

# Home 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: 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. EBS d.a.c. is an authorised agent and servicer of EBS Mortgage Finance (a wholly-owned subsidiary of EBS d.a.c.).

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

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

## Purpose of the mortgage loan

A mortgage loan from us enables you to purchase a residential property or to secure your borrowing against a residential property. Our mortgage products are for owner occupiers.

## 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.

- Maximum loan to value of owner occupier residential properties - 90% of the purchase price or valuation, whichever is lower, and 80% loan to value on one bed properties.

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

We offer mortgage durations of up to 35 years, subject to your age at the time of application.

## 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 redemption 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 redemption 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 term.

**original cost of funds** - The cost of funds for EBS for the fixed rate period at the time the fixed rate period commenced.

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

**(U) remaining term in days** - Remaining number of days left before the fixed rate is due to expire, divided by 365.

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

Worked Example:

Assume a 5 year fixed rate loan. Full repayment €100,000 after 3 years (A); remaining term 2 (U); difference in cost of funds 2% (D). The early redemption 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 instalments 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.

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

**(iv)** 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.

## 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 advisers 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 example may give you an indication of the total amount payable at the end of a typical mortgage.

#### **Owner Occupier Property**

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 €148,884.48. The effect of a 1% increase in interest rates for such a mortgage will add €53.21 to the monthly repayments.

**Additional information relating to switching lender or changing mortgage type can be found on the [www.ccpc.ie](http://www.ccpc.ie) website.**