

Enniscorthy Credit Union Limited
Having Difficulty Repaying your Home Loan?
Information Leaflet

It can be very difficult and stressful when your circumstances change and you find yourself unable to meet financial commitments. This can happen if you lose your job, become ill or find your personal circumstances have changed.

As a community lender we try hard to be flexible to help individual members and can often agree an alternative arrangement if your circumstances change. However, we have a duty and legal right to recover monies borrowed, as these are the savings deposited by other members.

You are not alone in finding yourself in this situation. Please contact our credit control officers for advice or contact an independent advisor such as the Money Advice and Budgeting Service (MABS) (see the Points of Contact section).

Co-operation

It is very important that you co-operate with us as we work to assist you in meeting your home loan payments.

Our Communications Policy:

Enniscorthy Credit Union ensures that all members in arrears are notified in a defined manner about their arrears and are given the same opportunities to make good their debts. We ensure that members are treated with dignity and, as necessary, individual circumstances are taken into account when complying with our Credit Control policy.

We will contact you to give you information or ask for information. For practical reasons, there may be times we need to be in constant and regular contact. If there are urgent reasons for contacting you, we may need to attempt contact a number of times.

31 days from initial arrears

If 31 days have passed since the initial arrears and payment is still outstanding, the member will be contacted by phone and followed up by letter.

After Third Repayment is missed

After third payment is missed and no alternative arrangement has been agreed or where no response to initial contact is received, a second letter will be sent.

One week later

If no response after one week after this, a phone call to the member will be made.

One week later

Where no response to second letter is made, a third letter will be sent and the account will be referred to an authorised search agent.

After period of time communicated in the previous letter

The member will be notified in writing that they will be deemed not co-operating and that the credit union will move to instigate legal action, unless immediate contact is made within a specified period.

End of Specified Period

An application is made to the courts to commence legal proceedings for repossession of the property.

Steps We Will Take Together:

1. Determine your Financial Situation with a Fact-Find(Standard Financial Statement)

The credit union will seek a signed “fact find” clearly showing the deterioration in your ability to repay including copies of supporting documentation, along with a credit check. We will request that you complete a Standard Financial Statement (SFS) for this purpose. Reasonable time will be allowed to complete the documentation, taking personal circumstances into account.

2. Assess your Situation

Once the fact-find is complete, we will use the information to assess your situation and identify an approach to help you deal with financial difficulties. As well as looking at your outgoings and current income, we will consider your personal circumstances, overall indebtedness, current repayment capacity, any savings or investments you may have and your repayment history. This assessment will be carried out within a reasonable period of time.

3. Decide the Approach

The assessment is then used to explore all options for alternative arrangements. These can include;

- Term extension
- Capitalisation of arrears
- Split mortgage
- Restructure with long term reduced payments
- Restructure with long term interest only
- Deferred interest
- Short term interest only payments
- Short term reduced repayments
- Moratorium

Decisions on the approach to be taken will be made in conjunction with our credit control committee and board of directors.

4. Outline Alternative Arrangement to Member

The credit union will outline the proposed alternative arrangement to you in writing.

5. Mutually Agreed Approach

Should the proposal be acceptable to both parties the new arrangement will be put in place.

6. Standard Monitoring Carried out

Standard monitoring of credit union loans will re-commence. As a member who has agreed an alternative arrangement with the credit union, you are obliged to inform us if your personal and financial circumstances change.

Appeals & Complaints

Appeals:

A member can appeal the credit union’s decision within 20 business days of receiving the offer letter if;

1. You are not willing to accept the alternative payment arrangement being offered.
2. You are not offered an alternative arrangement
3. You are classified as not co-operating (see definition below of not co-operating)

The procedure for the appeal is as follows;

- Only written appeals, sent to the Credit Control Officer of the credit union will be considered.
- You must at least include in your appeal, your account number, specific details of the reason for your appeal and any information you believe has not been taken into account.

- The appeal committee shall consist of three senior managers or directors, or any combination thereof, that have not been involved in your case.
- The appeal committee will review your situation from the beginning and take any new information provided into account.
- The types of decisions the appeal committee can make are;
 - If you were offered an alternative arrangement;
 - Confirm the original decision
 - Determine the original decision is not suitable and suggest
 - A different alternative arrangement
 - No suitable alternative arrangement available
 - Or request Credit Control to re-assess your situation in light of the new information
 - If you were not offered an alternative arrangement;
 - To confirm the original decision not to do so
 - To recommend an alternative arrangement
 - Or request Credit Control to re-assess your situation in light of the new information
- You will be assigned a point of contact for your appeal.
- The appeal will be carried out and a decision made within 40 working days of receipt of the appeal and they will write to you within 5 days of making that decision.
- You will receive updates every 20 days in writing on how your appeal is progressing.

