, to analyse your outgoings against your reduced income, you can start identifying areas where you can cut back on non-essential spending.

Redundancy

If you've been made redundant and have received a lump sum, you should work out how to make the best use of the money until you're working again. For example, if it's possible to clear a loan or your mortgage with this sum, it may be a good idea to do so.

Relationship breakdown

When one partner leaves, the other can be left to face paying a mortgage or loan(s) on their own. In this situation, it's very easy to end up in arrears. However, it's important to remember that both partners, because they took on the mortgage together, are 'jointly liable', so they must both pay back the loan, regardless of who lives in the property.

In the event of death

When in financial difficulty, people sometimes stop paying their life assurance policy. This is not a good idea as, if you die and don't have life assurance, your debts can be passed on to your relatives. Therefore, it's best to keep up-to-date on your life cover payments.

If you are in severe financial difficulty, there are less expensive policies available which offer less cover but would still pay off the majority of your capital. Before changing your life assurance policy, do seek independent advice.

Remember, it's vital to be accurate and honest with your life assurance application and to be careful not to omit any 'material facts'. For example, if you put down that you are a 'non smoker' when your medical records show that you are, it could result in a future claim being rejected.

Illness

If you or a member of your family becomes ill, the cost of medical treatment can be very expensive and can have a major impact on your life and your finances. It's why having adequate health insurance is so important. Some life assurance policies include critical illness cover which may pay a benefit to you in the event of you or your spouse/dependants contracting a serious illness. Check the terms of your policy to see what you're entitled to.

Other ways debt can pile up

Debts can mount for a number of different reasons. You may simply be having problems managing your finances and keeping enough money in your accounts to meet your payments; you may have taken on more debt than you're able for, or the extra expense that comes with having a new baby could be putting a strain on your ability to meet your expenses. Whatever your reason for being unable to pay your debts, it's important not to ignore the situation or pretend it's not happening. As you'll see in the next section, there are several things you can do to effectively manage debt.

How to manage debt

4. What are the danger signs of debt?

Below is a list of financial warning signs. If some of the following statements sound familiar, you could soon find yourself facing a debt problem:

- you borrow from friends or family without knowing when you'll be able to pay them back
- you borrow money to pay off other debts
- you're not sure how much you owe
- you only pay the minimum amount due on your credit card(s) every month
- you're paying late payment fees on credit or store cards
- you regularly pay referral fees due to being overdrawn
- you have used up all of your savings
- your monthly income is not sufficient to cover your monthly outgoings
i.e. credit card, overdraft, utility bills

How to get in control of debt

5. What can you do to control your debt?

If you find yourself in financial difficulty for whatever reason, these tips could be of help:

- Watch what you spend and work out ways to make your money go further by planning a budget.
- Ensure you're getting all of your social welfare entitlements. Contact the Department of Social and Family Affairs and let them know where you stand.
- If you have an income protection insurance policy, check to see if you can make a claim. This may provide a regular income for the duration of your illness, injury or disability, or until you return to work or retire.
- You may also be able to claim on other protection policies. For example, mortgage repayment protection insurance could be applicable in the case of redundancy.

Planning a budget

Planning and sticking to a budget can be tough but it really can make a difference as you work towards clearing your arrears. If you know how much money is coming in and going out, you'll know exactly how much you need to pay your bills. It's essential to keep your figures as accurate as possible, so make sure you take all your outgoings into account.

Use the template budget plan below to help work out your income and outgoings. Put all the figures in monthly amounts. Here's a handy little tip to help you work out the monthly amounts:

- For weekly payments, multiply by 52 and divide by 12
- For quarterly payments, multiply by 4 and divide by 12
- For yearly payments, divide by 12

My Budget Plan

Monthly Income:	Now	Future
Your income after tax		
Your Partner's income after tax		
Child Maintenance		
Family Income Support		
Benefits (e.g. Child/unemployment/lone parents)		
Mortgage Interest Supplement		
Rental Income		
Savings Income/Share Dividends		
Other Income		
Total income	€	€

Monthly Outgoings:	Now	Future
Mortgage or rent		
Utility bills (rates, gas, electricity, refuse)		
Loan and credit card repayments		
Food or household shopping		
Childcare		
Insurance (Life, home, medical, etc.)		
Medicines and medical expenses		
Home maintenance and household goods		
Other expenditure (mobile phone, broadband, satellite TV)		
*Emergency Fund		
Total outgoings	€	€

*Emergency Fund should allow for irregular bills such as home heating, quarterly direct debits, car breakdown and so on.

