

# Haven guide to to managing your mortgage

Our guide aims to help you review your mortgage and provide support information should your circumstances change.



# Reviewing Your Mortgage

From time to time, it’s a good idea to review your mortgage. This means looking at details such as your level of repayments, your interest rate and if you are on a fixed mortgage the amount of time left on that contract. Changes you could make to your mortgage include:

## Changing the type of mortgage you have

You will remember from when you first took out a mortgage there are a couple of different types of mortgages. Whether you are finishing a fixed rate term or are on a standard variable rate its important that you weigh up the options and select the type of mortgage that suits you best. The below table sets out the advantages and disadvantages of variable and fixed rates.

Variable Rates	Advantages	Disadvantages
With a Variable Rate, the monthly repayments may rise and fall over the life of the mortgage.	Variable Rates offer flexibility of payments. They can accommodate lump sum payments to pay off all or part of your mortgage without having to pay any penalties.	However, because Variable Rates can rise and fall, your mortgage repayments can go up or down during the term of your loan.
Fixed Rates	Advantages	Disadvantages
With a Fixed Rate mortgage, your interest rate and monthly repayments are fixed for a set time. Fixed Rates are commonly available over one, two or three years, although longer periods may be available.	A Fixed Rate protects against market volatility.  Fixed Rates provide certainty and makes budgeting easier.  Fixed Rates offer peace of mind as repayments will not rise for the term agreed.	As repayments are fixed, if interest rates fall, you could miss out on lower interest rates and lower repayments.  During the Fixed Rate period, you will face penalties if you want to switch lenders, move to a variable rate, re-mortgage or pay off all or part of your mortgage. Also, you cannot pay more each month than your standard repayment.

## Changing the term of your mortgage

You can do this by either shortening or lengthening the term of your mortgage. Please note if your mortgage is currently on a fixed rate, additional charges may apply if you change the term of your mortgage. If you are on a fixed rate contact your mortgage provider to find out what's applicable to your mortgage. If you find that you are in a position to put more towards your monthly repayments this will shorten the length of your mortgage. In doing so you may save money over the lifetime of the loan. On the other hand if you are experiencing financial difficulties, your lender may be in a position to offer you the option of extending your loan term. This would result in your monthly payment decreasing, however as the term of your mortgage will increase, you will be paying more interest over the length of the loan.

## Reviewing your insurance

Mortgage Protection Insurance bought as life cover pays out on a person's death and is designed to cover the outstanding mortgage balance. Payment Protection Insurance covers regular mortgage repayments if you can't work because of illness or accident. Life insurance and protection policies are medium to long-term products, however, your circumstances may change and it is important to review these regularly in the context of your level of cover, the benefits provided and the cost. You might want to change your life insurance or protection policies in the event of changes to your financial circumstances, changes to your family situation or moving home.

## Changing homes

What you need from a home can change over time. You may find you need more space for a growing family or you may need to move to another location. Buying and selling takes careful juggling. Usually when you move on to your next home you are part of what is called a chain, where buyers and sellers are linked to each other.

Here are some pointers on how to avoid a potentially difficult chain.

- If you have time, you could sell your home first and rent or stay with family, until you find somewhere more permanent.
- If your buyer is buying for the first time, find out if they have mortgage approval. If your buyer is trading up, check if they have a buyer for their property.
- And finally keep the channels of communication open between buyers, sellers and agents to deal with problems swiftly if they arise.

## What to do if you find your circumstances have changed

If you have had any changes in your financial circumstances or feel you may be facing financial difficulties, it is important for you to sit down and go through in detail your finances and the effect any changes may have had on them. If your circumstances have changed and you have a mortgage with Haven, take the time to make contact with us and we can review what's happening and how we can work through it.

### You may find that:

- Your earnings have decreased - your hours or monthly salary may have been cut
- You are occasionally late making payments on bills or skipping them completely
- Your salary does not clear your overdraft
- You don't know how much debt you have
- You borrow money to pay off other debts

The easiest way to see where you stand financially is to write down all the money you have coming in and going out each month. Firstly you need to work out your income for the week/month by adding any money you have coming in such as wages, social welfare or any benefits you may have. Then you make a list of all of your expenditure, writing down everything from the day to day essential costs such as mortgage repayments, electricity and food. Don't forget to include any money you owe, like a car loan or other bills. This basic step will help you understand whether you have any shortfall.

