

EBS Tracker Interest Rate Retention

Helping EBS Tracker Mortgage
customers move to their next home

Are you an existing EBS customer with a tracker mortgage and looking to move home?

Our new Tracker Interest Rate retention offer may be just what you need.

This offer is for our existing customers that want to sell their current home and buy a new home, while still retaining a Tracker Interest Rate. This offer is also available if you are in negative equity.

For further details in relation to Negative Equity Home Movers please log onto www.ebs.ie or check out our Negative Equity brochure.



EBS TRACKER INTEREST RATE RETENTION EXPLAINED

Tracker Retention will allow you to keep your Tracker Interest rate with an additional margin of 1% on your current tracker mortgage balance, if you wish to sell your existing property and purchase a new principal private residence.

WHO IS THIS OFFER FOR?

Tracker Retention is only available to existing EBS homeloan tracker mortgage customers who are not experiencing difficulties making their existing mortgage repayments.



Moving home is a big financial decision so before you decide on any type of mortgage, we recommend that you take independent legal, tax and financial advice.

WHAT ARE THE KEY FEATURES AND RESTRICTIONS OF THIS OFFER?

- ✓ The amount of your new mortgage that can avail of Tracker Retention will be limited to the balance of your existing mortgage on a tracker interest rate, at the time of application for your new mortgage. Any funds above this amount will be at the prevailing EBS new business rates. There are both fixed and variable interest rates available to new business, these can be viewed on www.ebs.ie.
- ✓ You can only avail of Tracker Retention for the amount of time remaining on your existing mortgage at the time of application, subject to EBS's maximum age i.e.
 - clearance by your 71st birthday (subject to documentary confirmation of retirement age of 70) or on retirement if earlier or if you are self employed by your 71st birthday.
- ✓ Your Tracker Retention interest rate will be your existing Tracker Interest rate plus an additional margin of 1%.
- ✓ Please keep in mind that if you choose to move onto a different type of interest rate at a later date, you will not be able to revert back to your tracker rate.
- ✓ Your new mortgage may only be used to purchase a new home which is to be used as your principal private residence.
- ✓ Your existing home must be sold and your existing mortgage account must be cleared in full before you can draw down your new mortgage.
- ✓ Up to 80% loan to value (LTV) finance is available to you towards the purchase price of your new property:
 - Up to 80% loan to value is available for a studio apartment valued at €275,000 or above, or a one bedroom property. We do not lend for the purchase of studio apartments valued at under €275,000.
- ✓ The full sale proceeds of your existing home must be used to repay your existing mortgage.
- ✓ You will need to pay the costs of the sale of your existing home and the purchase of your new home (including professional fees).
- ✓ You will only be able to avail of Tracker Retention once during your relationship with EBS as a mortgage customer i.e. you will not have the option to retain your tracker interest rate again for a subsequent house move.
- ✓ If you are approved for a new mortgage and Tracker Retention, a Letter of Loan Offer will be issued to you. The Letter of Loan Offer will be valid for 6 months, after which time you will need to make a new mortgage application, which will be subject to EBS standard lending criteria and terms and conditions.

- ✓ If you have sold your home and cleared your mortgage loan, to remain eligible for Tracker Retention, you must reapply for Tracker Retention within 30 days of the expiry of the Letter of Loan Offer. This is subject to EBS still offering the Tracker Retention at that time.

WHAT ABOUT OTHER CIRCUMSTANCES?

- ✓ If you have more than one EBS mortgage on a Tracker Interest Rate secured against your home, Tracker Retention will be based on:
 - The total balance outstanding on all of your EBS tracker mortgage accounts;
 - the longest term remaining on your existing tracker mortgage accounts; and
 - The lowest Tracker Interest Rate applicable to your tracker mortgage accounts (plus an additional margin of 1%).
- ✓ If part of your existing mortgage is on a fixed interest rate then, in order to avail of Tracker Retention, your existing mortgage will be repaid earlier than anticipated, you may need to pay an early breakage fee. Your existing Letter of Loan Offer details how an early breakage fee is calculated. Alternatively, please refer to the important regulatory information section at the back of this brochure.
- ✓ If you and your co-borrower wish to sell your existing home and buy new homes separately from each other, you will each only be able to avail of Tracker Retention in respect of half of the balance of your existing joint mortgage. If your co-borrower does not wish to buy a new home and avail of Tracker Retention then you may be able to avail of Tracker Retention in respect of the entire balance of your existing joint mortgage but only if your co-borrower agrees to waive their entitlement to Tracker Retention (A Tracker Interest Rate Retention Waiver must be signed).
- ✓ If your existing mortgage is in your sole name and you wish to sell your home and apply for a new joint mortgage with a co-borrower so that you can buy a new home together, you may apply for Tracker Retention subject to the key features and restrictions outlined above.

