The Home owner's guide to switching your mortgage

Switcher Mortgage Key Features

Switch your Mortgage to Haven and we'll pay you €3,000 to cover your costs

Even if you've been thinking it's time to take a fresh look at your mortgage, you might put off switching because you think it will be too time-consuming and stressful. Well, it doesn't have to be that way.

Switching to Haven is simple and straight forward and could save you thousands in interest over the term of your mortgage. Our Mortgage Brokers can help you through every step of the process.

Once you've made the switch, we'll pay you €3,000 directly to the current account you use to pay your mortgage.

What is a switcher mortgage?

A 'Switcher' Mortgage is one where Haven is re-financing or taking over an existing mortgage borrowing from another mortgage provider.

Haven switcher mortgage key features and restrictions

> Haven offers competitive interest rates from variable (relative to your loan to value) and fixed rate options. For additional advice on your interest rate options you should speak to your chosen Haven Mortgage Broker and they will guide you through all your available options.

> For customers who are unsure of what type of rate to select, Haven can provide the option of splitting the loan amount in two, so you can avail of both the variable interest rate on a portion of the loan and a fixed interest rate on the remaining portion of the loan.

> Up to 90% Loan to Value on Switcher mortgages is available with 80% for a one bed property.

> Repayment terms of up 35 years may be available to you.

> What you can borrow will also depend on what you can comfortably afford to repay monthly, this typically should not exceed 35% of your disposable income, however this may vary according to individual circumstances.

> You will require Mortgage Protection Cover and Home Insurance Cover. These are not products that Haven offers directly but your chosen Haven Mortgage Broker will be able to support you through all the necessary requirements.

> Equity release for short-term debt consolidation is not permitted, i.e. release of funds to re-finance credit cards, personal loans etc is not permissible.

> We will require that your mortgage repayments are not in arrears, and that your mortgage is not in negative equity (when the balance of your current mortgage is greater than the current market value of your property).

> If you have a tracker mortgage with another mortgage provider, you will lose it when you switch to us, so we recommend you seek independent financial advice before deciding to switch your mortgage

> We are required by law to collect and verify your Personal Public Service Number (PPSN) or Tax Reference Number (TRN). So you need to show us an original, PDF or photo of a document showing your PPSN/TRN and full name. For a full list of acceptable documents and more information on how to provide it visit www.havenmortgages.ie/ccr.

> Mortgage loans are not available to people under 18 years.

The switcher mortgage process

YOUR MORTGAGE APPOINTMENT: A good place to start is to make an appointment to talk to a Haven Mortgage Broker. You will find a full list of Haven Brokers on our website **www.havenmortgages.ie.**

Your Mortgage Broker will go through the mortgage application and switching process with you and let you know what documentation you will need to gather for your application, such as payslips, statement of earnings and copies of account statements.

You will be asked to complete our Declarations, Authorisation and Consents form which your Mortgage Broker can provide to you. This form is also available on our website.

APPROVAL IN PRINCIPLE: When you've given us the information we need to make a decision, we'll tell you exactly how much you can borrow, we call this Approval in Principle. This is when your bank agrees, in principle, to give you a mortgage, based on the information you have provided and it is valid for 12 months.

VALUATION: Next, your house will have to be valued by an approved valuer from the Haven Residential Mortgage Valuers Panel. This is at your own expense and will cost you €150 which will be refunded to you if your loan application is unsuccessful. If the valuation is carried out more than four months before the requested date of drawdown, a re-valuation will be required which will cost you €65. If the conditions of your loan require a final valuation following completion of the building of the property, renovations or repairs to it, this will cost you €65.

LOAN APPROVAL: Once the property and valuation are accepted by Haven, we have to carry out a full loan assessment and you will need to meet Haven standard lending conditions. You will be given a Letter of Offer outlining the conditions.

BER CERTIFICATE: Before the mortgage amount is transferred to your solicitor, you must give us a valid BER certificate to draw down the Loan funds irrespective of the interest rate you have chosen or the BER rating of the property. The Loan must be taken out before the end date on the BER certificate.

Home and life insurance:

Home insurance

For your own protection as well as ours, it will be a condition in your letter of offer that you insure your property adequately.

Life insurance

These policies are designed to pay off your mortgage in full if you or your co-borrower die unexpectedly. The correct type of life assurance will depend on the amount, term and type of borrowing.

You should consider if the existing insurance policies you have in place on your current mortgage are suitable for your new mortgage with Haven. Your Haven Mortgage Broker will help you establish this.

