

## Guide to Dealing with the repayment of a Lifetime Loan

### Our commitment to our borrowers

Your Seniors Money Lifetime Loan is designed to last until such time as you sell your home, die or permanently cease to reside in your property. The repayment of your Lifetime Loan is therefore most likely to be repaid by your heirs or personal representatives. In many cases this will be through the sale of your property. Your Lifetime Loan agreement allows for a 12 month period following your death or your permanently ceasing to reside in the property for such a sale to take place and repayment to be made.

Seniors Money recognises that in some cases the 12 month repayment period may be insufficient for you, your heirs or personal representatives to deal with the repayment of the Lifetime Loan. Therefore we are committed to considering the extension of this period for a further period of up to 12 months.

We are committed to providing a flexible, open and transparent approach to dealing with the repayment of your Lifetime Loan.

### What you or your personal representatives should do:

- Contact us before your home is sold or if you are planning on selling your home.
- Contact us as soon as possible after the death of the last nominated resident or after the last nominated resident ceases to reside in the property.
- Respond promptly to any correspondence from us. You should not ignore such correspondence.
- Contact us as soon as possible to agree a repayment plan if you experience any difficulty in repaying the loan.

### General terms on the repayment of a Lifetime Loan

A Seniors Money Lifetime Loan must be repaid :

- When the mortgaged property is sold; or
- Following the making of a demand for repayment by Seniors Money.

Seniors Money can only make a demand for repayment if:

- 12 months have elapsed since the death of the last nominated resident (see note 1);
- The last nominated resident has ceased to reside in the property on a permanent basis meaning the absence for 12 months from the property (see note 1);
- There is a default (see note 2)

Note 1: Seniors Money may consent to an extension of the initial 12 month period for a further period of up to 12 months.

Note 2: A Lifetime Loan is in default if any one of the following occurs:

- The borrower does not pay Seniors Money an amount when it is due and payable;
- The borrower does something material that they have agreed not to do;
- The borrower does not do something material that they have agreed to do;
- The borrower provides Seniors Money with incorrect or misleading information; or
- The borrower acts fraudulently.

If the borrower is in default, Seniors Money can give notice of the default and time to remedy the default failing which Seniors Money can demand repayment of the Lifetime Loan.

## Seniors Money's Mortgage Arrears Resolution Process

The Central Bank of Ireland has issued a Code of Conduct in respect of mortgage arrears, which outlines the processes by which lenders must treat borrowers in arrears or facing arrears. In compliance with this Code, Seniors Money has prepared a Mortgage Arrears Resolution Process (MARP). This is a 5-step process for dealing with the repayment of Lifetime Loans in arrears and cases where borrowers are concerned about going into arrears on Lifetime Loans. It is presented below and a pdf version is available [here](#).

Due to the nature of a Lifetime Loan the MARP process does not apply to all loans which have become repayable yet remain unpaid:

### ***Cases falling within the 5-step MARP process:***

Lifetime Loans that become repayable due to the last nominated resident permanently ceasing to reside in the property and which are not repaid following a demand for repayment from Seniors Money are deemed to be in arrears. The 5-step Mortgage Arrears Resolution Process set out below applies to such cases.

The MARP process also applies cases where the borrower has sold the property without repaying the Lifetime Loan and in cases involving an unremedied default.

***Cases not falling within the 5-step MARP process:***

Lifetime Loans which become repayable due to the death of the last nominated resident and which are not repaid following a demand for repayment from Seniors Money are not considered by Seniors Money as falling within the definition of arrears cases for the purposes of the Central Bank of Ireland's Code of Conduct. The 5-step Mortgage Arrears Resolution Process set out below does not apply to such cases. However such loans must of course be repaid and your personal representatives must contact us as soon as possible after the death has occurred to discuss repayment arrangements. Seniors Money will work with the personal representatives of the borrower(s) estate to ensure repayment of the Lifetime Loan under the terms of the Lifetime Loan agreement. For example, during the period leading up to the loan repayment date we will contact your personal representatives periodically to inquire as to the likely repayment of the Lifetime Loan. In addition, your personal representatives can request an extension of the repayment period by a period of up to a further 12 months. We commit to reasonably consider requests for such an extension.

