



**Rabobank**

# **Rabobank Mortgage Arrears Resolution Process**

*A guide to help customers who are  
finding it difficult to pay their mortgage*

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# Rabobank Mortgage Arrears Resolution Process

*A guide to help customers who are finding it difficult to pay their mortgage*

In this changing economic environment financial uncertainty is all around us. We all wonder what the future will hold and whether we will be able to provide for our families and to pay our debts.

Sometimes, due to unexpected circumstances, people get to a point where they struggle to pay their mortgage repayment each month. We are committed to working with our customers with these type of problems to help you to find a way through this difficult time.

In this booklet we try not to use jargon. However, it contains a small number of important terms. These are explained the first time they appear and all are contained in the Glossary at the end of the booklet.

## What do you do if you are facing repayment difficulties or are already in arrears?

We understand that when you find yourself in danger of falling behind on your mortgage repayments it can be very stressful. This booklet is a guide to help you to understand the process that Rabobank or a designated representative such as Link Asset Services uses to help customers to deal with that situation.

Please note that the management of all Rabobank loans and other facilities is undertaken by Link ASI Limited ("**Link Asset Services**"). Link Asset Services will apply the MARP process that is described in this brochure in the same way as Rabobank would. Where the term 'we', 'our' or 'us' is used in this document then that refers to Link Asset Services who now act on our behalf in most customer interactions.

Link Asset Services have dedicated specialist advisors (MARP Advisors) to make it as easy as possible for you to make that first contact. They will also work through the process with you. It is important that you tell us about any problems that you are having or might have with repaying your mortgage. The earlier we know about problems, the earlier we can begin to work with you to find a solution.

# Rabobank's Mortgage Arrears Resolution Process (MARP) Your MARP Advisor

Under the Code of Conduct on Mortgage Arrears (CCMA) issued by the Central Bank, all relevant institutions must have a process in place to assist customers in, or facing, difficulties paying their mortgage.

This process is called the Mortgage Arrears Resolution Process (this will be called MARP from now on in this booklet). MARP provides valuable protections to you while we work together to address your financial difficulties.

MARP applies to all co-operating customers with a mortgage secured against their Primary Residence who:

- do not think they will be able to pay their monthly mortgage repayment in the future or
- already have some problems in paying their mortgage and may have built up some repayment arrears.

The term 'Primary Residence' means a property which is:

- 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 this State owned by the borrower.

The MARP Advisor in Link Asset Services will talk to you, over the phone or in person, about any repayment difficulties that you may have. They will also outline how we may be able to help you with these difficulties. Contact details for our MARP Advisors are on page 16 of this booklet.

Your MARP Advisor can explain the various options available to ease your financial burden. Alternative repayment arrangements and other options are summarised later in this booklet.

**Contact Asset Services to speak to**

**For contact details of MARP Advisors see the contacts section of this booklet.**

**A MARP Advisor is available from 9AM to 5.30PM Monday to Friday.**

# Our Communications with You

We realise the effect that communications can have on customers who may be experiencing financial difficulties. We bear this in mind in all our communications with you as part of the MARP process. MARP Advisors have been given specific training on how to communicate with you in a clear, respectful and consumer friendly manner.

We want to encourage you to engage with us and we would like to emphasise to you the importance of this engagement in resolving your repayment difficulties.

We want to show you our willingness to engage and to work with you to try to reach a mutually acceptable resolution to your repayment difficulties.

We will provide informative, clear and timely information to you.

You will be given enough time to complete any actions that are needed, for example, to provide bank statements.

We will take steps at each communication with you to agree what needs to be done next and by when. These steps will form the basis for future communication.

We will respect your privacy and dignity during face-to-face encounters.

In certain circumstances and, in particular, where all other attempts to contact you about your arrears have failed, we may make an unsolicited personal visit to your Primary Residence (the term unsolicited personal visit has a special meaning in MARP and this is explained in the Glossary at the back of this booklet). If an unsolicited personal visit is necessary, we will write to tell you and will give you adequate notice.

