FINANCE IRELAND
Residential Mortgages

Finance Ireland Credit Solutions DAC

Variable Interest Rate Policy Statement

A DIVISION OF FINANCE IRELAND GROUP

Finance Ireland Credit Solutions DAC

Variable Interest Rate Policy Statement

This statement sets out why variable interest rates set by Finance Ireland Credit Solutions DAC may change. It also tells you about the procedures that Finance Ireland Credit Solutions DAC follows when setting or changing variable interest rates. (DAC stands for designated activity company.)

About us

Finance Ireland Group was set up in 2002. It is a privately owned financial services group. We have businesses that specialise in areas like:

- residential mortgages;
- motor finance;
- asset finance and leasing;
- commercial mortgages; and
- agri-finance.

Finance Ireland Credit Solutions DAC trading as:

- Finance Ireland Residential Mortgages;
- Finance Ireland Leasing;
- Finance Ireland Commercial Mortgages; and
- Finance Ireland Agri

is regulated by the Central Bank of Ireland and is a wholly owned subsidiary of Finance Ireland Limited.

How does Finance Ireland set variable interest rates?

We consider a range of factors when setting variable interest rates.

➤ **Customers:** we consider:

- the term of the mortgage;
- the customer profile; and
- the loan-to-value (LTV) of the mortgage.

LTV is your loan amount as a percentage (%) of your property value. (You can read more about LTV later.)

➤ **Business costs:** these relate to:

- the operating costs of running the business (including future costs);
- borrowing costs;
- any other aspect of funding arrangements;
- the risk that some customers may not pay their mortgage; and
- the cost of legal and regulatory requirements.

- **General factors:** These relate to things like:

- economic growth and inflation rate;
- employment levels;
- housing market conditions; and
- the level of competition in the market.

Changes to these factors could mean variable interest rates also change.

How does Finance Ireland decide the variable interest rate?

Members of the Management Team meet periodically to discuss mortgages. At these meetings, the team considers whether or not they should make any changes to variable interest rates. This decision is based on the combination of factors set out above.

Why do we have different variable interest rates?

LTV interest rates are variable interest rates that are linked to the open market value of your home. The value of the property is verified by a professional independent valuer from our panel of appointed valuers.

To calculate your LTV, you need to work out your loan amount as a percentage (%) of the property value.

Example:

- Property value €400,000
- Loan outstanding €260,000,

LTV = (260 ÷ 400) x 100 = 65%.

The percentage answer you get will determine your Loan to Value variable interest rate.

We have a range of LTV variable rate bands, which you can choose from. These may also become available to you from time to time, depending on your LTV.

Note: With an LTV variable rate, your monthly repayments may rise and fall over the life of your mortgage. This will be in line with how we set interest rates generally, as set out in this Policy Statement.

Our LTV variable rates give you the flexibility to make early repayments or lump-sum repayments during your mortgage term. You can also change to a fixed rate at any time if we are offering these products.

Could I get a different type of interest rate, or a lower interest rate?

Yes – you might be able to get a different type of interest rate or a lower interest rate. That is why we encourage you to look at your mortgage options regularly. Different products may save you money. You can review our mortgage options at **financeireland.ie**.

If you would like to discuss your mortgage options, please contact our Customer Services team:

Phone:	**1890 995 998**

(or +353 1 647 0250 if calling from outside Ireland).

If you wish to apply for a different mortgage with Finance Ireland, we may have to do a credit assessment. This includes a credit check with the Irish Credit Bureau (ICB) or any other credit agency.

It may also involve a new valuation of your property. Your existing lending terms and conditions apply when changing a mortgage to:

- a different type; or
- a different interest rate.

How can I assess, or change the LTV variable rate on my current mortgage?

You can assess your LTV variable rate yourself. You need to take into account any combination of changes to the value of your:

- mortgaged property, and, or
- outstanding loan amount.

We set LTV rates in bands. If your reassessed LTV puts you in a different band, you will be entitled to the rate for that band.

However, to make such a change, you may have to arrange a full and up-to-date valuation report. This will be done by one of Finance Ireland's appointed valuers. Please contact us on the above number if you would like to arrange a new valuation of your property.

You must pay for the cost of the valuation report (typically costs from €150 to €300 plus VAT). The reports must be dated within the past four months.

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Customers in arrears or other financial difficulty

If you are in arrears or other financial difficulty, please contact us so we can discuss your situation with you. Being in arrears means you have fallen behind in your repayments.

We assess each case based on the individual customer's circumstances. To help us understand your situation we will ask you to complete a Standard Financial Statement. This form asks for details about your income and outgoings and any debts you may have.

Warning

Your home is at risk if you do not keep up payments on a mortgage or any other loan secured on it.

Warning

We may change the interest rate on this loan. This means the cost of your monthly repayments may increase or decrease.

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Plain English
Approved by NALA

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