.....

Principal private residence, Home, PDH (Private Dwelling House). A person's primary residence, or main residence is the dwelling where they usually live within the state. A person can only have one primary residence at any given time.

AN EXAMPLE FOR YOU

| | | |
|---|---|------------------|
| EXISTING PROPERTY: | Current Tracker Mortgage | €150,000 |
| | Term Remaining (Years) | 15 |
| | Existing Tracker Interest Rate | 1.1% |
| | ECB Rate (currently 0.00%) + Margin 1.1% = Tracker Interest Rate of 1.1% | |
| | Monthly Repayment Amount (Capital & Interest) | €904.35 |
| NEW PROPERTY: | Purchase Price | €250,000 |
| | Less Minimum Deposit required (20%) | €50,000 |
| | Total New Mortgage | €200,000 |
| REPAYMENT OF NEW LOAN; | | |
| PART A | Tracker Retention Interest Rate 2.1% (2.2% APR) | |
| | ECB Rate (currently 0.00%) + Margin 2.1% (1% higher than existing Tracker Margin) = New Tracker Retention Interest Rate of 2.1% | |
| | Mortgage Balance | €150,000 |
| | Term (Years) | 15 |
| | Monthly Repayment Amount | €972.19 |
| PART B | Variable Rate 3.7% (APR 3.8%) | |
| | Mortgage Balance | €50,000 |
| | Interest Rate (Variable Rate Home Loan > 80% LTV) | 3.7% |
| | Term (Years) | 30 |
| | Monthly Repayment Amount | €230.14 |
| TOTAL REPAYMENT AMOUNT (PART A + PART B) | | €1,202.33 |

HOW DO I APPLY FOR EBS TRACKER RETENTION?

Applying for Tracker Retention is very similar to our normal mortgage application process. Some of the key steps are outlined below:

If your home is currently in Negative Equity you may be entitled to a higher loan to value and there is a slightly different route, please take a look at the Negative Equity Home Movers Brochure.

STEP 01

YOUR MORTGAGE APPOINTMENT

A good place to start is to make an appointment to talk to a Mortgage Advisor at your local EBS. You will be asked to complete a new Mortgage Application Form and a Tracker Interest Rate Retention Application Form. You will also need to provide all relevant documentation so we can assess your application for this product.

STEP 02

APPROVAL IN PRINCIPLE

If your new mortgage is approved, we will provide you with an Approval in Principle letter. This is when your bank agrees, in principle, to give you a mortgage, based on the information you have provided. This letter will also confirm that you are eligible for Tracker Retention.

STEP 03

SELLING YOUR HOME

Timing is everything when it comes to selling your existing home and buying a new property. It is important that you let us know the sale price of your home as soon as you can.

STEP 04

MAKING AN OFFER ON A NEW HOME

Next is the exciting bit - looking for your new home. Once you've found it, you may put in an offer. If it's accepted, then it's back to us.

STEP 05

ONCE YOUR OFFER IS ACCEPTED

Let us know that you've made an offer on a new home and that you want to proceed. You will need to provide us with details of the property, the name of your solicitor and a valuation report before we can send you an offer of a mortgage. It will be a condition of your Letter of Loan Offer that your existing home is sold and that the full sale proceeds are applied to your existing mortgage account before your new mortgage can be drawn down.

TRACKER INTEREST RATE RETENTION MORTGAGE GENERAL AND REGULATORY INFORMATION

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.

Warning: If you do not meet the repayments on your loan, your account will go into arrears. This may affect your credit rating, which may limit your ability to access credit in the future.

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.

Warning: The cost of your monthly repayments may increase.

Warning: The entire amount that you have borrowed will still be outstanding at the end of the interest-only period.

Warning: If you switch to an alternative interest rate, you will not be contractually entitled to go back onto a tracker interest rate in the future.

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

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

(Note: Applies to variable rate loans only)

About Us

We are EBS d.a.c.. We provide mortgage loans. If you engage with us through one of our network offices you are dealing with a Tied Mortgage Agent of EBS.

Our address is The EBS Building, 2 Burlington Road, Dublin 4, D04 WV00.

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

Purpose of the tracker interest rate retention mortgage loan

This mortgage loan enables existing EBS customers with a tracker rate mortgage to purchase a new home without losing a tracker interest rate.

How much can you borrow?