**Five step approach to dealing with the repayment of Lifetime Loans which are in arrears**

**Step 1: Communication**

You or your nominated representative must contact us as soon as possible after the last surviving nominated resident permanently ceases to reside in the property, or following the sale of the property or an unremedied default, to discuss repayment arrangements.

For this purpose Seniors Money can be contacted through its dedicated Arrears Support Unit as follows:

**Arrears Support Unit**  
**Seniors Money Mortgages (Ireland) Limited**  
38 Pembroke Road,  
Ballsbridge, Dublin 4  
Telephone: 01 261 5400  
Fax: 01 261 5449  
e-mail: [arrears@seniorsmoney.ie](mailto:arrears@seniorsmoney.ie)

Following your contacting us, we will write to you or a third party representative nominated by you to confirm the current amount of your Lifetime Loan and the loan repayment date. If there is a sale of the property, the date of completion of the sale will be the loan repayment date.

#### Communication prior to the loan repayment date.

During the period leading up to the loan repayment date we will contact you or your nominated representative periodically to inquire as to the likely repayment of the Lifetime Loan. In addition, you or your nominated representative can request an extension of the repayment period by a period of up to a further 12 months. We commit to reasonably consider requests for such an extension.

#### Communication after the loan repayment date

Except in the case of a sale of the property, following the loan repayment date we will write to you or your nominated representative and make a demand for repayment and notify you that the Lifetime Loan will be in arrears if you fail to repay by the specified date. If there is a sale of the property, repayment of the Lifetime Loan will automatically be due on completion of the sale.

If the arrears remain outstanding for 31 days, we will write to you to provide details of your arrears together with a copy of this Mortgage Arrears Resolution Process and request that you co-operate in the repayment of the Lifetime Loan.

If your arrears continue after this date, we will write to you or your nominated representative every three months to update you on your arrears and, if you do not co-operate in the repayment of the Lifetime Loan, we will write to you to inform you of the potential for legal repossession proceedings against you.

#### Independent Advice

If your Lifetime Loan goes into arrears or you are concerned that it may go into arrears, the Money Advice and Budgeting Service (MABS - [www.mabs.ie](http://www.mabs.ie)) can be a helpful source of independent financial advice.

The following steps outline how borrowers in arrears can co-operate in the repayment of Lifetime Loans.

#### **Step2: Financial Information**

In the event that your Lifetime Loan goes into arrears or if you are concerned that your Lifetime Loan may go into arrears, we will ask you to complete a Standard Financial Statement and return it to us. We are required to request this information under the Central Bank of Ireland's Code of Conduct on Mortgage Arrears and use it in the resolution of your Lifetime Loan. We may ask you for additional supporting information in this regard.

### **Step 3: Assessment of your financial situation**

We will use the financial information you provide to us to assess your particular situation and to identify an approach to dealing with the repayment of your Lifetime Loan. In doing so, we are required under the Central Bank of Ireland's Code of Conduct on Mortgage Arrears to give careful consideration to:

- your personal circumstances
- your overall personal debt
- the information you have provided in your Standard Financial Statement
- your current ability to make repayments
- your previous repayment history
- any other information deemed relevant.

In addition, we will give consideration to the current loan to value ratio of your property and confirmation that the property is adequately maintained and insured.

### **Step 4: Agree a resolution**

We are required under the Central Bank of Ireland's Code of Conduct on Mortgage Arrears to consider a number of approaches, depending on your individual circumstances – for example this could include:

- An interest-only arrangement for a specified period
- An arrangement to pay interest and part of the normal capital element for a specified period
- Deferring payment of all or part of the instalment repayment for a period
- Extending the term of the mortgage
- Changing the type of the mortgage, except in the case of a tracker mortgage
- Capitalising the arrears and interest

Please note that the Lifetime Loan already includes a very flexible approach in respect of interest and deferral of principal repayments. Therefore many of the standard mortgage resolution alternatives required by the Central Bank of Ireland are already incorporated in a Lifetime Loan. In addition, please note that Seniors Money does not offer any 'standard' repayment mortgage loan products.