If we appoint a third party (other than Link Asset Services) to act on our behalf in relation to your case, we will write to tell you this and to outline the details of the third party's role.

# Steps in MARP

The Mortgage Arrears Resolution Process has four steps:



## Step 1 – Communication

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You do not have to be in arrears to contact us. We encourage you to contact your MARP Advisor as soon as:

- **you feel that you might not be able to pay your monthly mortgage repayment and/or**
- **you have already had some problems in paying your mortgage.**

We are fully committed to working with you to find a resolution to your repayment difficulties. The sooner we know about the problem, the sooner we can discuss it with you and work with you towards agreeing a plan to clear the arrears and/or to explore alternative repayment options.

## Step 2 – Financial Information

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Once you have contacted us we will encourage you to contact one of our MARP Advisors to discuss your personal circumstances. We will also give you a form called a Standard Financial Statement (SFS). This will show the information we need to see to consider your application for an alternative repayment arrangement.

You may choose to complete this at home or with your Financial Advisor. We are happy to help you to complete the SFS if you require any assistance. We may also request supporting documentation at this point, for example, bank statements, proof of income etc.

## Step 3 – Assessment

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Our Arrears Support Unit (ASU) is responsible for assessing all requests for alternative repayment arrangements on Primary Residence mortgages. After you submit the SFS with any documents that are needed, our ASU will assess your case and possible alternative repayment options.

Our ASU will base its assessment of your case on your full circumstances including:

- your personal circumstances
- your overall level of debt
- the information provided by you in the Standard Financial Statement and/or additional supporting documentation

- your current and future repayment capacity
- your previous repayment history
- the level of co-operation you have demonstrated.

Each individual case will differ and will be assessed on its own merits.

**The Assessment step allows us to understand your specific circumstances and to reach a decision on the most appropriate solution for you.**

## Step 4 – Resolution

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Where an alternative repayment arrangement is proposed, we will provide you with a clear explanation, in writing, of the proposed alternative repayment arrangement and other important information.

If an alternative arrangement is agreed with you, we will monitor this on an ongoing basis by carrying out a regular review of your account.

We will also review your mortgage account at your request at any time.

Alternative repayment arrangements are based on an individual assessment of your case and on our lending criteria.

# Types of Alternative Repayment Arrangements

We are happy to work with you to try to find a solution to your repayment difficulties.

We will assess your case on an individual basis to find the alternative repayment arrangement most suitable to your situation.

Our MARP Advisor will work with you to try to find an appropriate and sustainable solution. Any new repayment arrangement will take into account your income, outgoings and overall level of debt.

The range of alternative repayment arrangements currently available from us is listed below.

All options are for a specific period. Each one has advantages and disadvantages. Your MARP Advisor will explain these clearly to you.

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## **INTEREST ONLY**

You only pay the interest element due on your monthly mortgage repayment and nothing towards repayment of the principal amount owed.

The result is that your monthly repayments are reduced to a more affordable amount in the short term.

By doing this you are not reducing your overall loan balance. The outstanding principal owed will be collected over the remaining term of the loan. Once the "interest only" period is over, your monthly repayments will increase to more than you are currently paying.

## **REDUCED PAYMENTS LESS THAN INTEREST**

This works in a similar way to the "interest only" option. You pay nothing towards the repayment of the principal owed and with the "reduced payments less than interest" option you also pay less than the usual monthly interest amount. This reduces your monthly repayments to a more affordable amount in the short term.

However, this means that your loan balance will increase as a result of this arrangement. When the arrangement is over, your monthly repayments will increase to more than you are currently paying as the outstanding principal and the unpaid interest will be collected over the remaining term of the loan.

### **REDUCED PAYMENTS GREATER THAN INTEREST**

You pay less than your usual repayment. The monthly payment fully covers the interest element and some of the principal due on the monthly repayment.

