

Difficulty Making Loan Repayments?

A Guide for Small & Medium
Enterprises Experiencing
Financial Difficulties

The logo for EBS (Enterprise Bank of Scotland) is located in the bottom right corner. It consists of the letters "EBS" in a white, bold, serif font, set against a solid red rectangular background.

EBS

Is your business in Financial Difficulty?

EBS recognises the challenges faced by small and medium enterprises in today's economic climate and the importance of working closely with borrowers, as some may be experiencing financial difficulties.

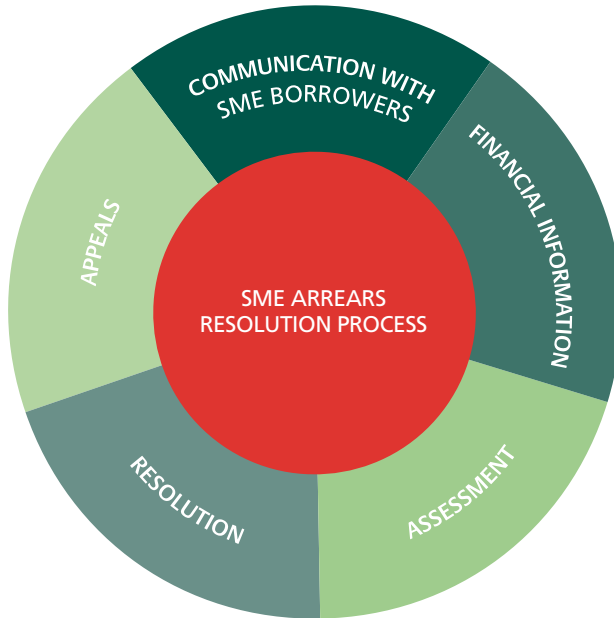
Lenders in Ireland are regulated by the Central Bank of Ireland and are required under the *Lending to Small and Medium Enterprises Regulations 2015* (the "SME Regulations") to provide information to assist SME Borrowers who are experiencing financial difficulty.

The purpose of this booklet is to assist borrowers who are experiencing financial difficulty, or feel they may have difficulty making their loan repayments in the future. These guidelines apply to Micro, Small and Medium Enterprises as defined in the SME Regulations. A full copy of the Regulations can be downloaded from our website at www.ebs.ie/commercial

The SME Regulations are designed to:

- *promote fairness and transparency in the treatment of SME's by lenders*
- *provide information on the application process for credit and associated timelines*
- *provide reasons in writing for declining credit that are specific to the application that was declined*
- *provide increased information to SME borrowers about lenders' policies for dealing with financial difficulties, including the implications for SME borrowers who are deemed not co-operating*
- *expand the grounds for appeal by SME borrowers of various credit decisions made by a lender and the setting up of an internal appeals panel to address appeals by SME borrowers.*

The SME Arrears Resolution Process



How it all works...

EBS has a clear process which is made up of five steps which are explained in more detail in this booklet. They include:

- Step 1: Communication with SME Borrowers** – how we will stay in touch with you
- Step 2: Financial information** – getting a better understanding of your financial position
- Step 3: Assessment** – examining each case on an individual basis
- Step 4: Resolution** – finding a workable solution
- Step 5: Appeals** – what to do should you find it necessary to appeal your case

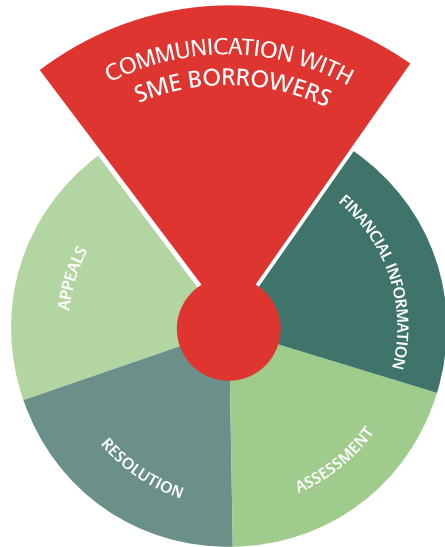
We will arrange for our EBS Commercial team to work with you and will write to you informing you of their contact details where you are in financial difficulties.