Summary	Now	Future
Total income	€	€
Less total bills	€	€
What's left for saving or spending	€	€

Monthly Outgoings:	Now	Future
Regular Savings		
Lunch, coffee or papers		
Travel, expenses and petrol		
Clothes		
Socialising or hobbies		
Children – pocket money or trips		
Ad hoc spending (birthdays, holidays and so on)		
Emergency fund**		
Total non-essential spending	€	€

**Emergency fund should allow for any additional personal incidentals.

Notes/Calculations

Maximise your income

Once you've worked out a budget, you can look at different ways of increasing your household income as follows:

- Claim all Tax Credits you're entitled to, for example:
 - Incapacitated child/relative
 - Service Charges (waste charges etc.)
- Claim all the state benefits or allowances you're entitled to, for example:
 - Job Seekers Allowance
 - Child Benefit
 - Carers Allowance
 - Family Income Supplement
 - Mortgage Interest Supplement
 - Supplementary Rent Allowance
- Claim tax relief on any expenses you're entitled to, for example:
 - TRS (Tax Relief at Source)
 - Medical and Dental Expenses
 - Rent out a room in your home if possible
- Gross annual rental income of up to €10,000 in 2009 is exempt from tax

You'll find a comprehensive guide to what you're entitled to at www.revenue.ie

How to reduce your spending

To reduce the amount you spend, start by taking an objective look at your outgoings to see what you can do without. Most of what you spend can be put into one of the following categories:

Priority Responsibilities

For example:

- Mortgage
- Rent
- Essential utility bills
(Gas, Electricity etc.)
- Insurance and Protection
- Standard everyday spending costs
(as outlined below)

Everyday Spending Costs

For example:

- Food
- Clothing
- Petrol
- Children and associated expenses

Secondary Responsibilities

For example:

- Personal Loan
- Overdraft
- Credit Cards
- Store cards

Occasional Costs

For example:

- Car Maintenance
- Birthdays
- Christmas

Discretionary Spending

For example:

- Golf subscriptions
- Gym subscriptions
- Holidays and gifts

Once you've completed your budget sheet, highlight any areas that aren't essential so you can see clearly where you can cut back on your spending.

Other ways to reduce your spending

Here are some additional tips to help you cut down on your monthly spend.

Keep a 'spend diary'

There are some things you have to pay – your mortgage, loan repayments, rent and bills – but by cutting down on non-essential items, like nights out, magazines and takeouts, you can save significantly. Keep a spending diary and you'll probably find you buy a lot of things you really don't need.

Shop around

The best way to get more from your money is to shop around. Check out the most competitive rates for phone and internet connection at www.callcosts.ie. Also, make a point of shopping around for your everyday groceries to see how much you can save.

Bank online*

Banking online is a great way of keeping on top of your spending. For example, with Ulster Bank's online banking service, Anytime Banking, your balances and statements are updated in real time. It means you can keep an accurate check on your balance and your outgoings. You can also pay your bills any time you wish, which will help you to budget more effectively.

Save your energy

Making small changes can mean big savings on your energy bills. For instance, if you lower your thermostat by 1°C, you could save up to 10% on your heating bill. Also, by switching off anything you're not using – lights, computers, TVs and so on, you'll soon see a difference in your bills. For more handy tips on saving money and energy, visit www.sei.ie

*Terms and conditions apply. To sign up for Internet Banking you need to have an Ulster Bank Personal account or Credit Card held in the Republic of Ireland and be aged 16 or over.

TV subscriptions

Dedicated movie and sports channels can really add up, so if you only watch movies now and then, it may be cheaper to rent a DVD instead.

Travel smarter

Instead of driving to work, you might find it's cheaper to use public transport. An annual travel ticket could save even more. Be sure to check with your employer to see if they're involved with the Tax Saver scheme which deducts the cost of your annual ticket from your salary and can save you up to 41% tax, 4% PRSI and 7% USC. You'll find more information at www.taxesaver.ie

If you live near work, consider cycling or walking. It's a healthy option and it costs nothing, so your finances will be healthier too!

Downsize

If you have to drive, look at trading in your car for a model with cheaper tax, insurance and running costs. Making small changes like these in the short term can help you get back in the driving seat.

