

DUBLIN CITY COUNCIL

MORTGAGE ARREARS RESOLUTION PROCESS (MARP)

Photo by Fennell Photography



Comhairle Cathrach
Bhaile Átha Cliath
Dublin City Council

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MORTGAGE ARREARS RESOLUTION PROCESS (MARP)

1. What is MARP

The Mortgage Arrears Resolution Process (MARP) is a framework for dealing with borrowers whose mortgage has fallen into arrears or borrowers who are in danger of falling into arrears.

2. Mortgage Support Unit

Dublin City Council Mortgage Support Unit has a dedicated team assigned to deal with the Mortgage Arrears Resolution Process (MARP). It is Dublin City Council's policy that every effort is made to assist borrowers who encounter difficulties in meeting their repayments.

If you believe there is a possibility that you may fall into arrears due to changed circumstances e.g., impending redundancy, reduced working hours, reduced wage rates or unexpected life events etc., which could impact negatively on your income, please contact the Mortgage Support Unit at 01 222 5055.

If you have already fallen into arrears, please contact the Mortgage Support Unit immediately.

3. What We Need From You

In order to reasonably assess your financial situation, and the best option for you, it is necessary for you to set out your monthly income and expenditure. This is called a Standard Financial Statement, a copy of which is attached and must be completed by you and returned to your Account Manager within 20 working days.

4. Options

The following Options may be available to you once you are considered to be co-operating in the MARP:

- **Interest Only Payments**

Allows you to cease paying the capital element of the instalment for a period of 6 months (this payment also includes interest, mortgage protection and rent in the case of shared ownership). The unpaid capital remains on the account and must be paid over the remaining term of the loan, thereby requiring an increased instalment when the interest only period finishes. This will be reviewed every 6 months with the onus on you as the borrower to contact your Account Manager before the end of each 6 months term. Interest Only is a temporary measure and the number of terms of Interest Only Payments are limited.

- **Extending the Loan Repayment Period**

Instead of paying off your loan as originally agreed, you might want to pay it over a longer period, thereby reducing the repayments. This is subject to a maximum term of 30 years or reaching age 70. Extending the length of the term of the loan will lead to an increase in the total amount of interest paid compared to the original term.

- **Capitalising the Arrears**

Adding the arrears to the outstanding loan balance and spreading the cost over the remaining term (this will increase your monthly instalment).

- **Transferring to 100% Mortgage**

If you have a shared ownership loan and are interested in transferring to 100% mortgage, please discuss your options with your account manager. Please note that if a Rental Subsidy is applicable to your loan account it will cease once you transfer to a 100% Mortgage.

- **Payment Plan**

A payment plan option can be tailored for you whereby you pay your arrears along with your monthly instalment over a designated period of time.

- **Mortgage to Rent**

The Mortgage to Rent Scheme is a government initiative to help home owners who are at risk of losing their homes due to mortgage arrears. Under the scheme you will transfer ownership of your home to your lender, Dublin City Council. You will no longer own your own home but you will continue to live in it as a social housing tenant of Dublin City Council. You will pay an income related rent set out by Dublin City Council.

N.B.: Terms and conditions apply to all options.

4a. Criteria

Each case is subject to individual assessment and meeting of Dublin City Council's criteria of:

- Completion of Standard Financial Statement and ongoing co-operation in MARP
- Sustainability of mortgage
- Borrowers personal circumstances
- Current mortgage status

Please note in the case of joint borrowers both parties must sign the relevant forms for the option requested.

5. Other Assistance

- You may find it useful to contact your local **Money Advice and Budgeting Services (MABS)** on 0761 07 2000 and www.mabs.ie or an appropriate alternate for financial advice and support.
- **Mortgage Interest Supplement (MIS) (if applicable)** under the Supplementary Welfare Scheme. For more information on MIS payments please go to www.hse.ie or your Local Community Welfare Officer (Find a Health Service/Benefits and Schemes/Community Welfare Services).
- **Mortgage Interest Relief (TRS) (if applicable)** Mortgage interest relief is a tax relief based on the amount of qualifying mortgage interest that you pay in a given tax year for your principal private residence (your home). Mortgage interest relief is administered via Tax Relief at Source (TRS). This means that your mortgage lender (Dublin City Council) gives you the benefit of tax relief on the amount of mortgage interest paid. The lender does this by reducing

your mortgage repayment by the amount of tax relief you are entitled to in each tax year.