This means that you are not reducing the principal owed as quickly as you would have with your normal repayments, but you are still paying off some of the principal. It also means that the unpaid amount will be collected over the remaining term of the loan. When the arrangement is over, your monthly repayments will increase to more than you are currently paying.

### **TERM EXTENSION**

The term of your loan is extended. This reduces the monthly mortgage repayment to a more affordable amount. This means that you pay less each month but you pay more interest over the extended life of the loan.

### **ARREARS CAPITALISATION**

Some or all arrears on your mortgage loan account are "capitalised". That is, the arrears are added to the existing balance on your mortgage and repaid over the remaining term of the loan.

This means that you do not have to pay off your arrears in one lump sum. However, your monthly repayments will increase and you will pay more interest over the life of the loan.

### **TEMPORARY REPAYMENT BREAK**

This arrangement means that no monthly repayment takes place for a specified period. This exceptional arrangement allows you time to deal with a sudden and temporary loss of income.

Interest will continue to accrue during the period of this arrangement. When this arrangement is over, your monthly repayments will increase to more than you are currently paying.

### **TRADE DOWN MORTGAGE**

This option is suitable for those that want to reduce their overall level of debt. It involves selling your existing property and buying a new one of lesser value than your existing property.

It also involves transferring any remaining balance on your loan (arising out of negative equity) to the mortgage secured on your new property.

## What if none of the above Alternative Repayment Options are suitable for you?

### OTHER RESOLUTION OPTIONS

All options, including alternative repayment arrangements, are based on an individual assessment of your case and on our lending criteria.

However, where we are unable to offer you one of the alternative arrangements outlined, some other measures are available to you.

### AGREEMENT TO SELL

This means that you sell the property. If the value of the property at the time of the sale is less than the outstanding loan balance, you remain liable for the remaining debt and we will work with you to arrange new terms for that debt.

### REPOSSESSION AND LEGAL PROCEEDINGS

We never wish to get to the stage where we have to take legal proceedings against you to repossess your home.

However, we must point out clearly that if an agreement cannot be reached between us on how to resolve your repayment difficulties then, unfortunately, repossession becomes the option of last resort.

This means that we take legal proceedings against you and, regardless of how the property is repossessed or disposed of, you will remain liable for any outstanding sums owed to Rabobank including any accrued interest, charges, legal, selling and other related costs that have not been repaid to Rabobank from the proceeds of sale of the property. These costs can be substantial.

### VOLUNTARY SURRENDER

This option means that you voluntarily surrender the property and it is sold, with the proceeds of the sale used to reduce your loan balance. If the value of the property at the time of the sale is less than the outstanding loan balance, you remain liable for the remaining debt and we will work with you to arrange new terms for that debt.

This is an extreme situation and one that we want to avoid. However, it can happen if all other options have failed. This is why we encourage all customers with repayment difficulties to engage as early as possible with us to work towards agreement on one of the options outlined in this booklet.

**If you fail to make your repayments on loan facilities secured by your Primary Residence on an ongoing basis and arrears persist, you place your home at risk.**

# Appeals or Complaints

## APPEALS

You have the right to appeal our credit decision where:

- you are not willing to enter into an alternative repayment arrangement that we have offered you
- we have declined to offer you an alternative repayment arrangement
- we have classified you as not co-operating.

The term "not co-operating" has a specific meaning in MARP, as well as having certain implications for you. For more information please see the section "What does 'not co-operating' mean?"

If you decide to submit an appeal, you will have a period of 20 business days, from the date you were first advised of our decision, to do so. Your appeal must be in writing and submitted to the Customer Relations Team in Link Asset Services. It will then be independently reviewed by Rabobank's Appeals Board. This Board consists of senior members of staff who have not been involved with making credit decisions in relation to your case.

During the appeals process Rabobank will give you a written update at least every 20 business days. Rabobank will make its decision within, at most, 40 business days of having received the appeal.