The Legal Process for Switching your Mortgage

> Appoint a solicitor and let us know their name and address. If your application to switch your mortgage is approved by Haven, we will issue you and your solicitor with a Letter of Loan Offer and the mortgage terms and conditions.

> You meet with your solicitor to review and sign your Letter of Offer and any other legal documents

> Your solicitor returns the signed legal documentation to us

> Once you meet all the conditions of your Letter of Offer, your solicitor requests the mortgage funds

> We send the mortgage funds to your solicitor and send you a letter confirming drawdown of your new mortgage

> Your solicitor will use the mortgage funds issued by Haven to clear the outstanding mortgage with your existing mortgage provider

Home mortgage general and regulatory information

WARNING: IF YOU DO NOT KEEP UP YOUR REPAYMENTS YOU MAY LOSE YOUR HOME.

WARNING: YOU MAY HAVE TO PAY CHARGES IF YOU PAY OFF A FIXED-RATE LOAN EARLY.

WARNING: IF YOU DO NOT MEET THE REPAYMENTS ON YOUR LOAN, YOUR ACCOUNT WILL GO INTO ARREARS. THIS MAY AFFECT YOUR CREDIT RATING, WHICH MAY LIMIT YOUR ABILITY TO ACCESS CREDIT, A HIRE-PURCHASE AGREEMENT, A CONSUMER-HIRE AGREEMENT OR A BNPL AGREEMENT IN THE FUTURE.

WARNING: THIS NEW LOAN MAY TAKE LONGER TO PAY OFF THAN YOUR PREVIOUS LOANS. THIS MEANS YOU MAY PAY MORE THAN IF YOU PAID OVER A SHORTER TERM.

WARNING: THE COST OF YOUR MONTHLY REPAYMENTS MAY INCREASE.

WARNING: THE ENTIRE AMOUNT THAT YOU HAVE BORROWED WILL STILL BE OUTSTANDING AT THE END OF THE INTEREST-ONLY PERIOD.

WARNING: YOUR HOME IS AT RISK IF YOU DO NOT KEEP UP PAYMENTS ON A MORTGAGE OR ANY OTHER LOAN SECURED ON IT.

THE PAYMENT RATES ON THIS HOUSING LOAN MAY BE ADJUSTED BY THE LENDER FROM TIME TO TIME.

(Note: Applies to variable rate loans only)

About us

We are Haven Mortgages Limited. We provide mortgages to home purchasers who are introduced to us by regulated and authorised Mortgage Brokers (known as mortgage brokers). Haven Mortgages Limited is an indirect wholly owned subsidiary of Allied Irish Banks, p.l.c. ("AIB") and a member of the AIB group of companies ("AIB Group"). Our address is 10 Molesworth Street, Dublin 2, D02 R126.

Haven Mortgages Limited (trading as Haven) is regulated by the Central Bank of Ireland.

Purpose of the mortgage loan

A mortgage loan from us enables you to purchase a residential property or to secure your borrowing against a residential property. Our mortgage products are for owner occupiers.

How much can you borrow?

When you ask us to lend you money we will make a decision based on your ability to repay (including capacity to repay at higher interest rates).

When you apply for a loan we will ask you for information such as your income, expenditure, assets and liabilities. We may ask you for evidence of this information.

Maximum loan to value of owner occupier residential properties

> 90% of the purchase price or valuation, whichever is lower, and

> 80% loan to value on one bed properties.

Lending levels are subject to monthly repayment burden, typically not exceeding c. 35% of borrower's disposable income, and will vary according to individual circumstances.

Mortgage loan requests are considered on the basis of proof of income, financial status and demonstrated repayment capacity (including capacity to repay at higher interest rates). Mortgage loans are not available to people under 18 years.

If you do not provide us with the requested documentation, we will not be able to assess your application and credit cannot be granted.

How long it takes us to deal with your application

Once your Mortgage Broker receives your application and any other information they have asked you to give us as set out in the Approval in Principle checklist, they will contact you within three business days to say we have received it.

a) If there is any information missing they will tell you, within three business days;

b) We will let your Mortgage Broker know our decision on your mortgage application within ten business days of receiving all the information we need;

c) If we cannot make a decision within ten business days we will tell your Mortgage Broker why and when we are likely to make a decision.

Repayment terms

We offer mortgage durations of up to 35 years, subject to your age at the time of application.