Compare your insurance

By comparing quotes across providers, you may be able to save substantially on your insurance costs. Just make sure you have adequate cover for your circumstances before you switch. For example, you should have sufficient home and contents insurance to safeguard you against everyday accidents and more serious problems like fire or theft. On the other hand, if your circumstances have changed, a review of your existing policy may result in your needing less cover. You'll find cost comparisons online at www.itsyourmoney.ie

Also, check to see if you can pay your insurance premiums in monthly instalments, rather than as a lump sum, as it could make budgeting easier for you.

6. Talk to us

Getting into difficulty with debt? Then get in touch.

If you are struggling with your finances, pick up the phone or call into your local Ulster Bank branch straight away. Our staff will be happy to help you take the first steps to managing your debt, and it could lead to a new repayment schedule being organised. The number of your local branch can be found on www.ulsterbank.com or in the phonebook.

For Ulster Bank mortgage arrears related queries, please call us on **1800 435 763 (1800 help me)**. If you have a query in relation to Ulster Bank personal debt, overdrafts or loans, please call **1850 201 210**. Our website www.ulsterbank.ie/managingdebt provides examples of how we can help.

But that's not all we can do. Overleaf is a list of other ways Ulster Bank can help you control your debt.

How can we help?

7. How can we help you?

If you are having difficulty managing your debt or paying your mortgage, we are here to help. Ulster Bank has introduced a financial assessment, that is designed to evaluate your financial situation and give you a helping hand when you need it most. Here is how it works.

Specially trained Ulster Bank staff carry out a financial review. They will take account of your current financial situation while helping you to figure out a suitable solution to managing your debt especially if you are struggling to meet your mortgage repayments. This step-by-step process assesses your current financial situation by considering:

- a) your personal circumstances
- b) the level of your debt
- c) the financial information you provide
- d) your current ability to make repayments
- e) your previous payment history

You may be asked to provide further documentation to support the information provided in the financial review.

Our staff will take you through the repayment options available and help you to work out the best way to manage your debt and meet your mortgage repayments. Options include:

- Extending your loan term*

If you are struggling to meet your mortgage payments, it may be possible to extend the term of your loan. This means you will pay less each month but you will pay more interest over the course of the loan.

- Interest only payment on a temporary basis*

A temporary move to interest only payments will allow you to pay only the interest and not the capital element of your mortgage for a period of time. However, at the end of the temporary payment period, you will still owe the outstanding capital balance.

- Reduced payments on a temporary basis*

It may be possible to pay a reduced repayment amount on your mortgage for a specified period of time in order to ease the burden during your financial difficulties. However, your normal monthly repayment at the end of this arrangement will be greater than it is now.

- Postponement of monthly repayments for a defined period of time*

If you have a temporary shortfall in income, postponing all or part of your monthly mortgage repayment for a defined period of time may also be an option. However, your normal monthly repayment at the end of this arrangement may increase, based on the current variable rate.

- Changing the type of your mortgage*

Moving to a different type of mortgage may be an option if it reduces your monthly mortgage repayments and associated assurance payments. However, your normal monthly payment at the end of this arrangement may increase, based on the current variable rate.

Ulster Bank will not require you to change from an existing tracker mortgage to another type of mortgage unless you wish to do so. For example if you are having difficulty paying your tracker mortgage and the best alternative repayment arrangement for you is a fixed interest period, you will be able to revert to the original mortgage tracker rate at the end of the fixed interest period.

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

*All options outlined in this section are subject to specific terms and conditions. Every customer's circumstances are different so our Ulster Bank staff will review your situation and then discuss solutions potentially available to you.

- Capitalising your arrears*

If you are experiencing a short-term cash flow problem, it may be possible to add the arrears balance to the capital value of your mortgage.

The arrears balance is then paid over the remaining mortgage term.

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

*All options outlined in this section are subject to specific terms and conditions. Every customer's circumstances are different so our Ulster Bank staff will review your situation and then discuss solutions potentially available to you.

How can we help?

Our trained advisors will explain any proposed alternative repayment arrangement and provide you with written details. This arrangement will then be reviewed by Ulster Bank within six months. As part of this review, we will contact you to discuss whether there has been any change in your individual circumstances. That way we can determine whether the alternative arrangement is still appropriate for you.

Should you wish to take independent legal and/or financial advice on the alternative repayment proposal, you'll find a list of useful contacts on page 31.

On the next page you'll find an example of how our financial assessment could assist a family to manage their debt and meet their mortgage repayments.