Rabobank will give you its decision in writing no more than 5 business days after making our decision. Rabobank will also explain the reasons for that decision and will advise you of the next steps. If you are not satisfied with the outcome of the appeal you have the right to refer the matter to the Financial Services Ombudsman.

## COMPLAINTS

If you are not happy with our treatment of your case, or if you feel we have not complied with the CCMA, you have the right to complain.

If you have a complaint, you should raise it with the Customer Relations Team in Link Asset Services. Customer Complaints, c/o Customer Relations Team, Link ASI Limited, Block C, Maynooth Business Campus, Maynooth, Co. Kildare W23 F854. If the complaint remains unresolved after 5 business days then we will write to you at that point and, while the complaint is being investigated, at intervals not greater than 20 business days.

On completion of an investigation we will write to you with the findings.

If you are not satisfied with the outcome of the complaint you have the right to refer the matter to the Financial Services Ombudsman.

## What is the difference between an Appeal and a Complaint?

In both cases you want to take the matter further. The appeal route applies where you are unhappy with our credit decision. Your appeal is handled by our Appeals Board.

A complaint means that you believe that the manner in which we have treated your case is unsatisfactory or you believe that we have not complied with the CCMA. In the first instance your complaint will be dealt with by your case manager. But, if it remains unresolved after 5 business days, it will be passed to the Customer Relations Team for investigation.

Financial Services and Pensions Ombudsman  
Lincoln House, Lincoln Place, Dublin 2.  
Phone: 1890 882090  
Email: info@fspo.ie  
Website: www.fspo.ie

# Other important information for customers

## DO YOU HAVE PAYMENT PROTECTION INSURANCE?

If you have previously purchased payment protection insurance for your mortgage loan, it is important that you contact your insurance provider as you may be entitled to make a claim under that policy.

## INDEPENDENT ADVICE IS AVAILABLE

We recommend that you seek independent financial/legal advice. You could contact your accountant or a financial advisor or use the free service provided by, for example, Money Advice and Budgeting Service (MABS) or the other bodies listed in the section on "Additional Support Available" in this booklet.

## CONFIDENTIALITY AGREEMENTS

We may use Confidentiality Agreements when making a proposed settlement of a debt with a Borrower and/or a Guarantor.

The purpose of a Confidentiality Agreement is to reduce the risk that details of the proposed settlement are made public.

The Confidentiality Agreement will never impede or restrict any of the protections afforded to you under the CCMA.

We will provide you with a draft agreement and we will ensure that it is tailored to reflect the individual circumstances of your case. You can have this reviewed by an independent advisor, for example a solicitor.

We recognise it is important for the person who is requested to enter into the Confidentiality Agreement to be well advised. We encourage

everyone in these circumstances to obtain appropriate and relevant independent advice before entering into such an agreement.

## YOUR CREDIT RATING

Where permitted or where it is required by law, we may file a report about the performance of your loan with a credit reference agency or central credit register.

Your Credit Rating may be affected and that may in the future limit your access to credit. It may also limit access to any credit related purchases such as a mobile phone contract or a car loan.

## What does "not co-operating" mean?

It is very important that you engage with us and, in particular, that you respond to any communication you may receive from us in relation to your Primary Residence. If you do not contact us and/or if you do not respond to our communications then you may be considered to be "not co-operating" and lose important protections provided by the CCMA.

You can be considered as "not co-operating" with us if you have (i) failed to make a full and honest disclosure of your financial circumstances to us **or** (ii) failed to provide information relevant to your financial situation to us in a timely manner which would help us to find the most suitable alternative repayment arrangement for your circumstances.

You can also be considered as "not co-operating" if a three month period elapses

**and**

**either** of the following sets of circumstances applies\*

1. You have not entered into an alternative repayment arrangement on your mortgage **and** (i) you have not met your mortgage repayments in full in accordance with the mortgage contract; **or** (ii) you have met your mortgage repayments in full but still have an arrears balance outstanding.
2. You entered into an alternative repayment arrangement with us but you failed to provide in full the repayments as specified in the revised arrangement **and either** (i) failed to make contact with, or respond to any communications from us or a third party acting on our behalf; **or** (ii) having made contact with, or responded to communications from us or a third party acting on our behalf you have not engaged in such a way that enables us to complete an assessment of your circumstances.