When you ask us to lend you money we will make a decision based on your ability to repay (including capacity to repay at higher interest rates). When you apply for a loan we will ask you for information such as your income, expenditure, assets and liabilities. We may ask you for evidence of this information.

- Tracker interest rate retention:
 - 80% of the purchase price or valuation whichever is lower

- Up to 80% loan to value is available for a studio apartment valued at €275,000 or above, or a one bedroom property. We do not lend for the purchase of studio apartments valued at under €275,000.

Lending levels are subject to monthly repayment burden, typically not exceeding c. 35% of borrower's disposable income and will vary according to individual circumstances.

Mortgage loan requests are considered on the basis of proof of income, financial status and demonstrated repayment capacity (including capacity to repay at higher interest rates). Mortgage loans are not available to people under 18 years.

If you do not provide us with the requested documentation, we will not be able to assess your application and credit cannot be granted.

How long it takes us to deal with your application

Once we receive your application and any other information we ask you to give us as set out in the mortgage application checklist we will contact you within three business days to say we have received it.

- a) If there is any information missing we will tell you, within three business days;
- b) We will let you know our decision on your mortgage application within ten business days of receiving all the information we need;
- c) If we cannot make a decision within ten business days we will tell you why and when we are likely to make a decision.

Repayment terms

You can only avail of our tracker interest rate retention product once, for the amount of time remaining on your existing mortgage at the time of application, subject to EBS's maximum age i.e. clearance by your 69th birthday (or up to 71st birthday subject to documentary confirmation of employment) or on retirement if earlier, or by your 71st birthday if you are self employed.

Security for the mortgage loan

Mortgage loans are secured by a first legal mortgage/charge over your property. The property must be within the Republic of Ireland.

Foreign currency mortgage loans

The currency of your loan and repayments will be euro. If the currency of some or all of the income or assets you intend to use to repay the mortgage loan is not euro, and/or you live in a European Economic Area (EEA) state that is not in the euro zone, the mortgage loan is a foreign currency loan.

You should be aware that fluctuations in the relevant currency exchange rates may affect the value of your outstanding mortgage balance and/or your repayment.

This could mean that you may find it difficult to afford your mortgage repayments.

Our mortgage interest rate options

Your EBS Mortgage Coordinator can tell you exactly what our current interest rates are and how they translate into monthly repayments. Here is a brief description of the types of interest rates available:

(i) Variable interest rate

- A variable interest rate can go up and/or down resulting in your monthly repayments rising and/or falling over the life of your mortgage loan.
- A variable interest rate gives you more flexibility. You can make extra mortgage repayments or clear your mortgage earlier than agreed without having to pay any penalties.
- You may have the option of switching to a fixed interest rate (if offered by us at that time).
- Our Loan to Value (LTV) variable rate is available to owner occupier mortgage loans. We have a range of LTV variable rates depending on the amount you are borrowing relative to the value of your home.
- As your loan to value may decrease over the term of your mortgage, you may be able to move between LTV rate bands.
- LTV rates are not available to owner occupier customers at the drawdown of a new top up loan.

(ii) Fixed interest rate

- While on a fixed interest rate, the interest rate and mortgage repayment remains the same for the agreed fixed interest rate period (typically 1 to 5 years). During this time the interest rate will not change. This gives you budget certainty.
- An early breakage charge is payable in the following cases where the fixed interest rate period has not expired:
 - a) if a capital payment or full repayment is made to the Loan, or
 - b) if the Loan is converted to a variable interest rate, or
 - c) if the Loan is converted to another fixed interest rate.
- The formula to calculate the early breakage charge is: amount (A) x remaining term in days divided by 365 (U) x difference in cost of funds (D%)

Definition of terms used in this formula:

(A) amount – The amount being repaid early or the amount being converted to a variable rate or another fixed rate period.

original cost of funds – The cost of funds for EBS d.a.c. for the fixed rate period at the time the fixed rate period commenced.

cost of funds for the fixed rate period remaining – The cost of funds used will be as of 5pm the day previous to the request to calculate the early breakage charge.

(U) remaining term in days – Remaining number of days left before the fixed rate is due to expire.

(D) difference in cost of funds – The difference between the original cost of funds and the cost of funds for the fixed rate period remaining.

Worked Example:

Assume a 5 year fixed rate loan. Full repayment of €100,000 after 3 years (A); remaining term 2 (U); difference in cost of funds 2% (D). The early breakage charge would be as follows: (A) 100,000 * (U) 2 * (D) 2% = €4,000.

