

# **Mortgage Arrears Resolution Process Guide**

**A practical guide to  
dealing with mortgage  
repayment difficulties**



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## **What is the Mortgage Arrears Resolution Process?**

The Central Bank of Ireland's Code of Conduct on Mortgage Arrears (CCMA) sets out a framework that all Lenders must use when dealing with Customers in Mortgage Arrears or Pre-Arrears. Avant Money is fully committed to working with customers in a sympathetic, positive and supportive manner.

To implement this framework, Avant Money has introduced the four-step Mortgage Arrears Resolution Process, known as MARP. This process aims to work with customers to find a resolution when they are in mortgage arrears or where they are at risk of going into arrears

The protections available in the MARP apply to your "primary residence", this is either a residential property which you occupy as your family home, or it is your only residential property in the State that you may not be living in currently.

If you would like to know more about MARP or would like to start the process, we have put in place a number of support services to provide you with help and advice or you can contact our dedicated Arrears Team on the telephone number listed on the next page, under Step 1.

## The Mortgage Arrears Resolution Process “MARP” has 4 steps

### Step 1: Communication

Whether you are having trouble meeting mortgage repayments now or are worried that you may have trouble in the future, it is important that you contact us as early as possible, so we can work together to find a resolution for your mortgage difficulties.

It is important that you do not ignore financial difficulty. Our dedicated Arrears Team will be happy to support you and together we can try to find a way to get you back on track with your mortgage.

Please remember, throughout this process, to stay in contact with us, to keep all lines of communication open, ensure all your contact details are correct and respond as quickly as you can to any of our letters and phone calls you received from Avant Money. This will help us to identify a possible solution for you in a timely manner.



**Click on:**

Our website contains a dedicated section [www.avantmoney.ie/mortgages/MARP](http://www.avantmoney.ie/mortgages/MARP)



**Call our dedicated Arrears Team on:**

0818 274 089 09:00 to 17:30 Monday to Friday (excluding bank holidays).

**Step 2: Financial information**

The next step you will need to take is to complete a Standard Financial Statement (SFS). In this document you need to provide details of your financial circumstances, including borrowings, income and expenditure.

This form is available to download at [www.avantmoney.ie/mortgages/MARP](http://www.avantmoney.ie/mortgages/MARP) or you can call our dedicated Arrears Team on 0818 274 089 and we will send you the SFS.

Please take your time to complete the SFS as accurately as possible and make sure that it is completed correctly. If you are having difficulties completing the SFS or it seems a bit overwhelming, you can contact us for help, our team will assist you.

When you have fully completed and signed the form, please return it to the Arrears Support Unit, Avant Money, PO Box 13192, Maynooth, Co. Kildare, W23F854. As well as the completed and signed SFS, please include supporting documents requested in Appendix 2 in the SFS.

Once we have received your completed SFS, we will contact you to discuss your situation.

**Independent Advice on completing your SFS**

You may like to get independent advice when completing the SFS, such as from your local Money Advice and Budgeting Service (MABS).

**Phone**

0818 07 2000 (Monday to Friday 9am to 8pm) or

**Click on**

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

**Central Bank Guide to Completion of the Standard Financial Statement**

You may also like to consult the Central Bank of Ireland's guide to Completion of the Standard Financial Statement.

**Click on**

[www.centralbank.ie/docs/default-source/Regulation/consumer-protection/other-codes-of-conduct/35-gns-4-2-7-mortgage-arrears---sfs.pdf](http://www.centralbank.ie/docs/default-source/Regulation/consumer-protection/other-codes-of-conduct/35-gns-4-2-7-mortgage-arrears---sfs.pdf).)

### Step 3: Assessment of your circumstance

Once we receive your completed SFS, we will contact you to discuss the details and ensure that we have everything we need. Our dedicated Arrears Team will assess your financial situation and will decide on an appropriate resolution option for your mortgage.

We assess each case on its own merits. In making our assessment, we will consider the following factors:

- Your personal circumstances including income, expenditure etc;
- Your overall debt levels;
- Your current ability to make repayments;
- Your previous repayment history;
- Any other relevant details provided in the SFS; and/or
- Avant Money's assessment criteria.