\* And we issued you with a warning letter in accordance with MARP and you do not carry out the action(s) specified in that letter.

## What are the implications of not co-operating?

If you are classified as "not co-operating" then you lose the protections that MARP gives. Implications of this include:

1. We can commence legal proceedings immediately for repossession of your Primary Residence. Under normal circumstances, where co-operation and good faith are demonstrated, we do not seek repossession of the property until every reasonable effort to agree an alternative repayment schedule has been made with you.
2. It may negatively impact your eligibility for a Personal Insolvency Arrangement under the Personal Insolvency Act 2012 (as amended).

# Additional support available

There are a number of organisations and resources that can provide you with relevant information.

## **CENTRAL BANK OF IRELAND**

**[www.centralbank.ie](http://www.centralbank.ie)**

You can obtain a copy of the Code of Conduct on Mortgage Arrears (CCMA) and other useful information on the Central Bank website.

## **OFFICE OF THE REVENUE COMMISSIONERS**

**[www.revenue.ie](http://www.revenue.ie)**

The Revenue Commissioners can provide information on mortgage interest relief, tax credits and benefits to which you may be entitled.

## **DEPARTMENT OF SOCIAL PROTECTION**

**[www.welfare.ie](http://www.welfare.ie)**

The Department of Social Protection can provide details on job seekers allowance and mortgage interest supplement together with other welfare benefits to which you may be entitled.

## **CITIZENS INFORMATION BOARD**

**[www.keepingyourhome.ie](http://www.keepingyourhome.ie)**

This website aims to provide comprehensive information on the services and entitlements available if you are having difficulties paying your rent or making your mortgage repayments.

## **MONEY ADVICE AND BUDGETING SERVICE**

**(MABS) [www.mabs.ie](http://www.mabs.ie)**

National helpline 076 107 2000

MABS is a free impartial service. MABS works with clients by supporting them in drawing up realistic budgets and maximising their incomes. MABS also supports clients in dealing with their debts according to their budgets.

## **INSOLVENCY SERVICE OF IRELAND**

**(ISI) [www.backontrack.ie](http://www.backontrack.ie)**

Three new debt resolution mechanisms were introduced under the [Personal Insolvency Act 2012](#) for people who cannot afford to pay their personal and mortgage debts. [The Insolvency Service of Ireland \(ISI\)](#) administers these debt resolution processes. The ISI has a website [backontrack.ie](http://backontrack.ie), aimed at people who are struggling with debt

# Contact Details

Address	Phone Number
Link ASI Limited, Block C, Maynooth Business Campus, Maynooth, Co. Kildare. W23 F854	+ 353 (0) 1 961 2700

# Glossary

## **ARREARS**

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.

## **BUSINESS DAY**

Any day except Saturday, Sunday, bank holidays and public holidays.

## **CCMA**

The Code of Conduct on Mortgage Arrears is issued under Section 117 of the Central Bank Act 1989. The CCMA sets out how mortgage lenders must treat borrowers in arrears, or facing mortgage arrears, on mortgage loans secured by the Primary Residence.

## **CONFIDENTIALITY AGREEMENT**

An agreement whereby the borrower is required to keep information relating to an alternative repayment arrangement or other option, intended to resolve the arrears situation, confidential.

## **MARP**

The Mortgage Arrears Resolution Process is a four step process for handling cases in arrears, or in danger of falling into mortgage arrears, or where an existing alternative repayment arrangement breaks down or expires.

## **PRIMARY RESIDENCE**

A Primary 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.

## **SFS**

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

## **UNSOLICITED PERSONAL VISIT**

Any visit to a borrower's Primary Residence that has not been requested by, or agreed in advance with, the borrower.

# Notes



**LoCall 1850 923501**

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