Security for the mortgage loan

Mortgage loans are secured by a first legal mortgage/charge over your property. The property must be within the Republic of Ireland.

Foreign currency mortgage loans

The currency of your loan and repayments will be euro. If the currency of some or all of the income or assets you intend to use to repay the mortgage loan is not euro, and/or you live in a European Economic Area (EEA) state that is not in the euro zone, the mortgage loan is a foreign currency loan.

You should be aware that fluctuations in the relevant currency exchange rates may affect the value of your outstanding mortgage balance and/or your repayment.

This could mean that you may find it difficult to afford your mortgage repayments.

Our mortgage interest rate options

Your Haven Mortgage Broker can tell you exactly what our current interest rates are and how they translate into monthly repayments. Here is a brief description of the types of interest rates available:

(i) Variable interest rate

> A variable interest rate can go up and/or down resulting in your monthly repayments rising and/or falling over the life of your mortgage loan.

> A variable interest rate gives you more flexibility. You can make extra mortgage repayments or clear your mortgage earlier than agreed without having to pay any penalties.

> You may have the option of switching to a fixed interest rate (if offered by us at that time).

> Our Loan to Value (LTV) variable rate is available to owner occupier mortgage loans. We have a range of LTV variable rates depending on the amount you are borrowing relative to the value of your home.

- As your loan to value may decrease over the term of your mortgage, you may be able to move between LTV rate bands.
- LTV rates are not available to owner occupier customers at the drawdown of a new top up loan.

(ii) Fixed interest rate

- While on a fixed interest rate, the interest rate and mortgage repayment remains the same for the agreed fixed interest rate period (typically 1 to 5 years). During this time the interest rate will not change. This gives you budget certainty.
- An early breakage charge is payable in the following cases where the fixed interest rate term has not expired:
  (a) if a capital payment or full repayment is made to the Loan, or
  (b) if the Loan is converted to a variable interest rate, or
  (c) if the Loan is converted to another fixed interest rate.
- The formula to calculate the early breakage charge is: amount (A) x remaining term in days divided by 365 (U) x difference in cost of funds (D%).

DEFINITION OF TERMS USED IN THIS FORMULA:

(A) amount - The amount being repaid early or the amount being converted to a variable rate or another fixed rate period.

original cost of funds - The cost of funds for Haven for the fixed rate term at the time the fixed rate period commenced.

cost of funds for the fixed rate period remaining - The cost of funds used will be as of 5pm the day previous to the request to calculate the early breakage charge.

(U) remaining term in days - Remaining number of days left before the fixed rate is due to expire.

(D) difference in cost of funds - The difference between the original cost of funds and the cost of funds for the fixed period remaining.

Worked example:

Assume a 5 year fixed rate loan. Full repayment €100,000 after 3 years

(A); remaining term 2 (U); difference in cost of funds 2% (D). The early breakage charge would be as follows:

(A) 100,000 * (U) 2 * (D) 2% = €4,000.

At the end of a fixed interest rate period, the interest rate on your loan will default to the standard variable interest rate then offered by Haven at that time unless you choose an alternative interest rate, if on offer by Haven to you at that time. Our standard variable interest rate is a variable interest rate. If the interest rate on your loan defaults or otherwise converts to a variable interest rate then offered by Haven, your interest rate and the amount of your instalments could increase or decrease during the term of your loan and your interest rate could be higher than the fixed interest rate that applied during any fixed interest rate period.

iii) Split interest rate

You may choose to have a portion of your mortgage loan on a fixed interest rate and the other portion on a variable interest rate. This will enable you to benefit from the advantages of each interest rate in whatever proportions you choose. Please note that due to the changeability of variable rates, it is not possible to determine at loan offer stage whether a fixed or variable rate will have the lowest repayment amount over the course of the loan.

(iv) You or your legal representative can ask your Mortgage Broker or us to give you an idea of how your current or existing mortgage interest rate compares to any other rate we may offer at that time.

Flexible features

You can speak to us about the following flexible repayment options that may be available to you:

- Term extension - You may be able to increase the term of your mortgage loan once affordability criteria has been met.
- Interest only – You may be able to apply for interest only repayments for a specified duration during the term of your mortgage loan.

These options are subject to you meeting the eligibility criteria and terms and conditions and, if granted, may affect the repayment amount and/or the term of the mortgage loan.

