

Managing your Personal Borrowings

A practical guide for AIB personal customers



Introduction

At AIB we know that some of our customers are experiencing financial difficulties. You may be worried about your ability to keep up with payments on borrowings or other debts, while living on a reduced income.

If this is the case, the best thing you can do is talk to us now and make a plan. We are ready to work with you on a solution that will help you manage your finances through difficult times.

It is very important not to ignore the early signs of financial difficulty. Some people panic or ignore the problem in the hope that it will go away or resolve itself – but it is always best to face the problem head-on. The sooner you contact your AIB branch the easier it will be for us to help.

By contacting us early, you can benefit by:

- Structuring your repayments to meet your current financial circumstances to get your finances back on track
- Avoiding additional fees/charges that may apply to accounts in arrears
- Avoiding a negative impact on your Credit Rating
- Helping you plan to deal with a reduced income

For help, call us on:

- 1890 252008 in relation to your Mortgage
- 01 6685500 in relation to your Credit Card
- 01 7715695 in relation to your Finance & Leasing Loan
- If you wish to discuss your personal loan or overdraft, contact your local Branch or Relationship Manager.

This guide is a first step in helping our customers cope when their income is reduced. It includes an **Income & Expenditure Planner** and a **Personal Financial Statement** that can help you get a clear overview of your finances. This is the essential starting point when you are trying to manage on a lower income, or are worried about your job security and want to plan ahead.

We want to work with you to help you to manage your AIB borrowings through difficult times. You may have to speak to other banks or financial institutions about your borrowings with them.

Step One

Reviewing Your Finances

Financial strain can arise for a number of reasons:

- Unemployment
- Illness
- Drop in income
- Breakdown in relationship
- New baby
- Bereavement
- Increased expenditure and lifestyle spending.

These issues can, of course, affect anyone and often the financial impact is short-term – but sometimes positive action is needed to prevent financial strain escalating into serious difficulty. The important thing to remember is that if you are under financial pressure, talking to AIB sooner rather than later will make it easier to get back on track.

Even if you are not in financial difficulty, but feel that you may be in the future, you can talk to AIB now. We can set your mind at rest, by helping you plan how you would adjust to a reduced income.

Financial Warning Signs

There are a number of financial warning signs that can signal that you may need to take action:

- You have recently been made redundant or had your working hours reduced
- Your salary/overtime/bonus has been cut
- Your salary does not clear your overdraft
- You can only pay the minimum payment on your credit card balance each month
- You are paying late payment fees/referral fees every month
- You are borrowing money to pay off other debts
- You have been denied credit / your card(s) have been declined by a retailer
- You are late in paying some bills or have skipped payments
- You are unsure how much total debt you actually have
- You are afraid to open bills and/or letters from your bank
- You borrow from family or friends but don't know when you will be able to repay them
- You have recently stopped saving and/or are dipping into your savings account for day to day spending
- You don't have any savings for a "rainy day" or an emergency.

If you are struggling financially don't ignore the problem - talk to someone as soon as possible.

Get a Clear Picture of Your Finances

AIB has developed two useful tools to help our customers get a clear picture of how they spend their money

- (A) Income & Expenditure Planner
- (B) Personal Financial Statement

By taking the time to use these tools, you can gain a better understanding of where your money goes and any changes you need to make.

(A) Income & Expenditure Planner

- Setting out your monthly budget is the simplest and best way to start improving your financial situation. Even if you are paid weekly, it's best to calculate on a monthly basis as most bills and mortgage repayments are paid monthly. Once you have listed all your income and subtracted all repayments and essential spending you can see clearly how much money you have left.
- The AIB Income & Expenditure Planner makes this budget exercise easy. To get the maximum benefit though, it is important to be entirely realistic about both your income and your spending.
- Begin by listing your income and, if applicable, that of your partner. Don't forget to add all income, including Social Welfare benefits, Mortgage Tax Relief, rental income and any occasional earnings.
- Next, list your monthly outgoings, starting with essential monthly spending that must take priority – for example, mortgage or rent, ESB/Gas bills, food or childcare. Then list other regular outgoings such as house maintenance, car and commuting costs. Finally, add "discretionary extras" such as socialising and holidays. The table below will help you to think about absolutely everything you spend money on throughout the year. And remember - the more accurate your Income & Expenditure Planner is, the more useful a tool it will be to you.