Their monthly budget is as follows:

Income:	
Salary	€2,700
Child Benefit	€332
Total Income	€3,032
Expenditure:	
Mortgage	€1,500
Car loan	€250
Car tax, insurance and running costs	€300
Home Phone	€70
Electric and Fuel	€150
Food and Clothes	€600
Mobile phones	€50
Home and Life Insurance	€150
Health Insurance	€200
Credit Card	€100
Total Outgoings	€3,370
This results in a monthly shortfall of	€338

Following a financial assessment in their local branch, Ulster Bank agreed to temporarily reduce the monthly mortgage payment to €1,107.50 for six months.

This resulted in a monthly excess of €54.50 for the customer.

It's important to remember that the reduced repayment is less than the amount required to cover the monthly mortgage payment. Therefore, the mortgage balance and the interest due will continue to increase until such time as this shortfall is fully repaid.

Cost of Credit

The following example, estimates the impact a financial arrangement* may have on the total cost of credit on your mortgage:

This illustration is based on a typical €100,000, 20 year variable rate mortgage at 4.3% APR, with the cost per month of €616.57 excluding insurance.

The total amount repayable is €147,976.80. **The total cost of credit (total amount repayable – mortgage amount) is €47,976.80. If rates increase by 1% an additional €54.48 would be payable monthly. The total cost of credit with a 1% increase is €61,052.

This example shows a mortgage that was drawn down two years prior to an arrangement being put in place.

Flex arrangement	Term	Monthly payment prior to the deal	*Monthly repayment during the period of deal	Monthly payment when the deal ends	As a result of this temporary arrangement the total cost of credit may increase by
Interest only	12 months	€616.57	€327.69	€670.84	€1,459.72
Payment reduced by €340	6 months	€616.57	€276.57	€630.43	€855.63
Moratorium	6 months	€616.57	€0.00	€641.70	€1,551.64
Term extension	5 years	€616.57	€527.97	€527.97	€12,628.62

* Flexible payment options may appear cheaper in the short term but could be more expensive over the life of the mortgage and are subject to approval.

** The total cost of credit is the total amount repayable less the amount of the original mortgage value. For illustration purposes it is calculated using a variable interest rate and is therefore subject to change. Rates and repayments are correct as of 07 February 2012.

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: THE PAYMENT RATES ON THIS HOUSING LOAN MAY BE ADJUSTED BY THE LENDER FROM TIME TO TIME

8. What will we do for you?

Should your mortgage account go into arrears, we will contact you to establish why you have missed your repayment.

Depending on your circumstances, one of our trained advisors will meet with you to carry out a financial review. The advisor will take account of your current financial situation while working with you to provide a suitable solution to manage your debt.

If you are applying for state support to help with your mortgage, we will endeavour to provide you with the required information within 10 working days of receipt of your request.

Once we have received your written consent, if you require, we can liaise with a third party nominated by you. Similarly, if we appoint a third party to deal with your case we will advise you in writing.

What if you are not happy with the mortgage resolution proposed?

If you are having difficulty paying your mortgage or find yourself in arrears, Ulster Bank will do all it can to find a solution to help you. If you are unhappy with the proposed payment arrangement, or if we feel we are unable to provide you with an alternative solution due to your circumstances, there are a number of other options you have a right to consider.

Voluntary Surrender

Voluntary Surrender is where you hand over the keys of your property to your mortgage provider. It is important to remember that, even if you do hand over the keys, it doesn't mean you are no longer obliged to repay the debt owed to their bank. There are a number of implications:

- The physical return of keys has no legal significance – the amount you owe on the mortgage will still be outstanding.

- Even if you hand back the house keys, the bank may still have to gain a possession order and the process will be similar to that outlined for repossession. Returning your keys does not make this process any faster.
- As with all repossessed properties, if the bank sells the property and the sale amount is less than the mortgage amount owed, you will still be liable for the remaining debt.
- As outlined in Section 10 your credit rating will still be affected even if you have given your house keys to the bank.

Voluntary Sale

Voluntary Sale is where you decide to sell your home to pay off your debt. You should be aware that if your sale price is for less than the amount outstanding on your mortgage, you will still be liable for the remaining debt.

Trading Down

Trading Down is where you sell your current property and move to a smaller home. As with voluntary sale, just bear in mind that if you sell your home for less than the amount outstanding on your mortgage, you will still be liable for the remaining debt.