There are a number of agencies that are there to help you out by providing budgeting tools, these include the Monday Advice and Budgeting Service (MABS) and the National Consumer Agency (NCA).



**MABS** - Have a dedicated section on their website "Assess Your Situation" that provides the tools to help you understand your circumstances as well as providing you with support information about your circumstances. To contact MABS phone their lo-call number 0761 072000 or visit [www.mabs.ie](http://www.mabs.ie)

**NCA** - [www.economiser.ie](http://www.economiser.ie) is a useful tool to also assist you in getting an accurate picture of your spending habits. This covers off outgoings such as: groceries, energy, tv & telecoms, mobile phones and motoring. The NCA website also hosts a helpful budget planner.

# MARP

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## The Four Step Process for those in financial difficulty

The Central Bank under the Code of Conduct on Mortgage Arrears (CCMA) has introduced a process for those who are experiencing financial difficulty on their primary residence. You may have heard of the process, it's called the Mortgage Arrears Resolution Process or MARP. This process is a set of steps and guidelines that you will be brought through should you experience financial difficulty.

## Our Four step mortgage resolution process

1

### **Communication with Mortgage Holders**

Although this may seem daunting, the first step is to let us know that you are worried about your finances. We have a team of dedicated trained staff to support our customers who are there to talk you through the steps involved. The earlier you make contact with us the sooner we can work together to find ways to improve your situation.

2

### **Financial Information**

Complete a Standard Financial Statement - This is simply a detailed form that identifies your current income, your living expenses plus other expenditure and other financial commitments you may have. This will help Haven to provide a tailored review of your circumstances and assist us in providing solutions to suit your situation. To help you complete the SFS Haven has developed step by step video guides to talk you through the document section by section. To get a copy of the SFS visit our dedicated section on [www.havenmortgages.ie](http://www.havenmortgages.ie) - here you will also find our SFS guides.

### 3

#### Assessment

We might have a few questions about the information you provided to us in the SFS. Our Arrears Support Unit will then assess your situation where they will pay careful attention to your current personal circumstances, your overall indebtedness, the information provided in your SFS, your current repayment capacity and your previous payment history. Looking at each of these areas, we will seek to provide a realistic and sustainable solution on your mortgage.

### 4

#### Resolution

This means working together to provide possible solutions to your current situation. Depending on your circumstances one of our alternative repayment options may be appropriate for you.

**For more details about the MARP process call Low Call 1850 654329 or go online at [www.havenmortgages.ie](http://www.havenmortgages.ie)**





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Haven Mortgages Limited  
2 Burlington Road, Dublin 4.  
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## Helpful sources of advice and assistance

### Haven

[www.havenmortgages.ie](http://www.havenmortgages.ie) contains a dedicated section to support customers who are worried about their finances. Here you can find support information, a detailed brochure on the MARP, required documentation and video guides In the Managing your Money section you will find useful tips on budgeting and saving money. Our team of specially trained staff are also available at lo-call 1850 654329 (Mon-Fri 9am - 5.30pm) or email [asu@havenmortgages.ie](mailto:asu@havenmortgages.ie)

### [www.makingcents.ie](http://www.makingcents.ie)

brought to you by the National Adult Literacy Agency, this is a website specially created to help you understand a little more about your money and how to manage it. The website is packed with useful information including; 32 short video clips covering a whole range of topics on personal finance such as budgeting, banking, loans, insurance, a handy budget planner and an a-z of financial terms.

### MABS (Money Advice and Budgeting Service)

offers a free and confidential service covering all areas of personal finance They can help you draw up a budget, renegotiate repayments with other lenders and advise you of any benefits you may be entitled to. Contact by lo-call 0761 072000 or visit [www.mabs.ie](http://www.mabs.ie)

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

is a website provided by the Citizens Information board and the Money Advice and Budgeting Service (MABS). The site aims to provide comprehensive information on the services and entitlements available if you are having difficulties paying your rent or making your mortgage repayments. The Citizens Information Board is a statutory body which supports the provision of information, advice and advocacy on a broad range of public and social services including health, unemployment, social welfare and money. Contact by lo-call 1890 777121 or [www.citizensinformation.ie](http://www.citizensinformation.ie)

### Central Bank

The Central Bank's website provides independent information on financial products and includes the Code of Conduct on Mortgage Arrears. Their website is [www.centralbank.ie](http://www.centralbank.ie)