Fees and charges

You will have some expenses to pay in connection with the mortgage loan. Here are some examples of the expenses that may be payable:

(i) Valuation Report

A valuation of the property must be carried out by a valuer on our panel of valuers prior to loan approval. This valuation will cost you €150 which will be refunded to you if your loan application is unsuccessful.

If the valuation of the property is undertaken more than four months before the requested date of drawdown, a re-valuation will be required which will cost you €65. If the conditions of your loan require a final valuation following completion of the building of the property, renovations or repairs to it, this will cost you €65.

(ii) Your own advisors' fees

You will pay any fees, charges and expenses that you are charged by any of your own advisers in connection with the mortgage loan.

(iii) Stamp Duty

Stamp duty is payable on your new home. Your solicitor will work out how much stamp duty you owe.

(iv) Our solicitors' fees

If the security includes a new mortgage over property that is not your private dwelling place or holiday home, you will have to pay our solicitors' fees in connection with the mortgage loan.

(v) Insurance

For your property

For your own protection as well as ours, it will be a condition in your Letter of Offer that your property is adequately insured, at your own cost, for the full re-instatement value (i.e. rebuilding costs) specified in your valuation report

Life assurance

If you or your dependants intend to use the property as a principal place of residence, you must show evidence of mortgage protection insurance, unless you are exempt under the Consumer Credit Act 1995. These policies are designed to pay off your mortgage in full if you or your co-borrower die unexpectedly. The correct type of life assurance will depend on the amount, term and type of borrowing. You can arrange insurance through any insurer of your choice, however, we are entitled to refuse to accept any policy with an insurance company that is unacceptable to us.

(vi) Mortgage broker administration fee

You may have to pay a mortgage broker administration fee. Your Mortgage Broker will advise you of this fee which, if applicable is payable to your mortgage broker on application.

Paying the mortgage loan

Your letter of loan offer will detail the number, frequency and amount of your mortgage repayments.

If you choose a variable interest rate, there is no guarantee that repaying the monthly repayments detailed in the credit agreement will be sufficient to pay the full amount (including interest) that you owe us under the credit agreement. This is because the detailed monthly repayments are only correct as of the date of the credit agreement and variable interest rates can go up resulting in your monthly repayments rising over the life of your mortgage loan. However, variable interest rates may also go down resulting in your monthly repayments falling over the life of your mortgage loan.

If you cancel or make a claim for reimbursement of a direct debit repaying your mortgage account, and fail to make alternative arrangements for payment, your account will go into arrears.

If you do not repay the mortgage loan when due then you will be in breach of the terms and conditions of your mortgage and Haven will take the appropriate steps to recover the amount due. This could mean that Haven will commence legal proceedings seeking an order for possession against you, which will put your home at risk and affect your credit rating, and limit your ability to access credit in the future. All of your obligations in connection with the mortgage loan will be detailed in your credit agreement.

Can I make additional payments and/or repay my mortgage loan early?

If your loan is on a variable rate, you may repay the mortgage loan, in part or in full, at any time without incurring any additional charges payable to Haven.

A fixed rate mortgage loan may be repaid in full, or in part, subject to an early breakage charge. The formula to calculate the early breakage charge is detailed above.

What is the total amount I will have to pay?

The following example may give you an indication of the total amount payable at the end of a typical mortgage.

Owner Occupier Property

A typical €100,000, 20 year mortgage for an Owner Occupier Residential Property with LTV greater than 80% will have a variable interest rate of 4.15% and APR 4.3%, and 240 monthly repayments of €613.91. If the APR does not vary during the term of the mortgage, the total cost of credit, i.e. the total amount repayable less the amount of the loan, would be €47,554.23 (inclusive of valuation report fees of €215). The total amount repayable would be €147,554.23. The effect of a 1% increase in interest rates for such a mortgage will add €54.36 to the monthly repayments.

Some costs are not known to us and are therefore not included in the annual percentage rate of change (APRC). These costs are detailed in the Letter of Offer. The costs associated with a BER certificate are not known to us. Your assessor will tell you how much this costs. The APRC is the total cost of the loan expressed as an annual percentage. The APRC is provided to help you compare different offers.

Mortgage Switching/ Changing Mortgage Type

Additional information relating to switching lender (https://www.ccpc.ie/consumers/money/mortgages/switching-lenders-or-mortgage/) or changing mortgage type (https://www.ccpc.ie/consumers/money/mortgages/changing-your-mortgage/) can be found on the www.ccpc.ie website.

Notes:

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Registered office:
10 Molesworth Street, Dublin 2, D02 R126.

Registered No. 438829

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