When our Arrears Team has completed its assessment of your individual circumstances, we will contact you to discuss next steps.

### Step 4: Finding a resolution that is appropriate to your circumstances

We have a number of arrangements that may be available to you, depending on the outcome of our assessment in Step 3. These fall into three general categories:

<b>1. Short Term Measures</b>	These will allow you a period of time, within 12 months, to adjust your expenditure or address your unsecured debt or deal with an unexpected cost event and enable you to return to full capital and interest repayments.
<b>2. Long Term Measures</b>	These will allow you a period of time, longer than 12 months, to restructure your finances or address your unsecured debt or deal with an unexpected cost event and enable you to return to full capital and interest repayments.
<b>3. Alternative Arrangements</b>	In some circumstances it may not be possible to offer a short or long-term repayment arrangement. In these circumstances there are other alternative arrangements, which may require you to sell your property.

If, we offer you a short-or long term Alternative Repayment Arrangement (ARA):

- We will send you a Letter of Variation (LOV) notifying you of the details of the arrangement
- Please read the LOV carefully and make sure you (and all parties to the mortgage loan) are satisfied with the terms of the Offer. You may like to seek appropriate advice from a legal and/or financial advisor, when considering the Offer.
- If you are accepting the Offer, all parties to the loan must sign the LOV return it to us. We will then implement your ARA.

If we do not offer an ARA and recommend an Alternative Arrangement, you will be contacted directly by a member of our Arrears team to walk through this in detail.

## 1. Short Term Measures:

These measures will allow you a period of up to 12 months to address your financial difficulties and return to full mortgage repayments. You will need to demonstrate that you can afford the amended repayment.

<p><b>Interest Only Repayments for a specified period of time:</b> You pay only the interest on the mortgage for an agreed period. At the end of this agreed period, the mortgage repayments are recalculated.</p>	
<p><b>Advantage:</b> Your mortgage payments are temporarily reduced for the period of the arrangement to allow you to stabilise your financial position.</p>	<p><b>Disadvantage:</b> As you have not made any capital repayments during the term of the arrangement your repayments could increase where the remaining term of your loan remains unchanged.</p>
<p><b>Reduced Repayments for a specified period of time:</b> You pay more than the interest only but less than your normal repayment for an agreed period. At the end of this agreed period, the mortgage repayments are recalculated.</p>	
<p><b>Advantage:</b> Your mortgage payments are temporarily reduced for the period of the arrangement to allow you to stabilise your financial position.</p>	<p><b>Disadvantage:</b> As you have not made all of your capital repayments during the term of the arrangement your repayments could increase where the remaining term of your loan remains unchanged.</p>
<p><b>Payment Moratorium:</b> You stop paying all or part of your mortgage payment for a specified period of time (i.e. all or part of the interest and capital). It is expected that full repayment would recommence following this period and your mortgage repayments will be recalculated.</p>	
<p><b>Advantage:</b> Your mortgage payments are temporarily reduced for the period of the arrangement to allow you to deal with your financial difficulties.</p>	<p><b>Disadvantage:</b> As you have not made any repayments during the term of the arrangement your repayments could increase where the remaining term of your loan remains unchanged.</p>
<p><b>Arrears Capitalisation:</b> Some, or all, of your arrears are added to the remaining mortgage balance and are repaid over the life of the mortgage. This can be used individually or in conjunction with other arrangements.</p>	
<p><b>Advantage:</b> You will no longer have outstanding arrears on your mortgage.</p>	<p><b>Disadvantage:</b> As arrears have been capitalised over the term of your mortgage, your repayments could increase where the remaining term of your loan remains unchanged.</p>

## 2. Long Term Measures:

These measures will allow you a period longer than 12 months to address your financial difficulties and return to full mortgage repayments. You will need to demonstrate that you can afford the amended repayment.