It is best to use monthly figures as most bills are paid on this basis. For annual costs (e.g. home insurance) divide by 12 for your monthly spend.

Your Monthly Income & Expenditure Planner

Number in Household	
Adults	
Children	
Overall Income	€ MONTHLY
Wages/Salary (Own net monthly)	
Wages/Salary (Partner's net monthly)	
Rental Income	
Rent-a-Room	
Maintenance Payments	
Social Welfare	
Benefits (Child/Unemployment/Other)	
Mortgage Tax Relief	
Other Income	
TOTAL INCOME	
Essential Expenditure	
Mortgage	
Rent	
Maintenance Payment	
Property Management Fee	
Local Property Tax	
Home Insurance	
Childcare	
Food	
Mobile Phone	
TV Licence	
Utility Bills:	
- Electricity	
- Heat	
- Gas	
- Landline Telephone Costs	
- Bin/Waste Management	
- Water Charges	
- Cable or satellite TV, Broadband etc	

Financial Commitments	
Mortgage Protection Insurance	
Insurance (Life/Health)	
Loans (Car, Personal, Credit Union etc)	
Credit Card Repayment	
Savings/Investments Plan	
Pension Contribution	
Other Costs	
Clothing/Footwear	
Education (Fees, Books, Uniforms etc)	
Medical/Dental	
Repairs & Maintenance	
Other	
Travel Costs	
Fuel	
Public Transport	
Parking	
Car Insurance, tax, repairs & servicing	
Other	
Lifestyle	
Gym Membership	
Subscriptions/Club Memberships	
Socialising/Hobbies	
Special Occasions	
Holidays	
Newspapers/Magazines	
Tobacco	
Charitable Donations	
Ad hoc (hairdresser, beautician etc)	
Other	
TOTAL EXPENDITURE	
TOTAL INCOME MINUS EXPENDITURE	
INCOME	
EXPENDITURE	
BALANCE	

(B) Personal Financial Statement

As well as setting out your detailed monthly budget, it is useful to get an up-to-date view of your overall financial situation. The AIB “Personal Financial Statement” makes it easy to balance all your assets and financial obligations, to arrive at a clear picture of your current financial profile.

For an accurate statement, do include information on any joint borrowings or savings. While some categories listed below may not be relevant to you, just fill in those that are and the statement will reflect your situation.

ESTIMATED CURRENT VALUE OF FAMILY HOME €				
Mortgage				
Mortgage Purpose	Lender	Monthly Payments	Amount Outstanding	Arrears (if available)
Principal Mortgage				
Top Up				
Equity Release				
Buy To Let / Investment				
Other				
TOTAL 1		€	€	€
Personal Loans				
Loan Purpose	Lender	Monthly Payments	Amount Outstanding	Arrears (if available)
Car				
Furniture				
Holiday				
Credit Union				
Other				
TOTAL 2		€	€	€

Credit Cards

Card Type	Lender	Monthly Payments	Amount Outstanding	Arrears (if available)
Visa				
Mastercard				
Store Card				
Other				
TOTAL 3		€	€	€

Additional Debts

Dept Type	Lender	Monthly Payments	Amount Outstanding	Arrears (if available)
Overdraft				
Long Term				
Family Loan				
Other				
TOTAL 4		€	€	€

Total Debt Outstanding

Loan Type	Total Monthly Repayments	Total Amounts Outstanding
Mortgage TOTAL 1		
Personal Loan TOTAL 2		
Credit Card TOTAL 3		
Additional Debt TOTAL 4		
TOTAL	€	€

Savings Accounts

Financial Institution	Balance
AIB	
Other Bank	
Post Office	
Credit Union	
TOTAL	€

Shares

Company Name	Number of Shares	Current Value of Shares
TOTAL		€

Long Term Savings

Details (e.g. 5 Year Bond, 3 Year Savings Plan)	Balance
TOTAL	€

Life Assurance Policy

Policy Held	Name of Company	Amount Covered	Amount of Annual Premium
Mortgage Cover			
Additional Life Cover			
Other			
TOTAL	€	€	€