STEP 1: COMMUNICATION WITH SME BORROWERS

COME AND TALK TO US

You should contact us immediately if you are concerned about meeting your loan repayments, or if you are already in arrears. If you find that you are unable to meet your loan repayments, you should contact your Relationship Manager in EBS Commercial at (01) 665 8026.

Your Relationship Manager will then arrange an appointment to meet with you if required and will carry out a full assessment of your overall financial position. It is essential at this point that you provide EBS with a complete understanding of your financial circumstances and furnish EBS with all requested information to enable us to assess your circumstances. It is in your interests to engage with us in relation to your arrears or financial difficulties. It is only with your engagement and cooperation with EBS, that the best solution can be reached.



YOU CAN CONTACT US...

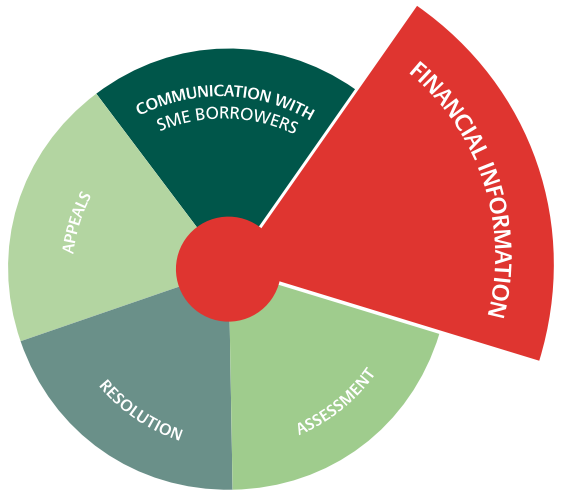
- Telephone your dedicated Relationship Manager in EBS Commercial by calling **(01) 665 8026**
- Email us at **ebcommercial@mail.ebs.ie**
- Visit our website where you will find useful information - **www.ebs.ie**



STEP 2: FINANCIAL INFORMATION

Once you have contacted us, your Relationship Manager will ask you to provide a full update of your personal finances and your business's financial circumstances. As each Borrower's financial position is unique, the information required by EBS in this process will vary from borrower to borrower. EBS will outline to you the information we require

in order to assess your particular financial situation. In general, EBS will require a complete understanding of your overall financial position along with supporting documentation and a business plan outlining how you aim to address your difficulties. Typically, we would require the following information and documentation for all those named on the account (and the Guarantor, if applicable), but our requirements may not be limited to this list:



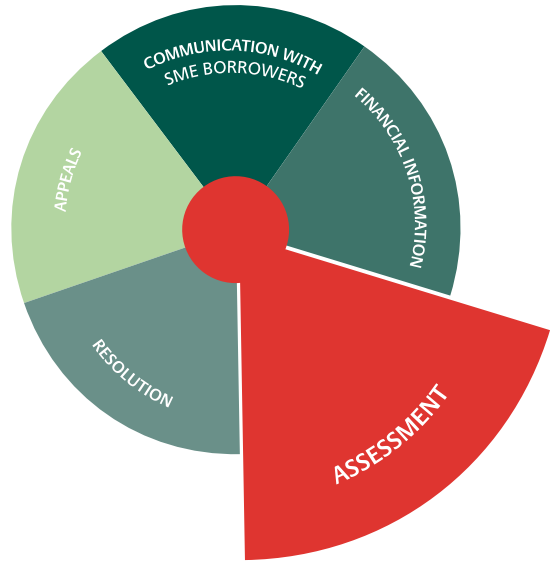
- Most recent Audited and Management accounts for your Business and up to date cashflow statement
- Current Account Statements
- Independent Verification of Income and Tax Affairs
- Sworn Statement of Affairs
- Property valuation
- Up to date list of debtors and creditors
- Any other information which we feel is relevant

The provision of all relevant documentation in as complete a form as possible will prove an important tool in helping us understand your case and decide on the best course of action.