Complaints:

Please follow the documented Complaints procedure outlined below.

Other Important Information

An arrears problem arises as soon as you fail to make a full home loan repayment or only make a partial home loan repayment on the date it is due.

A pre-arrears case arises where the borrower contacts the lender to inform them that he/she is in danger of going into financial difficulties and/or is concerned about going into home loan arrears.

Credit Reference Agencies: Details of an individual's borrowings and repayment history are recorded by credit reference agencies. If you are in arrears, this could make it difficult for us or any other financial institution to extend credit (loan, overdraft, credit card).

Enniscorthy Credit Union Ltd will only resort to legal proceedings to repossess as a last resort. If the proceeds we receive from selling your home do not cover all amounts you owe us (including costs of selling, legal costs, accrued interest) you will have to pay all outstanding amounts.

You may be classified as not co-operating with your lender if you:

- Do not fully and honestly disclose significant information or
- Fail to provide relevant information within a reasonable time or
- Are in arrears for 3 months, during which you either failed to contact the lender or respond to its communications, or your response is insufficient for a complete assessment of your circumstances or
- Have entered an alternative repayment arrangement and 3 months have passed, during which you have not fully made the alternative repayments or
- Have not entered an alternative repayment arrangement and 3 months have passed, during which you have not fully paid your home loan or have not cleared your arrears

Before classifying you as not co-operating, we will write to you, requesting specific actions to be taken that will enable us to assess your circumstances. We will warn you about the implications of not co-operating and suggest that you seek appropriate advice.

Points of Contact

- If you are having problems repaying your home loan with us, do not be afraid or embarrassed to talk to us about it. Contact any member of our Credit Control team at 053 92 33835 or if you would prefer to email, please email to
- Money Advice & Budgeting Service (MABS) - www.mabs.ie or 0761 07 2000. MABS offer free confidential and independent financial advice. Many other debt advisory centers charge a monthly fee, and often your first payment goes to pay for their services and not to your creditors.
- Insolvency Service of Ireland. Phone 0761 064 200
- Financial Services Ombudsman. Phone 0890 882 090
- Citizens Information Board: Mortgage Arrears Information Helpline 07610 74050. Website: www.citizensinformationboard.ie. www.keepingyourhome.ie
- St. Vincent de Paul - www.svp.ie,
- Social Welfare -Wexford Office (053) 92 42900
- Competition & Consumer Protection Authority - www.itsyourmoney.ie
- Competition & Consumer Protection Authority - Helpline – 1890 777777

Complaints Resolution

When the credit union receives an oral complaint regarding a home loan, it must offer the member the opportunity to have this handled in accordance with this complaints process.

The following complaints procedure will not apply where the complaint has been resolved to the complainant's satisfaction within five business days, provided however that a record of this fact is maintained.

Otherwise:

- a) the credit union will acknowledge each complaint on paper or on another durable medium within five business days of the complaint being received;
- b) the credit union will provide the complainant with the name of one or more individuals appointed by the credit union to be the complainant's point of contact in relation to the complaint until the complaint is resolved or cannot be progressed any further;
- c) the credit union must provide the complainant with a regular update, on paper or on another durable medium, on the progress of the investigation of the complaint at intervals of not greater than 20 business days, starting from the date on which the complaint was made;
- d) the credit union must attempt to investigate and resolve a complaint within 40 business days of having received the complaint; where the 40 business days have elapsed and the complaint is not resolved, the credit union must inform the complainant of the anticipated timeframe within which the credit union hopes to resolve the complaint and must inform the member that they can refer the matter to the relevant Ombudsman, and must provide the member with the contact details of such Ombudsman; and
- e) within five business days of the completion of the investigation, the credit union must advise the member on paper or on another durable medium of:
 - i) the outcome of the investigation;
 - ii) where applicable, the terms of any offer or settlement being made;
 - iii) that the member can refer the matter to the relevant Ombudsman, and
 - iv) the contact details of such Ombudsman.

A credit union must maintain an up-to-date log of all complaints from members subject to the complaints procedure.

This log must contain:

- a) details of each complaint;
- b) the date the complaint was received;
- c) a summary of the credit union's response(s) including dates;
- d) details of any other relevant correspondence or records;
- e) the action taken to resolve each complaint;
- f) the date the complaint was resolved; and
- g) where relevant, the current status of the complaint which has been referred to the relevant Ombudsman.

A credit union must maintain up to date and comprehensive records for each complaint received from a member.

A credit union must undertake an appropriate analysis of the patterns of complaints from members on a regular basis including investigating whether complaints indicate an isolated issue or a more widespread issue for members. This analysis of member complaints must be escalated to the credit union's compliance/risk function and senior management.