Where Seniors Money agrees to an alternative repayment arrangement with the borrower, this will be set out in writing with a clear explanation of all of the terms and conditions. We will monitor compliance with any such alternative repayment arrangement and review it formally with you every 6 months.

Where Seniors Money does not offer an alternative repayment arrangement we will convey this in writing to you and provide our reasons.

As directed by the Central Bank of Ireland, we may not require a borrower to change from an existing tracker mortgage to another mortgage type. As we do not offer a tracker mortgage product, this restriction will not affect our customers.

#### **Step 5: Appealing a decision**

If you are unhappy with our compliance with the Code of Conduct on Mortgage Arrears or our treatment of your mortgage repayment arrangement under this Resolution Process, or a decision made at any stage of this Resolution Process, you may submit an appeal in writing. This appeal must be made by writing to the dedicated Seniors Money Appeals Board within 21 business days of receipt by you of notification of our decision at the following address:

**The Chairman**  
**Mortgage Resolution Appeals Board**  
Seniors Money Mortgages (Ireland) Limited  
38 Pembroke Raod,  
Ballsbridge, Dublin 4.

If you are unhappy with the decision of the Appeals Board you have the right to contact the Financial Services Ombudsman at:

**Financial Services Ombudsman**  
3rd Floor, Lincoln House,  
Lincoln Place,  
Dublin 2  
LoCall 1890 88 20 90  
[www.financialombudsman.ie](http://www.financialombudsman.ie)

Full details of the Code of Conduct on Mortgage Arrears can be found on the Central Bank of Ireland's website at [www.centralbank.ie](http://www.centralbank.ie)

## **Charges if you do not co-operate with Seniors Money in the repayment of your Lifetime Loan**

The Seniors Money Lifetime Loan is a variable rate mortgage which will increase or decrease in line with prevailing short term interest rates. This is the Seniors Money standard variable rate as published on our website.

As stated, the Lifetime Loan becomes repayable, on the sale of your property, 12 months after you die, following an unremedied default or once you cease to permanently reside in the property. With Seniors Money's agreement you may extend the period for repayment by an additional 12 month period. If the loan is repaid within this period then no additional interest cost or charges will apply.

In the event that the Lifetime Loan is not repaid within this period and Seniors Money makes a demand for repayment you or your estate may be liable for additional default interest if you or your personal representatives do not co-operate with us in the repayment of the Lifetime Loan. The additional default interest is 2% over and above the Seniors Money standard variable rate. You may be liable for our legal costs also in the event that you or your personal representatives do not co-operate with us.

## **Other useful contact points**

If you are concerned about your capacity to repay your Lifetime Loan, the organisations listed below can provide you with information on potential support, financial advice and assistance.

### **Money Advice and Budgeting Service (MABS)**

MABS is a free confidential and independent service for people in financial difficulty.

Telephone 1890 283 438

[www.keepingyourhome.ie](http://www.keepingyourhome.ie)

[www.mabs.ie](http://www.mabs.ie)

### **Central Bank of Ireland**

The Central Bank's website provides independent information on financial products and includes the Code of Conduct on Mortgage Arrears.

Telephone 1890 777 777

[www.itsyourmoney.ie](http://www.itsyourmoney.ie)

[www.centralbank.ie](http://www.centralbank.ie)

### **Citizens Information**

The Citizens Information Board is the statutory body which supports the provision of information, advice and advocacy on a broad range of public and social services including health, employment, social welfare and money.

[www.citizensinformationboard.ie](http://www.citizensinformationboard.ie)

**Dept of Social Protection**

This website provides information relating to job seekers allowance, mortgage interest supplement and other welfare benefits you may be eligible for.

[www.welfare.ie](http://www.welfare.ie)

**Office of the Revenue Commissioners**

This website will provide you with information on mortgage interest relief and tax credits and benefits you may be entitled to.

[www.revenue.ie](http://www.revenue.ie)

**Financial Services Ombudsman**

3rd Floor, Lincoln House,

Lincoln Place,

Dublin 2

LoCall 1890 88 20 90

[www.financialombudsman.ie](http://www.financialombudsman.ie)