<p><b>Term Extension:</b> This extends the length of your mortgage and decreases your monthly repayment amount. This may result in you paying more interest over the life of the mortgage. This can be used individually or in conjunction with other arrangements.</p>	
<p><b>Advantage:</b> The reduced repayment amounts are affordable based on your current financial circumstances.</p>	<p><b>Disadvantage:</b> As you have extended the term on your mortgage agreement you will be liable for making repayments over a longer period of time.</p>
<p><b>Part Capital and Interest:</b> Allows you to pay the full interest on your mortgage as well as make part repayments towards your mortgage balance for the remaining term of the mortgage. This is reviewed on a regular basis and if your financial circumstances improve, your repayments will be increased in line with your affordability. At the end of the mortgage term, any outstanding mortgage balance will be due.</p>	
<p><b>Advantage:</b> Temporarily reduces your overall mortgage repayments for the period of the arrangement.</p>	<p><b>Disadvantage:</b> As you have made reduced capital repayments during the term of the arrangement, you will have a balance owing on your mortgage at the end of the term unless you are able to move to increased repayments.</p>
<p><b>Reducing the interest rate:</b> Allows the interest rate to be reduced over a fixed time period of up to 6 years. At the end of this period, interest rate returns to prevailing rate as per original terms and conditions and full payments resume. This is used in limited circumstances only.</p>	
<p><b>Advantage:</b> This accelerates the amount of capital you repay over the period of the arrangement, meaning you will reduce the mortgage balance more quickly, to a level where future capital and interest repayments are affordable.</p>	<p><b>Disadvantage:</b> As your interest rate is reduced during the term of the arrangement, your monthly repayments on the remaining term of the mortgage may increase.</p>

Please note that each of the short and long term measures have qualifying criteria and each case is assessed on its own individual merits.

### 3. Alternative Arrangements

Where we are unable to offer a short term or long term measure as outlined above, Avant Money may offer you an Alternative Arrangement option listed below.

<p><b>Trade Down Mortgage:</b> You trade down to a lower value property and the residual proceeds from the sale reduces the remaining mortgage balance to a sustainable level.</p>	
<p><b>Advantages:</b> The funds from the sale of your existing property are used to pay off any arrears and reduce the remaining mortgage balance. Your new mortgage will be for the cost of your new property and any shortfall from the sale of your existing property. The benefit for you is that the mortgage for your new property is at a reduced level that matches your affordability.</p>	<p><b>Disadvantage:</b> You will need to move out of your present home to a property that is more appropriate to your current financial circumstances.</p>
<p><b>Voluntary Sale:</b> You sell your property within an agreed timeframe and use the proceeds to reduce your mortgage balance. This may result in a shortfall and we will work with you to negotiate a repayment plan.</p>	
<p><b>Advantage:</b> When the property is sold, the proceeds from the sale are used to pay off your arrears and reduce the remaining mortgage balance.</p>	<p><b>Disadvantage:</b> If the property is sold for less than the balance outstanding on your mortgage, you will remain liable for any outstanding mortgage balance which will be repaid by you over an agreed period. We will work with you to agree an affordable repayment schedule on your outstanding mortgage balance.</p>
<p><b>Voluntary Surrender:</b> This is offered in limited circumstances only, to avoid repossession. In this case, you vacate the premises, remove your possessions and return the keys to Avant Money.</p>	
<p><b>Advantage:</b> When the property is sold, the proceeds from the sale are used to pay off your arrears and reduce the remaining mortgage balance</p>	<p><b>Disadvantage:</b> If the property is sold for less than the balance outstanding on your mortgage, you will remain liable for any outstanding mortgage balance which will be repaid by you over an agreed period. Costs incurred during this process will be deducted from the sale proceeds. We will work with you to agree an affordable repayment schedule on your outstanding mortgage balance.</p>



Each of the above Alternative Arrangements has its own qualifying criteria and are subject to individual assessment based on the relevant information.

**On-going monitoring:**

Where you have been granted a short term or long term ARA measure or we offer you an Alternative Arrangement, we will continue to work with you to confirm it continues to be appropriate. This may require on-going information on your financial circumstances, so we ask that you keep all lines of communication open and ensure all your contact details are correct.

## Frequently asked questions

### **How Avant Money will communicate with you?**

Please contact our dedicated Arrears Team on 0818 274 089 if you need any further explanation or guidance on the MARP.

