



5<sup>th</sup> June 2013

Mortgage Loan Account Number:

Total Balance Outstanding, including arrears, as of today's date: €221,703.71  
**This is not a redemption figure**

Total Arrears Outstanding as of today's date: €35,337.92

Full Monthly Mortgage Payment Amount: €1,275.83

Concessionary Monthly Mortgage Payment Amount: €320.00

Dear

#### Why we are contacting you

After a review of your Mortgage Loan Account and financial circumstances, including the information provided in your recently submitted Standard Financial Statement, IBRC (in Special Liquidation) (which is referred to as "we", "us" or "our" in this letter) regrets to inform you that we have concluded your mortgage is not sustainable.

#### How have we arrived at this decision?

Your Full Monthly Mortgage Payment Amount, excluding insurance, amounts to €1,244.28. Based on our review of your financial circumstances we have calculated that the amount you can afford to fund your Mortgage Loan Account, on a long-term consistent basis, is €249.49. We call this your Affordable Monthly Mortgage Payment ("AMMP"). The AMMP amount is calculated based on our assessment of the monthly income and expenditure information you disclosed in your Standard Financial Statement. Our calculation of AMMP is informed by industry practice and designed to arrive at a level of payment towards your Mortgage Loan Account that we believe you can reasonably maintain. A copy of the calculation is available on request.

We consider a mortgage to be unsustainable where:



- the amount being paid on the mortgage and the Affordable Monthly Mortgage Payment are less than 66%<sup>1</sup> of the full monthly interest due on the Mortgage Loan Account; and
- the circumstances causing your arrears are on-going, with no reasonable and evidential prospect of improvement.

Regrettably this is the case in your situation.

### **What happens next?**

The options that are now available to you are:

- **Voluntary Sale of the house**

If you are in agreement to voluntarily sell the house we will allow you six months (the 'Marketing to Offer' period) to attempt to find a buyer for the property in an open market sale. Provided that you obtain a valid offer that is acceptable to us within this timeframe we will then allow you a further three months to complete the sale.

Voluntary Sale is subject to our agreement and requires you, as the borrower(s), to satisfy certain conditions, which include:

- actively marketing your property within an Acceptable Price Range specified by us and using an estate agent of your choice;
- continuing to make payments of at least the Affordable Monthly Mortgage Payment. We would recommend however that you pay as much as you can in order to minimise any interest capitalised on your Mortgage Loan Account; and
- co-operating with regular reviews to discuss the progress you are making in selling your property.

Provided you comply with the conditions of Voluntary Sale we will take no legal action in relation the property during the Voluntary Sale Period and no further arrears will accrue to your Mortgage Loan Account.

If, at the end of the Voluntary Sale Period, your property remains unsold we will review your Mortgage Loan Account and discuss the next steps with you.

- **Voluntary Surrender of the house**

In these circumstances you would formally surrender possession of the house to us and vacate the property. We would then take possession of the property and, having taken professional advice, will sell the property to recover monies owed to us.

Further information about Voluntary Sale and Voluntary Surrender can be found in the enclosed *Voluntary Sale and Voluntary Surrender Further Explained Leaflet*.

<sup>1</sup> based on the recommendations contained in The Expert Group on Mortgage Arrears and Personal Debt's final report published in November 2010 (the "Cooney Report")



### Shortfall debt

The proceeds from sale of the house, net of selling costs, may be less than the Redemption Figure that applies to your Mortgage Loan Account on the date of sale. If this is the case then the difference represents a Shortfall Debt. Under either of the above options you will remain fully liable for the Shortfall Debt, if any, that results from the sale of your property. Interest will continue to be charged on this amount until the debt has been cleared in full. Following the sale of the property we will contact you to agree how any Shortfall Debt will be repaid.

Further information on Shortfall Debt is provided in the enclosed *Voluntary Sale and Voluntary Surrender - Shortfall Debt Leaflet*.

It is important that we speak to you about your options. **Please contact us within 14 calendar days of this letter to discuss your options and to agree the next steps.**

If we do not hear from you within this timeframe, we will proceed with further action to manage your Mortgage Loan Account. This may include the commencement of legal proceedings that could result in the repossession of your home.

### Sources of free and independent advice

The options we have explained are major financial decisions impacting you and your household. It is important to obtain independent advice about the options available to you.

We participate in the Mortgage Arrears Information and Advice Service (the "MAIAS Scheme"). Subject to the conditions of the MAIAS Scheme you may be eligible for free independent advice. Further details on the MAIAS Scheme can be found at [www.keepingyourhome.ie](http://www.keepingyourhome.ie) and in the enclosed *Mortgage Arrears Information and Advice Service Leaflet*. We have also included a copy of your most recent Standard Financial Statement, as information from this document will be required by your chosen accountant if you participate in the MAIAS Scheme.

Other sources of free and independent information and advice include:

The Citizens Information Mortgage Arrears Information Helpline, 0761 07 4050, which is available Monday - Friday from 9.30am - 5pm

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

### Your right to appeal

You are entitled to appeal to IBRC (in Special Liquidation)'s Appeals Board in relation to any of the following:

- The decision of IBRC (in Special Liquidation) to offer you either a Voluntary Sale or Voluntary Surrender option
- IBRC (in Special Liquidation)'s treatment of your case under the Mortgage Arrears Resolution Process (MARP)
- IBRC (in Special Liquidation)'s compliance with the Code of Conduct on Mortgage Arrears (CCMA)



Please note that should you wish to lodge an appeal you must do so within a period of 25 business days from the date of this letter. Your appeal must be made in writing and addressed to:

Mortgage Arrears Appeals Board  
Irish Bank Resolution Corporation Limited (in Special Liquidation)  
Stephen Court  
18/21 St. Stephen's Green  
Dublin 2

We will acknowledge receipt of your appeal in writing within 5 business days. So that you have a point of contact during this process we will provide you with the name and contact details of the person who will manage this process on your behalf.

If you have any questions about your Mortgage Loan Account, your arrears, or the content of this letter please contact the Mortgage Arrears Support Unit on +353 1 6096182 or via email to [asu@ibrc.ie](mailto:asu@ibrc.ie).

We are available to take your calls between the following times:

Monday to Wednesday - 9am to 8pm  
Thursday - 9am to 7pm  
Friday - 9am to 5pm  
(Excluding Bank Holidays)

Yours sincerely,

Kieran Wallace & Eamonn Richardson  
Joint Special Liquidators  
For and on behalf of  
Irish Bank Resolution Corporation Limited (in Special Liquidation)

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

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

**(Endowment Mortgage) WARNING: THERE IS NO GUARANTEE THAT THE PROCEEDS OF THE INSURANCE POLICY WILL BE SUFFICIENT TO REPAY THE LOAN IN FULL WHEN IT BECOMES DUE FOR REPAYMENT**

<b>WARNING: If you do not keep up your repayments you may lose your home. WARNING: You may have to pay charges if you pay off a fixed rate loan early.</b>
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