



25<sup>th</sup> September 2012

## **EBS introduces a Negative Equity Trade Up Mortgage**

**September 25, 2012:** EBS today announced details of a negative equity trade up mortgage for its customers who are in negative equity in their current home, but wish to move to a property of greater value. The product has been introduced in response to requests from an increasing number of EBS customers who are looking for a solution to help facilitate a move of this nature. There are increasing numbers of people whose current home no longer caters for their needs and are in a position to be able to afford a higher mortgage.

Commenting on the launch of the new product, Head of Mortgages at EBS, Owen Purcell said. "Many customers who bought their homes in the boom years are now in negative equity. A proportion of these customers find they are in a position where they require a bigger home and can afford to service a larger loan. The product we are launching today is designed to meet the needs of this group of customers, enabling them to sell their current home and purchase a new property that is more appropriate for their current needs."

The EBS Negative Equity Trade Up mortgage will enable customers who are in negative equity to sell their existing home and transfer whatever debt is left from their previous mortgage onto a new loan for a new property of greater value. The application process will involve assessing a customer's ability to afford to repay a higher mortgage which will cover the negative equity on the previous mortgage as well as the new mortgage on a new home.

Typical customers who have requested a mortgage solution of this kind includes those who have a growing family and now need a larger home or those who wish to relocate for either personal or professional reasons.

In order to qualify for this new product, customers must be able to demonstrate that they can afford the new larger mortgage and that they are not experiencing any financial difficulty.

The new EBS product will be available through EBS offices.

AIB is also launching this Negative Equity Trade Up product. AIB customers can apply for this mortgage through their local AIB branch.

### **Product details**

- Owner occupier only.
- For the portion of the overall loan used to buy the new property, standard residential new home Loan to Values will apply. Up to 92% Loan to Value (LTV) finance available towards the purchase of the new property.
- Maximum LTV of 175% on the total new loan, i.e. including the negative equity element.
- Standard new business rates apply.
- The maximum total mortgage loan amount including the transferred negative equity debt is €700,000