Once we receive the information required, your Relationship Manager will review it and may contact you for further clarifications to ensure we fully understand your particular financial circumstances.

STEP 3: ASSESSMENT

EBS works closely with all SME borrowers experiencing financial difficulties in relation to their business borrowings and EBS examines each borrower on a case by case basis taking the borrowers individual circumstances into account.



The assessment process for an alternative repayment arrangement may take between 15 business days and two months from the date of receipt of all of the information/documentation requested. The time taken will depend on the complexity of a case. If our decision takes longer than 15 business days, we will write to you to advise you how long it will take and the reasons why. EBS may offer you an alternative arrangement to assist you resolve financial difficulties subject to you meeting our criteria. The decision process will take into account the full circumstances of the SME borrower such as, where applicable, the overall level of borrowings with both EBS and any other financial institution, the current and future overall repayment capacity, previous payment history, the existing security position with regard to your borrowings, the viability of the business, your co-operation and the information you provide to us.

STEP 4: RESOLUTION

EBS will write to you with the outcome of the assessment regarding an alternative arrangement. Where a revised alternative arrangement is offered, all revised terms and associated fees/charges (including valuation and legal charges, if applicable) will be clearly detailed in this letter. There may be cases however, where EBS will be unable to provide an alternative arrangement.



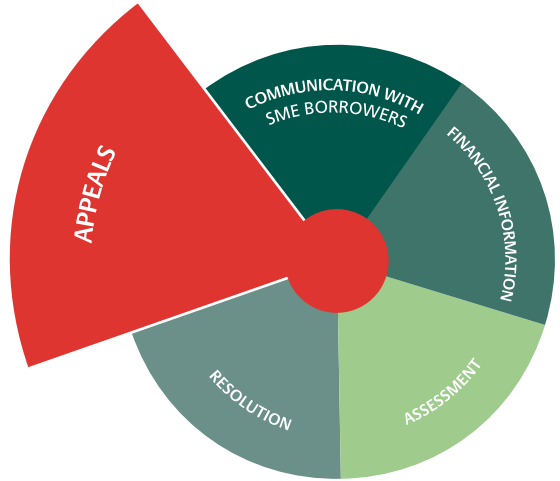
It is important that you fully understand the implications of any new alternative arrangement before you commit to it. You may wish to seek independent legal and/or financial advice regarding any alternative arrangement and its implications for your business.

Whilst some options may reduce your mortgage repayments in the short term, the overall effect could increase the total cost of credit over the life of the loan.

Once an alternative repayment arrangement is agreed with an SME borrower, EBS will monitor each case on an ongoing basis, with a formal review at least every year. The provision of up to date financial information will be an ongoing requirement. This will help us to see if there has been any change in your circumstances since the arrangement was first put in place. A review will take place immediately if you do not abide by the terms of the alternative arrangement.

Should your financial circumstances improve, you may decide to accelerate your payments to repay your loan over a shorter term, or make lump sum payments (if you're on a variable rate).

STEP 5: APPEALS



EBS has an internal appeals process for SME's which is available in relation to various decisions taken by EBS in respect of credit and where an SME borrower has been classified as not co operating by EBS.

If you believe that the Bank

- a) has not offered an alternative arrangement in situations where you believe you are entitled to the offer of an alternative arrangement or,
- b) has offered an alternative arrangement that you are not prepared to accept or
- c) has classified you as not cooperating,
- d) requires a special term or condition in order to provide you with an alternative arrangement

you can submit an appeal in writing within 20 business days of receipt of our letter. You should address your appeal to the Credit Appeals Officer, P.O. Box 11826, Bankcentre, Ballsbridge, Dublin 4, D04 NV02.