Pension Plan

Pensions Held	Name of Company	Balance	Amount of Annual Premium
Company Pension			
Additional Pension			
Other			
TOTAL	€	€	€

Signed: _____ Signed: _____

Date: _____ Date: _____

Data Protection Notice – Use of Information

This Notice explains what "AIB" and "AIB Group" will do with your information so that you can decide whether or not to provide that information to us. "AIB" refers to Allied Irish Banks, p.l.c. and "AIB Group" refers to Allied Irish Banks, p.l.c., its subsidiaries, affiliates and their respective parent and subsidiary companies.

The personal information requested from you is required to enable AIB Group to effectively provide or administer a product or service to you. Failure to supply AIB Group with sufficient information may result in AIB Group not being able to provide or meet your product/service needs.

The information that you provide may be held by AIB Group on a computer database and/or in any other way. We may use this information:

- To administer the products and services that we supply to you and any future agreements that we may have with you and, to manage and develop AIB Group's relationship with you.
- For direct marketing purposes, where you have given your permission to do so, to advise you of products or services. If you wish to change your preferences at any time, please contact your local AIB branch or call us on 1890 724 724.
- To carry out searches (including verifying your identity and/or a credit search) and disclose information to credit reference agencies for the purpose of assessing applications for credit and credit related services and for ongoing credit review. Credit reference agencies will record details of each type of search AIB Group makes whether or not your application proceeds. We may use credit scoring techniques and other automated decision making systems to either partially or fully assess your application.
- To provide details of your financial indebtedness owing to the AIB Group and how you conduct your agreement(s)/ account(s), to credit reference agencies on a regular basis.
- To review your financial position across the AIB Group, including debit and credit balances and security for advances.
- To provide your personal details to debt collection agencies and/or third party processors and contractors, who act on behalf of AIB Group, if it is necessary for the performance of a contract and/or to protect the legitimate interests of AIB Group.
- To prevent and detect fraud or other criminal activity and to trace those responsible. If you give us false or misleading information and we suspect fraud or other criminal activity, we will record this and may report the incident to the relevant regulatory authorities.
- To carry out statistical analysis and market research or to instruct a third party to perform this on our behalf.

We may record telephone conversations to offer you additional security, resolve complaints and improve our service standards. Conversations may also be monitored for staff training purposes.

Our websites use "cookie" technology. A cookie is a little piece of text stored by your browser on your computer, at the request of our server. We may use cookies to deliver content specific to your interests and to save your personal preferences so you do not have to re-enter them each time you visit our websites. In some circumstances, AIB Group may use the data collected to contact you in relation to a product or service that may be of interest to you. You must disable your cookies if you do not want AIB Group to access or store cookies on your computer. For more information on AIB's security policy, please visit www.aib.ie.

Under the Data Protection Acts you have the right of access to personal information we hold about you on our records on payment of a nominal fee (currently €6.35). You can exercise this right by writing to your local AIB branch or to the Data Protection Unit, Allied Irish Banks, p.l.c., Bankcentre, Ballsbridge, Dublin 4. If any of your personal information held by us is inaccurate or incorrect, please let us know and we will correct it. There is no fee for such corrections.

If you decide to proceed with this product/service or have any other communication with AIB Group through or in relation to its products and services, you consent to the use by AIB Group of your personal data as indicated above.

Step Two

Taking Action

Once you have completed your monthly budget and personal financial statement you may feel that you need some help getting your finances back on track.

Here are some general tips on good budgeting, as well as information on how AIB can help you take positive action on managing your money.

Managing your Spending

Keep a “spend diary” for the month – it will help you stick to your budget and find the easiest ways to cut back spending. You may be surprised at how some small regular items can add up to a substantial monthly amount. If they’re optional, you could save that amount by cutting back here.

Take a good look at your monthly outgoings to see where you can afford to make some cut-backs. Some areas just don’t allow any flexibility, but there may well be others where you can reduce your monthly spend.

So that you always know where you stand financially, use AIB Internet Banking, www.aib.ie/internetbanking, to check your finances on a regular basis.

