



Voluntary Sale and Voluntary Surrender Shortfall Debt Frequently Asked Questions

If the price for which you sell your property is less than your Total Outstanding Mortgage Loan Balance plus your redemption costs and the costs associated with the sale of your existing property then you will have a **"Shortfall Debt"**.

To help you understand how this is calculated and what it means for you we have put together some Frequently Asked Questions.

What is Shortfall Debt?

A Shortfall Debt is the difference between the net proceeds from the sale of your property and the Redemption Figure that applies to your Mortgage Loan Account on the date your property is sold.

What is my Redemption Figure?

Your Redemption Figure is the total amount that would be required to clear your Mortgage Loan Account in full on the date your property is sold.

When we calculate this amount we include your outstanding capital, interest, and any costs and fees that may apply to your Mortgage Loan (e.g. Early Redemption Fees, Mortgage Deed Release Fees and Redemption Statement Fees). When we provide you with a Redemption Figure it is calculated on the basis of an assumed redemption date. If you do not redeem your Mortgage Loan Account on the assumed date your actual Redemption Figure may vary as a result of payments made and/or interest accrued.

How are the net proceeds from the Voluntary Sale of my property calculated?

The net proceeds from the sale of your property are calculated by subtracting the costs identified below from the price that is paid when you sell your property.

The costs that will be subtracted from the sale proceeds are:

- Conveyancing costs (these are the fees, including any disbursements, which are charged by your solicitor for completing the necessary legal work involved in selling your property).
- Estate Agent professional fees (this is the commission charged by the Estate Agent if the property is sold).

We will not make any deduction for the cost of instructing our Valuers to provide a valuation of your property.



How are the net proceeds from the sale of my current property calculated if it has been Voluntarily Surrendered?

The net proceeds from the sale of your property following a Voluntary Surrender are calculated by subtracting the costs identified below from the price that is paid for your property when it is sold.

The costs that will be subtracted from the sale proceeds are:

- Marketing and selling fees charged by the Estate Agent we instruct to sell your property
- Conveyancing costs - these are the fees charged by our conveyancers for completing the necessary legal work involved in selling your property
- Disbursements - these are incidental costs incurred when selling a property e.g. the cost associated with obtaining a BER certificate
- Tax liabilities and other charges - in some circumstances a tax liability or a liability for another charge e.g. Household Charge may arise from the sale of your property. If this applies to you we will settle this liability directly with the Revenue Commissioners or other appropriate authority and deduct the equivalent value from the proceeds of the sale of your property.

We will not make any deduction for the cost of instructing our Valuers to provide a valuation of your property.

What happens to my arrears?

Your arrears, along with any interest that has accrued on those arrears (which are subject to interest at the prevailing rate of your Mortgage Loan), are included in the Total Outstanding Mortgage Loan Balance used in the calculation of your Redemption Figure.

After your Mortgage Loan Account is redeemed you will no longer be in arrears. However, you do remain liable for any Shortfall Debt.

When will I know the total value of my Shortfall Debt?

Following the sale of your property we will write to you with full details of your Shortfall Debt.

What happens to my Shortfall Debt?

You are still liable to repay the Shortfall Debt to IBRC (in Special Liquidation) and you will need to agree a repayment plan with us. We will work with you, in accordance with our Shortfall Debt Policy, to find an affordable way for you to repay this amount owed to us.

Am I charged interest on my Shortfall Debt?

Yes, we will continue to charge interest on your Shortfall Debt. The interest rate(s) applied will correspond to those that applied to the Mortgage Loan Account(s) on which the Shortfall Debt remains. Working with us to repay this debt as quickly as is affordable to you will minimise the total interest payable.



How does my Shortfall Debt affect my credit rating?

Your Shortfall Debt will be reported to the Irish Credit Bureau. We will inform them that your Mortgage Loan Account has been redeemed and there is a Shortfall Debt outstanding. This may affect your credit history and your ability to obtain credit in the future.

Further questions?

If you still have questions about Shortfall Debt, Voluntary Sale, Voluntary Surrender or any aspect relating to your Mortgage Loan or arrears please contact the Mortgage Arrears Support Unit on +353 1 6096182 or via email to 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)

Sources of free and independent advice

You may wish to obtain advice in relation to Voluntary Sale, Voluntary Surrender, your mortgage and arrears. Free and independent sources of information and advice include:

- www.keepingyourhome.ie
- The Citizens Information Mortgage Arrears Information Helpline, 076 107 4050, which is available to take your calls Monday to Friday from 9.30am - 5pm
- www.mabs.ie

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

WARNING: If you do not keep up your repayments you may lose your home.

(Variable rate mortgage) WARNING: The cost of your monthly repayments may increase.

(Interest only mortgage) WARNING: The entire amount that you have borrowed will still be outstanding at the end of the interest only period.

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.

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