Other help available

9. What other help is available?

Do check to ensure you are claiming any entitlements you might be eligible for with your mortgage, such as the Mortgage Interest Supplement or Mortgage Interest Relief.

Mortgage Interest Supplement

If you are unemployed or your wages have been reduced, you may be entitled to claim a Mortgage Interest Supplement to help you with your mortgage repayments. To qualify, you will have to meet the following criteria:

- When you began your mortgage, you could afford the repayments
- Your house is not up for sale
- You are habitually resident in this State (see www.citizensinformation.ie)

Income taken into account for Mortgage Interest Supplement includes:

- Net Income from employment
- Social welfare payments with some exceptions
- HSE payments. There are some exceptions. Please see 'Income not taken into account' below.

Income not taken into account for Mortgage Interest Supplement includes:

- Supplementary Welfare Allowance (SWA) rate for your household circumstances
- Child Benefit
- Mobility Allowance

To find out if you're eligible for this supplement, contact the Community Welfare Officer at your Local Health Centre or visit www.welfare.ie

Remember, if your application is unsuccessful for whatever reason, you are entitled to appeal the decision.

Mortgage Interest Relief

Mortgage interest relief is a tax relief based on the amount of mortgage interest you pay in a given tax year for your principal private residence – your home.

In order to qualify, the interest must relate to money you have borrowed to purchase, repair or improve your sole or main residence, situated in Ireland. In other words, you cannot claim mortgage interest relief for interest on a loan used to buy a holiday home or investment property.

Since 2002, it has been administered via Tax Relief at Source (TRS) which means your mortgage lender gives you the benefit of tax relief on the amount of mortgage interest paid. They do this by reducing your mortgage repayment by the amount of tax relief you are entitled to in each tax year. Your mortgage lender then in turn claims this tax relief from the Revenue Commissioners.

If you take out a new mortgage, you must complete a TRSIP form. Your completed form should be submitted to the Revenue Commissioners as soon as you have made your first mortgage repayment. This form is available from your mortgage lender or from the Revenue Commissioners at the address below. If you have any difficulties completing this form, contact the TRS helpline at **1890 46 36 26**.

For more information on Mortgage Interest Relief visit www.citizensinformation.ie or www.revenue.ie

Consequences of arrears

10. What happens if you don't pay?

Here are some of the possible consequences of not repaying your debts.

- **Your Credit Rating**
Your Credit Rating is affected when payments due are missed and this record remains on the Irish Credit Bureau (ICB) for five years after your loan has been closed or seven years if a judgement mortgage is obtained.

If you end up with a bad credit rating, it can affect your future chances of getting a loan or any credit related purchase, even a contract mobile phone.
- **Legal Fees**
If the bank begins legal proceedings, you may be liable for legal costs which are likely to exceed €3,000 and may be considerably higher depending on the circumstances. You may also be liable for any legal costs where you retain your own legal advisers.
- **Public Record**
If a Civil Bill is issued, your arrears are then a matter of public record and you could end up being named in papers such as the *Stubbs Gazette*.
- **Bankruptcy**
If you're unable to pay your debts, you can declare yourself bankrupt. This is where your property or assets are transferred to a trustee and sold. The results of this sale are then split between your creditors. It's worth remembering that if you're made bankrupt in Ireland, you'll stay bankrupt unless you're discharged by the court.

There are other disadvantages of bankruptcy to consider:

- A court could order part of your salary or pension to be deducted to your creditors.
- Refusal of credit facilities.
- You may not be allowed to inherit. Any inheritance must be used to pay your creditors.
- Your name and address would be recorded on the Bankruptcy Register kept by the Examiner's office. Even if you are eventually discharged from bankruptcy, your name will remain on the register, and anyone involved in buying or selling property normally conducts a search on this register.
- You can't be a director of a company without permission of the court.
- You won't be able to hold certain positions as an elected representative.

- **Repossession**

If your house is repossessed, you will still be liable for the full amount of the debt including any shortfall if the sale of the house doesn't clear the the outstanding balance owed. If your mortgage is for an investment property, you could face a charge on your family home meaning it could only be sold with the lender's permission. Otherwise, a judgement might be made which leaves you responsible for the debt.

- **Fees**

We do not apply fees and charges in relation to mortgage arrears. However, where fees are applicable, such as Legal Fees, we will advise you in writing.