Maximising your Income

There are also some steps you can take to make sure you are getting the maximum income available to you:

- Check that you are getting all the tax credits to which you are entitled
- Check that you are claiming all your entitlements and benefits
- Claim all tax relief to which you are entitled e.g. Tax Relief at Source (TRS), medical and dental expenses
- Explore other ways of bringing in additional income, for example renting out a room or taking on a part-time job.
- See www.revenue.ie for comprehensive information on tax reliefs and benefits.
- www.welfare.ie has full details on eligibility for welfare payments, including application forms and contact numbers.

Step Three

Talk to us

The sooner you talk to AIB the easier it is for us to work with you and find the solution to your financial problem. Contact us and we will arrange for an experienced staff member to talk to you at a time that is convenient to you.

Checklist for your meeting with AIB

To get the most benefit out of your meeting with AIB, it's best to complete both the Income & Expenditure Planner and Personal Financial Statement before you visit the branch. Where your difficulties relate to your Primary Residence, you should complete a Standard Financial Statement, available from your branch.

You should also bring any of the following information that applies to you:

- If you are a PAYE worker
 - 3 recent salary slips
- If you are self-employed
 - A letter from your accountant confirming your monthly/annual salary
 - Confirmation that your tax affairs are up to date
 - A copy of your annual accounts for the past 2 years (if possible)
- If your salary is paid into a non-AIB Account
 - Last 3 months statements from account salary is paid into
- Statements from any non AIB Loan/Deposit/Current Accounts
- Non AIB Credit Card/Store Card Statements
- If unemployed, details of any severance payments.

NB: Remember to keep us up to date with your contact details and to inform us if you have recently moved address or changed your phone number or any other contact details.

What we can do to help you

Personal Borrowings

There are various ways we can work with you to find a solution to your financial difficulty and help you manage your debts with AIB. If you have loans with other banks or financial institutions you will need to speak to them directly. Every person's case is different but to give you an idea of potential solutions, here are a number of options we can explore:

- Consolidating your AIB personal debts into one loan (personal loan, credit card debt, overdraft can all be combined)
- Extending the term of your existing AIB loan(s) to help your cash-flow
- Moving to interest-only payments for a period to help you get back on your feet
- Repayment Break (usually 3-6 months) – deferring payments until your situation improves.

However, flexible repayment options may appear cheaper in the short-term but could be more expensive over the life of the loan and are subject to approval. Do remember that the sooner you speak to us about your financial difficulty, the easier it will be for us to work with you on a satisfactory resolution.

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.

Mortgage Repayment Difficulties

Under the Central Bank's Code of Conduct on Mortgage Arrears, AIB has introduced a four step process called the Mortgage Arrears Resolution Process or MARP to help support mortgage customers who are in arrears, or are at risk of going into arrears. This also applies to customers where an alternative repayment arrangement already in place breaks down or expires. The protection of the Code of Conduct on Mortgage Arrears applies to your primary residential property, which you occupy as your primary residence, or your residential property which is your only residential property in this State (that you may not currently reside in).

AIB has a dedicated MARP booklet which takes you through the Mortgage Arrears Resolution Process. The MARP booklet is available to download on www.aib.ie or in any AIB branch. You can also call our dedicated helpline on 1890 252 008 (8am to 8pm Mon-Fri & Sat 9am - 2pm) if you want to discuss any aspect of your mortgage account.

You should contact us as soon as you know that you are in financial difficulty or are concerned about going into financial difficulties, as we can immediately start working with you to find a solution. It is very important not to ignore the early signs of financial difficulties or stress. AIB has dedicated staff available in every branch if you would like to discuss any aspects of your mortgage situation. Please ask for your Relationship Manager or Mortgage Co-ordinator.

You may wish to contact an independent source if you feel you need assistance with managing your finances. The Money Advice and Budgeting Service (MABS) offer a free and confidential service covering all arrears of personal finance and can be contacted through their helpline 0761 07 2000 or through their website **www.mabs.ie**

A website - www.keepingyourhome.ie - is provided by the Citizens Information Board and the Money Advice and Budgeting Service (MABS). www.keepingyourhome.ie aims to provide comprehensive information on the services and entitlements available to mortgage borrowers who may be experiencing difficulties making mortgage repayments.