- At the end of a fixed interest rate period, the interest rate on your loan will default to the standard variable interest rate then offered by EBS at that time unless you choose an alternative interest rate, if on offer by EBS to you at that time. Our standard variable interest rate is a variable interest rate. If the interest rate on your loan defaults or otherwise converts to a variable interest rate then offered by EBS, your interest rate and the amount of your installments could increase or decrease during the term of your loan and your interest rate could be higher than the fixed interest rate that applied during any fixed interest rate period.

(iii) Split interest rate

You may choose to have a portion of your mortgage loan on a fixed interest rate and the other portion on a variable interest rate. This will enable you to benefit from the advantages of each interest rate in whatever proportions you choose.

(iv) Tracker interest rate retention (only available to existing EBS Tracker Mortgage customers):

- Tracker retention allows you to retain your existing tracker interest rate (plus an additional 1% margin) on a new mortgage loan.
 - If you are eligible for our tracker interest rate retention product, the tracker interest rate will be made up of two parts:
 - (a) the European Central Bank's main refinancing operations minimum bid rate (the "ECB rate") which is variable; and
 - (b) the margin/adjustment above the ECB rate, this will stay static throughout the life of the loan.
 - You can make extra mortgage repayments or clear your mortgage earlier than agreed without having to pay any penalties.
 - If you move from a tracker interest rate to an alternative interest rate, such as a fixed interest rate, you cannot go back onto a tracker interest rate in the future.
- (v)** You or your legal representative can ask us to give you an idea of how your current or existing mortgage interest rate compares to any other rate we may offer at that time.

Please note that due to the changeability of variable and tracker rates, it is not possible to determine at loan offer stage whether a fixed, variable or tracker rate will have the lowest repayment amount over the course of the loan.

Flexible features

You can speak to us about the following flexible repayment options that may be available to you:

- Term extension - You may be able to increase the term of your mortgage loan once affordability criteria has been met.
- Interest Only – You may be able to apply for interest only repayments for a specified duration during the term of your mortgage loan.

These options are subject to you meeting the eligibility criteria and terms and conditions and, if granted, may affect the repayment amount and/or the term of the mortgage loan.

Fees and charges

You will have some expenses to pay in connection with the mortgage loan. Here are some examples of the expenses that may be payable:

(i) Valuation Report

A valuation of the property must be carried out by a valuer on our panel of valuers prior to loan approval. This valuation will cost you €150 which will be refunded to you if your loan application is unsuccessful.

If the valuation of the property is undertaken more than four months before the requested date of drawdown, a re-valuation will be required which will cost you €65. If the conditions of your loan require a final valuation following completion of the building of the property, renovations or repairs to it, this will cost you €65.

(ii) Your own advisors' fees

You will pay any fees, charges and expenses that you are charged by any of your own advisors in connection with the mortgage loan.

(iii) Stamp Duty

Stamp duty is payable on your new home. Your solicitor will work out how much stamp duty you owe.

(iv) Our solicitors' fees

If the security includes a new mortgage over property that is not your private dwelling place or holiday home, you will have to pay our solicitors' fees in connection with the mortgage loan.

(v) Insurance

• For your property

For your own protection as well as ours, it will be a condition in your letter of offer that your property is adequately insured, at your own cost, for the full re-instatement value (i.e. rebuilding costs) specified in your valuation report (you can seek this insurance through us or from other sources). EBS Home Insurance is brought to you by EBS d.a.c. and is solely underwritten by Allianz p.l.c.

• Life assurance

If you or your dependants intend to use the property as a principal place of residence, you must show evidence of mortgage protection insurance, unless you are exempt under the Consumer Credit Act 1995. These policies are designed to pay off your mortgage in full if you or your co-borrower die unexpectedly. The correct type of life assurance will depend on the amount, term and type of borrowing (you can seek this insurance through us or from other sources).

Life Term Cover is provided by Irish Life Assurance plc. EBS d.a.c. is a tied insurance agent of Irish Life Assurance plc for life insurance products.

Paying the mortgage loan

Your letter of loan offer will detail the number, frequency and amount of your mortgage repayments.

If you choose a variable interest rate, there is no guarantee that repaying the monthly repayments detailed in the credit agreement will be sufficient to pay the full amount (including interest) that you owe us under the credit agreement. This is because the detailed monthly repayments are only correct as of the date of the

credit agreement and variable interest rates can go up resulting in your monthly repayments rising over the life of your mortgage loan. However, variable interest rates may also go down resulting in your monthly repayments falling over the life of your mortgage loan.

If you cancel or make a claim for reimbursement of a direct debit repaying your mortgage account, and fail to make alternative arrangements for payment, your account will go into arrears.