Avant Money will work with you and all our customers in financial difficulties to find sustainable solutions to mortgage repayment difficulties, where possible. We will ensure that our communications are clear, accurate and easy to understand. Our communications will always be proportionate, not excessive and will take into account your specific circumstances.

We will communicate with you only when we need to or where we have agreed future communications with you.

We will ensure that when we have asked you to do something, we will give you sufficient time to complete this before contacting you again.

### **What is a Not Co-Operating Borrower?**

It is essential that you co-operate with Avant Money in relation to your financial difficulties. If you do not remain in meaningful and regular contact with us, you may be classified as a “not co-operating borrower”. This is not the option that we want for any of our customers.

### **What are the consequences of being classified as a Not Co-Operating Borrower?**

If you are classified as a not co-operating borrower:

- You will lose the protections given by the MARP
- Legal action may be taken immediately. Where legal proceedings are initiated, you will be responsible for legal costs, an approximate guide to these costs would be €10,000. This is an indicative figure and in certain circumstances the costs can substantially exceed this amount. If legal action is necessary, it is important to be aware that regardless 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.
- This may affect your eligibility for a Personal Insolvency Arrangement in accordance with the Personal Insolvency Act 2012.
- You may be subject to additional fees and charges on your arrears, you can read our fees and charges booklet on our website <https://www.avantmoney.ie/support/mortgages-faqs>.

### **How do I avoid being classified as a “Not Co-Operating Borrower”?**

During the four-step process, we may ask you to provide us with information to help us to fully understand your circumstances. It is important that you stay engaged with us and provide full and honest disclosure of the information we need, in the timeframes requested.

Under the CCMA, you can be classified as not co-operating when any of the following apply to your particular case:

- You fail to make a full and honest disclosure of information to us that would have a significant impact on your financial situation.
- You fail to provide information relevant to your financial situation within specified timelines.
- A three-month period goes by and you fail to meet your mortgage repayments in full or carry an arrears balance on their mortgage and fail to engage with us in a way that allows us to complete a full assessment of their circumstances.

We will issue a letter to inform you that you will be classified as a not co-operating borrower unless you engage with us and complete the actions we have outlined in the letter.

### **Do I require independent legal and financial advice?**

You may want to consider seeking independent advice at different stages of the MARP, including in the completion of your SFS and before signing a Letter of Variation for any ARA offer we may make to you.

MABS is the State’s money advice service, guiding people through dealing with problem debt.

MABS can be contacted at:

Phone 0761 07 2000 (Monday to Friday 9am to 8pm), or online [www.mabs.ie](http://www.mabs.ie).

Information is also available on [www.keepingyourhome.ie](http://www.keepingyourhome.ie).

**Abhaile** is the State-funded service for people whose home is in mortgage arrears. It provides a range of services to help you deal with your situation, including financial advice, legal advice and insolvency advice. It provides vouchers, available through MABS, for free financial and legal advice and help from experts. Please see [www.mabs.ie/en/abhaile](http://www.mabs.ie/en/abhaile) for further details.

### **Can I make a claim on my payment protection insurance?**

If you have payment protection insurance on your mortgage you may be entitled to make a claim under that policy, if arrears have arisen on your account.

### **Should I review my Life Assurance?**

Please review existing policies to ensure they cover any revised terms on your mortgage.

### **Will my credit rating be affected if I enter into the MARP?**

Your credit rating may be affected. Avant Money will provide the Central Credit Register and other relevant credit registers with information on your account, including any ARA implemented, missed payment data, participation in mortgage to rent scheme, voluntary surrender or repossession. This may affect your ability to obtain credit in the future.

### **Can I avail of State supports?**

We suggest you check to see if there are any state supports available. The Department of Social Welfare website ([www.welfare.ie](http://www.welfare.ie)) provides information on benefits that you may be eligible for.