Your entitlement to mortgage interest relief depends on the relevant start date, as follows: -

- ***If you started paying the mortgage in 2003 or earlier, your entitlement expired in 2009.***
- ***For a mortgage taken out between 1 January 2004 and 31 December 2012, your entitlement to relief will continue until the end of 2017.***
- ***Mortgages taken out after 31 December 2012 do not qualify for mortgage interest relief.***

With effect from January 2012, a borrower must pay the interest charged on their loan each month in order to receive Tax Relief at Source (TRS). If a borrower fails to pay the interest payment of their Loan each month a **borrower will not receive the TRS benefit and this is added on as Arrears at the end of the calendar year.**

However, if a purchaser misses a monthly payment or a number of months, TRS can still be received provided the interest on the loan due for the calendar year is paid within that calendar year.

- **Rental Subsidy:** A Rental Subsidy may be applicable in the case of a Shared Ownership account. If a borrowers loan has a rental element and depending on the year the loan was advanced a Rental Subsidy may be applied. For more information contact the Loan Accounts Team T: 222 2269.
- **Refer to www.keepingyourhome.ie for more information.**

6. Appeals Process

If you are not happy with the decision of the Mortgage Support Unit, you may appeal the decision in writing. The council will consider and adjudicate on your appeal within 40 working days of having received the written appeal. The appeal will be heard by an individual from a different area but who has experience of housing loans and finance. Their name will be given to you and they will keep you informed of the status of your appeal and the eventual decision made. It is also your right to refer the matter to the Financial Services Ombudsman and the Mortgage Support Unit will provide you with the contact details of that Ombudsman.

7. Mortgage Protection

Annuity Loans

- All Annuity Loans that have Mortgage Protection with Dublin City Council will have Disability Cover provided up to the age of 65.
- All Annuity Loans will have Life Cover up to the age of 75 years.

Shared Ownership Loans

- All Shared Ownership Loans that have Mortgage Protection with Dublin City Council will have Disability Cover provided up to the age of 65 on the Mortgage element of the Shared Ownership Loan.
- If a borrower was advanced a Shared Ownership Loan after 1st January 2009, the Rental Equity element is covered by Mortgage Protection.
- Any borrowers that were advanced Shared Ownership Loans **before** 1st January 2009, the Rental Equity element was not covered by Mortgage Protection. However, as a once off, Rental Equity cover was offered to existing borrowers in 2009.
- All Shared Ownership Loans that have Mortgage Protection with Dublin City Council will have Life Cover provided up to the age of 75 on the Mortgage element of the Shared Ownership Loan.
- Life cover will also apply to the Rental Equity element of the Shared Ownership Loan up to the age of 75 years if a borrower opted for this.

Home Choice Loans

- The scheme does not apply to Home Choice Loans.

*If your Mortgage Account is in Arrears, arrears are **NOT** covered by Mortgage Protection.*

Disability Claims and Death Claims must be made through Dublin City Council, however, Marsh Ireland are the Administrators of the Local Authority Mortgage Protection Scheme and General are the Underwriters of the Local Authority Mortgage Protection Scheme.

8. Irish Credit Bureau (ICB)

Where permitted by contract or required by law, data relating to the borrower's arrears will be shared with the Irish Credit Bureau or any other credit reference agency or credit register.

9. Borrowers who are classified as non co-operating in MARP

- The classification of you as non co-operating may impact your eligibility for a Personal Insolvency Arrangement (PIA). Refer to the Insolvency Service of Ireland (www.isi.gov.ie) for more information.
- Dublin City Council may commence legal proceedings to recover possession of your property and you will remain liable for any outstanding debt accrued.

This document is for guidance purposes only
and should not be taken as legal
interpretation of the laws and regulations
covering local authority lending.

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