If you do not repay the mortgage loan when due then you will be in breach of the terms and conditions of your mortgage and EBS will take the appropriate steps to recover the amount due. This could mean that EBS will commence legal proceedings seeking an order for possession against you, which will put your home at risk and affect your credit rating, and limit your ability to access credit in the future. All of your obligations in connection with the mortgage loan will be detailed in your credit agreement.

Can I make additional payments and/or repay my mortgage loan early?

If your loan is on a variable rate, you may repay the mortgage loan, in part or in full, at any time without incurring any additional charges payable to EBS.

A fixed rate mortgage loan may be repaid in full, or in part, subject to an early breakage charge. The formula to calculate the early breakage charge is detailed above.

What is the total amount I will have to pay?

The following examples may give you an indication of the total amount payable at the end of a typical mortgage.

Tracker Interest Rate Retention Mortgage

A typical €100,000, 20 year mortgage for an Owner Occupier Residential Property with interest rate of 2.1% (ECB rate currently 0.00% + margin 1.1% + additional margin 1%) and APR 2.2%, will have 240 monthly repayments of €510.63. If the interest rate does not vary during the term of the mortgage, the total cost of credit i.e. the total amount repayable less the amount of the loan would be €22,766.90 (inclusive of valuation report fees of €215). The total amount repayable would be €122,766.90. The effect of a 1% increase in the ECB interest rate for such a mortgage will add €48.99 to the monthly repayments.

Variable Rate Mortgage

A typical €100,000, 20 year mortgage for an Owner Occupier Residential Property with LTV greater than 80% will have a variable interest rate of 3.7% and APR 3.8%, and 240 monthly repayments of €590.29. If the APR does not vary during the term of the mortgage, the total cost of credit i.e. the total amount repayable less the amount of the loan would be €41,884.48 (inclusive of valuation report fees of €215). The total amount repayable would be €141,884.48. The effect of a 1% increase in interest rates for such a mortgage will add €53.21 to the monthly repayments.

Mortgage Switching or Changing Mortgage Type

Additional information relating to switching lender

(<https://www.cpc.ie/consumers/money/mortgages/switching-lenders-or-mortgage/>) or changing mortgage type (<https://www.cpc.ie/consumers/money/mortgages/changing-your-mortgage/>) can be found on the www.cpc.ie website.

WOULD YOU LIKE TO KNOW MORE?



EBS Mortgage Advisors are available at every EBS office to discuss your options and guide you through the process.

For more information about EBS Tracker Retention drop by your local EBS or phone us on 1850 654 321.

TRACKER INTEREST RATE RETENTION APPLICATION FORM

If you wish to apply for Tracker Interest Rate Retention as detailed in the attached Brochure, please complete this application form and return it to your local EBS office.

TRACKER INTEREST RATE RETENTION APPLICATION FORM

For office use only

Manager Name: _____

Manager Signature: _____

Office: _____

TRACKER INTEREST RATE RETENTION APPLICATION FOR HOME MOVERS

If you wish to apply for Tracker Interest Rate Retention as detailed in the attached EBS Tracker Interest Rate Retention Brochure, please complete this application form and return it to your EBS office, together with a completed Mortgage Application Form.

1ST APPLICANT

2ND APPLICANT (IF ANY)

First Name:

Surname:

Mortgage Loan Account Number:

Declaration Section:

- I/We, confirm that I/we have read and understand the contents of the attached brochure, particularly the key features and restrictions and wish to apply for Tracker Interest Rate Retention.
- I/We agree and understand that this application is subject to eligibility criteria and terms and conditions.

- I/we agree and understand that if at any time in the future I/we ask to switch from the Tracker Interest Rate on this mortgage account to any fixed interest rate or variable interest rate offered by the Bank at that time, I/we will not, under any circumstances, be subsequently permitted to revert to the Tracker Interest Rate.
- I/We confirm that I/we have received a copy of the terms of business for EBS d.a.c..
- I agree and understand that if I have a co-borrower on my existing mortgage and I have applied for Tracker Retention separately from them in respect of the entire amount of our existing mortgage that EBS will need to contact them for their waiver. I consent to EBS contacting my co-borrower and informing them of my application when seeking this waiver.

1ST APPLICANT

Borrower Name (Print Name):

Signature
of Borrower:

Date:

2ND APPLICANT (IF ANY)

Borrower Name (Print Name):

Signature
of Borrower:

Date:

WARNING: IF YOU SWITCH TO AN ALTERNATIVE INTEREST RATE, YOU WILL NOT BE CONTRACTUALLY ENTITLED TO GO BACK ONTO A TRACKER INTEREST RATE IN THE FUTURE.