11. What would repossession actually mean?

Repossession is where you lose your property when you can't pay your mortgage. For Ulster Bank, this is a last resort as we will always try to work with you to find an alternative repayment solution. However, repossession can happen if you don't engage with us, if we are unable to agree an alternative

payment proposal, or if you don't comply with the terms of the alternative payment proposal. With repossession, your home is usually sold at a public auction and the sale proceeds are used to pay your debt. Repossessions take several months to complete and will end with you losing your home.

What is the repossession process?

Whether your mortgage is with us or another lending institution, the procedure is generally as follows:

1. Letter before action

Before any action is taken, you will receive a Letter of Demand from your bank advising you of your outstanding debt and the fact that legal action will be taken if it is not paid within a certain period of time.

2. Court choice

Cases for the repossession of houses may be taken to the High Court or the Circuit Court.

3. Issue of proceedings

This is a Civil Bill in the case of the Circuit Court and an Equity Summons in the High Court. The proceedings are then served upon you by pre-paid registered post in the case of the Circuit Court and by personal service in the High Court.

4. Enter appearance

If proceedings are served upon you, you will need to appear in court at the time and day scheduled in the issue of proceedings. If you don't, it may automatically result in judgement in default and could result in repossession.

5. Enter a defence

Once you enter an appearance, you then file a defence. You may wish to get your own legal representation at this stage (if not before).

6. Court date/hearing

If you are unsuccessful at the hearing in your defence of the action, an order for possession may be granted. Alternatively, the judge may enforce a payment agreement between you and your lender.

7. Following disposal of the property you will be notified in writing of the:

- a) Amount of outstanding debt remaining.
- b) Costs arising from the disposal which have been added to the loan account.
- c) Interest rate to be charged on the remaining balance.

It is never too late to contact us to try to find an alternative repayment solution, even if proceedings have commenced. At Ulster Bank, we will do everything we can to help you keep your home.

Appeals Board

At Ulster Bank, we will do all we can to help you manage your debt and keep your home, however, if you are unhappy with our credit decision you have the right to appeal to our Appeals Board on the following grounds:

- the decision made by our Arrears Support Unit (ASU)
- our treatment of your case under the MARP process
- our compliance with the CCMA code

Your appeal must be made in writing and forwarded to our Appeals Administration Team at Appeals Board, Ulster Bank, Appeals Administration Team, 4th Floor, Block B, Central Park, Leopardstown, Dublin 18.

Your appeal must be submitted to Ulster Bank within 20 business days from the date you received notification of our credit decision.

We will acknowledge your appeal in writing within 5 business days of receiving it and provide you with the name of one of our members of staff who will be your point of contact during the appeals process.

Our Appeals Board will consider and adjudicate on your appeal within 40 business days from date of receipt. We will advise you of the outcome of your appeal in writing within 5 business days of the Appeals Board decision.

If you are unhappy with the decision of the Appeals Board, you have the right to refer the matter to the Financial Services Ombudsman, 3rd Floor, Lincoln House, Lincoln Place, Dublin 2. Telephone +353 1 6620899 or lo-call 1890 88 20 90.
<http://www.financialombudsman.ie/making-a-complaint/>

Useful Contacts

12. Useful contacts

It can be hard to know where to turn when you are in financial difficulty but we want you to be aware of all the options. So here is a list of agencies that can offer you help and guidance in relation to controlling your debt. Remember to make the most of the assistance available as early as possible.

Ulster Bank Branches

As mentioned earlier, the first step in managing debt is to talk to us. If you find yourself falling behind in payments on an Ulster Bank loan, contact your local Ulster Bank branch as soon as possible. You'll find the number listed in the phone book or by visiting www.ulsterbank.com

Ulster Bank Collection and Recoveries Department

If you are having difficulty meeting your mortgage repayments or you are already in arrears, you can get in touch with us to discuss your situation. By talking to our qualified team, we can work out a solution together that will help you to resolve your mortgage debt as well as look at ways to manage your money.

Phone: 1800 Help me (1800 435 763) or visit our website

www.ulsterbank.ie/managingdebt

MABS (Money Advice and Budgeting Service)

MABS is a Government agency that provides free, confidential and independent advice on your debt problems. There are offices all over Ireland and their advisers can assess your overall financial situation and offer valuable advice.