### **Am I liable for outstanding debt following if my property is sold or repossessed?**

If the property is disposed of, including sale or repossession by Avant Money, all the customers listed on the mortgage will be jointly and severally liable for any shortfall between the remaining debt (including any accrued interest, charges, legal, selling and other related costs) and the proceeds from the sale of the property. Until your mortgage is paid in full, you must continue to make your monthly repayments. Please note that interest will continue to accrue on the debt until the loan and all costs from the sale of the property have been repaid in full.

### **What happens if I have a change of circumstances?**

You must tell us if your ability to pay your mortgage changes at any time, whether it improves or where you are unable to make the agreed payments. This will allow us to make a timely and informed decision about the most appropriate way forward, based on the change in your ability to pay your mortgage.

### **How do I make an appeal?**

You have a right to appeal;

- Our decision to decline your request for an ARA.
- Our decision to offer you an ARA which you do not wish to accept.
- Our decision to classify you as 'not co-operating'.

If you wish to appeal, please write to us at Avant Money Mortgages Appeals Board, PO Box 13192, Maynooth, Co. Kildare, W23F854 within 20 working days of the date of notification of the decision you are appealing. We will send you a written acknowledgement within 5 working days and assign you a point of contact for your appeal. We will keep you updated (at least every 20 working days) on the progress of the appeal. The Appeals Board will make a decision on your appeal within 40 business days of receipt of your written appeal.

We will write to you within 5 business days to advise you of the outcome of its decision.

If you are not happy with the outcome of the appeal, you can refer the matter to the Financial Services and Pensions Ombudsman, details below.

Financial Services and Pensions Ombudsman,  
3rd floor,



Lincoln House,  
Lincoln Place,  
Dublin 2.  
Lo Call: 1890 88 20 90  
Phone: (01) 567 7000  
Website: [www.fspo.ie](http://www.fspo.ie)

### **How Do I Make A Complaint?**

If you wish to make a complaint about your treatment, or our compliance with the Code of Conduct on Mortgage Arrears we will deal with this promptly and fairly. If you wish to make a complaint, you can either contact us directly by phone on 0818 274 089 and/or at [customerservices@avantmoneymortgages.ie](mailto:customerservices@avantmoneymortgages.ie) or outline the nature of your complaint to us in writing to Avant Money Mortgages Complaints Team, PO Box 13192, Maynooth, Co. Kildare.

If we are unable to resolve the complaint immediately, we will send you a written acknowledgement of your complaint within 5 business days of receipt and give you the name of the person dealing with it. If for some reason we haven't resolved your complaint within 20 business days, we will send you a written update. In exceptional circumstances, where the matter is not resolved within 40 business days, we will write to inform you and let you know when you can expect the investigation of your complaint to be completed. Within 5 business days of the completion of the investigation, we will write to you to let you know the outcome and where applicable, the terms of any offer or settlement being made. If you are not happy with the outcome, you can refer the matter to the Financial Services and Pensions Ombudsman, contact details above. To find out information about how our complaints process operated, you can read our Complaints Policy on our website at <https://www.avantmoney.ie/support/mortgages-faqs>

### **How will my data be treated?**

Any information which is provided by you will be treated with the highest standards of security and confidentiality and in accordance with Irish Data Protection Legislation and the European General Data Protection Regulation, as may be amended from time to time.

To find out more about how we interact with your personal data, you can read our Privacy Policy on our website: [www.avantmoney.ie/privacy-notice](http://www.avantmoney.ie/privacy-notice) and [www.avantmoney.ie/cookies-policy](http://www.avantmoney.ie/cookies-policy).



## Useful Contacts

### Money Advice and Budgeting Service (MABS)

MABS Helpline: 0818 07 2000

Website:

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

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

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

### Department of Social Protection

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

### Financial Services and Pensions Ombudsman

Lo Call: 1890 88 20 90

Phone: (01) 567 7000

Website: [www.fspo.ie](http://www.fspo.ie)

### Citizens Information Board

Lo Call: 0818 07 4000

Website: [www.citizensinformation.ie](http://www.citizensinformation.ie)

### Insolvency Service of Ireland

Phone: (01) 764 4200

Website: [www.backontrack.ie](http://www.backontrack.ie)

### Central Bank of Ireland

Phone: 1890 777 777

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