Appeals will be referred to an independent Internal Appeals Panel and an update will be issued to you within 15 business days of receiving the appeal. The lender who was involved in the original decision will not be involved in the appeals decision.

If your appeal through the internal credit appeals process is unsuccessful and the facility is between €1,000 and €3,000,000, you may refer your case to the Credit Review Office.

YOU CAN CONTACT THE CREDIT REVIEW OFFICE BY PHONE, POST OR EMAIL.

- *Post: **Credit Review Office, The Plaza, East Point Business Park, Dublin 3, D03 E5R6.***
- *Phone: **1850 211 789***
- *Email: **info@creditreview.ie***
- *Office Hours: **9am-1pm; 2pm-5pm***



IMPORTANT INFORMATION....

Credit Rating

If you are unable to meet your loan repayments, your account will go into arrears. This may affect your credit rating, which may in turn limit your ability to access credit from EBS and other financial institutions in the future. Data relating to you, including any arrears, may be shared with credit registers including the Central Credit Register which is maintained and operated by the Central Bank of Ireland as required by law.

Other Loan Facilities

If you are in default on one of your loan facilities with EBS, this may have an impact on your other facilities with EBS. Please refer to the terms and conditions of your loan facilities for full details.

Costs

Failure to repay your loan may also lead to EBS taking enforcement action against you such as issuing legal proceedings for judgment, for possession of secured properties, and/or appoint a receiver(s) to any secured properties. The costs of such action will vary depending on the nature and quantity of the security held by EBS and the circumstances of each case. Where enforcement action or court proceedings are contested by you, a higher figure for costs may apply. Under the terms of your credit facilities, all charges and expenses incurred by EBS in connection with your credit or on the enforcement or preservation of EBS' rights shall be payable by you, and shall be debited to your account and form part of your total indebtedness.

NOT COOPERATING

It is vital that you co-operate with EBS in relation to your current financial situation. Where you fail to co-operate with EBS, you will be classified as not co-operating which may have the following implications:

- you will not be assessed for an alternative arrangement; and
- we may take legal action immediately. Where legal proceedings are initiated, you will incur legal costs. Should it be necessary to take legal action to enforce security it is important to be aware that irrespective of how the property is repossessed and disposed of, you will remain liable for any outstanding debt, including any accrued interest, charges, legal, selling and other related costs

Under the SME Regulations, you can only be classified as not co-operating when:

- a) you fail to make a full and truthful disclosure to the bank of the information required by the bank to assess your financial situation, within the timeframes specified by the bank, and
- b) a warning letter that you will be classified as not co-operating has issued to you and you have not carried out the action(s) specified in the letter within the advised timeframe.

THIRD PARTY ADVISORS

You may find it helpful to employ a third party advisor (accountant, financial advisor etc) to accompany you or prepare information for your discussions with the bank whether the discussions are face to face or not.

COMPLAINTS

We have in place a procedure for the handling of complaints. This procedure provides that complaints will be appropriately recorded, investigated and resolved. The outcome of any investigation will be communicated to you. For complaints that cannot be resolved immediately, we will provide you with regular updates.

If you have a complaint about a product or service received, please contact EBS Commercial. You can contact the team by phone, email or post.

Phone **01 665 8026**

Email **ebcommercial@ebs.ie**

Post **EBS Commercial, The EBS Building, 2 Burlington, Road, Dublin 4, D04 WV00**

If your complaint is still not resolved to your satisfaction, you may then refer the complaint to the Financial Services Ombudsman's Bureau, 3rd Floor, Lincoln House, Lincoln Place, Dublin 2, D02 VH29. Lo Call 1890 88 20 90 or email enquiries@financialombudsman.ie

**EBS d.a.c. is regulated
by the Central Bank of Ireland**

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