MABS 2nd Floor, Commercial House, Westend Commercial Village,
Blanchardstown, Dublin 15

1890 283 438 (Mon–Fri 9am to 8pm)

www.mabs.ie

Citizens Information Board and MABS website

We suggest you visit the mutual website of the Citizens Information Board and MABS – www.keepingyourhome.ie – which provides information on the services and entitlements available if you are having difficulty paying your mortgage.

Court Service

The Courts Service can give you detailed information on the courts system and can answer any questions you have.

15–24 Phoenix Street North, Smithfield, Dublin 7

01 888 6000

www.courts.ie

Legal Aid Board

This organisation aims to provide professional, efficient, cost-effective and accessible legal aid. They will also provide you with legal advice.

Quay Street, Cahirciveen, Co. Kerry

1890 615 200

www.legalaidboard.ie

info@legalaidboard.ie

Code of Conduct for Mortgage Arrears

All banks operating in Ireland must follow a code of conduct. To see the Code of Conduct that we are bound by, visit the Central Bank of Ireland's website

www.financialregulator.ie or call 01 224 6000.

Recession Survival Guide

The National Consumer Agency has put together a free 'Recession Survival Guide' with tips and legal information that could come in handy. You will find this guide at www.itsyourmoney.ie

Knowing Irish Law

If you're in debt and worried, it's a good idea to know your rights. Reference websites which will help you to get a grasp of Irish law are www.irishstatutebook.ie and www.finance.gov.ie. It is worth looking up the Consumer Credit Act 1995 and the Consumer Credit Directive.

The Law Society (Official Solicitor Organisation)

If you have read through this guide and think you will need to find a solicitor, a link to the directory of solicitors is available on the Law Society's homepage at www.lawsociety.ie

Free Legal Advice Centres

If you need legal help but don't have the money, FLAC is an independent organisation offering free services on a range of legal issues such as social welfare and credit and debt.

13 Lower Dorset Street, Dublin 1, Ireland

1890 350 250

www.flac.ie

Social Welfare Agencies

As mentioned in Section 8, you may be entitled to help with your situation, so you should check up on any potential entitlements. For a list of social welfare agencies that may be able to assist you, visit www.welfare.ie

Get in touch

13. Get in control of your debt. Get in touch today

We hope you have found this guide helpful. Remember, you shouldn't have to face debt alone. Together we'll try to find a way of making things more manageable.

It's important that you co-operate with us, otherwise the protections of the Mortgage Arrears Resolution Process (MARP) no longer apply.

So if debt is becoming a problem, why wait? To talk to one of our staff members about your finances, don't hesitate to pick up the phone or call into your local Ulster Bank branch today and get the right people behind you.

If it is your Ulster Bank Mortgage that you are concerned about paying, or if you are already in arrears, contact us on **1800 435 763** and one of our trained advisors will arrange to meet you to see if we can help resolve your mortgage debt. For help with your personal debt, overdrafts or loans, contact us on **1850 201 210**. Alternatively visit our website www.ulsterbank.ie/managingdebt

Meet with one of our staff members

When you make an appointment to speak with one of our staff members, please take the time to read the checklist overleaf and gather all the relevant information in advance of your meeting. This will ensure you provide a full picture of your situation to our staff member and help us to identify some solutions that are potentially available to you.

Checklist for your appointment with us

Please have the following information with you:


1. Telephone Number(s): Mobile/Home/Work:
2. Mortgage Account Number(s)
3. Other Ulster Bank loan account numbers
4. Last 3 months current account statements
5. Last 2 payslips, if your salary is not paid to your current account
6. Letter from your accountant confirming your income if you are self employed and your salary is not paid to your current account


Based on your financial situation we may need to review some of the following items, so it is a good idea to bring them with you:

- Credit Card statements
- Personal loan statements
- If you have recently had a reduction in income – Letter of Confirmation from your employer
- If you have recently become unemployed – P45 and confirmation of any severance payments from your former employer

During the meeting we will also help you to complete a Budget Planner to get an overall idea of your finances. It would therefore be useful if you could bring details of your regular expenditure, examples below.

- Electricity/Fuel
- Food/Clothing
- Home Insurance/Life Assurance/Health Insurance
- Car tax and insurance
- Other loan payments
- Telephone/Broadband
- Club subscriptions
- Childcare
- Other occasional costs
- Credit Card Details – Provider/Limit/Usage/Monthly payments

 Call into your local branch

 1800 435 763

 www.ulsterbank.ie/managingdebt

This brochure is also available in Braille, large print, audio or on disk.
Please contact your local branch for details or Textphone 1800 924 615.