What happens if mortgage debt is not dealt with?

Any arrears on your mortgage or any arrangements or modifications to your mortgage loan accounts as a result of an alternative repayment arrangement may be reported to the Irish Credit Bureau and any other credit reference agency or credit register which will appear on your credit report. The impact of this may affect your ability to borrow funds in the future.

It is vital that you co-operate with AIB in relation to your current financial situation.

Where you fail to co-operate with AIB, you will be classified as not co-operating which may have several implications, including that Legal proceedings can be commenced immediately and that you will no longer be subject to the protection of the Mortgage Arrears Resolution Process (MARP). For a full list of the implications and further details on the MARP please review our MARP booklet which is available to download on www.aib.ie or in any AIB branch. You can also call our dedicated helpline on 1890 252 008 (8am to 8pm Mon-Fri & Sat 9am - 2pm) if you want to discuss any aspect of your mortgage account.

Full details of the Code of Conduct on Mortgage Arrears can be found on the website of the Central Bank at **www.centralbank.ie**

Payment Protection Insurance

AIB's Payment Protection Insurance offers cover for critical illness, accident/sickness and involuntary unemployment including business failure if self-employed. Life benefit is also included in the Payment Protection Insurance for all AIB credit facilities except Home Mortgages. If you have Payment Protection Insurance and wish to make a claim, please call the AIB Payment Protection helpline on 1850 200650 (Monday to Friday 9am – 5pm).

Claims Helpline Number:

1850 200 650 (Monday to Friday 9am – 5pm)

IMPORTANT: Amending the repayment schedule, term, or frequency of your personal loan, car finance or mortgage facility may impact on the benefits covered on your AIB payment protection policy. So do be sure to ask for more details at your local AIB branch before making a decision on any changes.

AIB payment protection insurance is exclusively underwritten by London General Insurance Company Ltd and London General Life Company Ltd. AIB Insurance Services Limited is regulated by the Central Bank of Ireland.

Student & Graduate Loans

How to repay your student loan or credit card balance is the last thing you want to worry about. Or if you have recently graduated from college and are looking for a job, you may find that it is not possible to start clearing your debt as soon as you had planned.

The main thing to remember is to take early action to sort out your finances. It makes no sense at all to ignore letters or phone calls from your branch – to do so may only make matters more difficult to resolve in the long term.

If your parents or guardian have guaranteed your loan it is very important that you discuss the issue with them as they are also legally responsible for repayment of your debt.

Talk to AIB about your borrowings as soon as possible. We will explore ways to help you until your exams are over or you find employment. If your parents or guardian have guaranteed your loan it may be necessary for them to come along with you to the bank to discuss how they might help until you are earning enough to repay your debt.

Fees and Charges

Below is a guideline to our fees and charges which you may be charged if your credit card account or current account falls into arrears. By contacting us early you may be able to avoid some of these fees and charges.

Credit Card	Overlimit Fee – This charge applies the first time your balance exceeds your credit limit in each statement period	EUR7.00
	Late Payment Fee – This charge applies should payment not be credited to your account by the payment due date as specified on your statement	EUR7.00
	Returned Payment Fee – This charge applies should any payment either by cheque or direct debit be returned unpaid	EUR7.00

Current Account

Unpaid Item Charges	This charge applies when cheques, direct debits or standing orders are presented for payment on your account and are returned unpaid	EUR10 per item
Referral Item Charges	These charges apply when cheques, withdrawals, direct debits and standing orders are presented for payment on your account and, when paid, place the account in an unauthorised overdraft position	EUR5.15 per item, up to a maximum of five items per day
Surcharge Interest	This is an interest that is charged on unauthorised borrowings. It is charged if your account is overdrawn without our agreeing to give you an overdraft facility or if you exceed an authorised limit.	Loans and Overdrafts: 12% (variable) per annum Mortgages: 6% (variable) per annum Finance & Leasing: up to 15% per annum

Finally, What happens if personal debt is not dealt with?

We will always try to give you guidance and support through difficult financial times. Unfortunately, it can happen that we can't reach agreement with a customer.

In this case, regrettably, we may have to take the following course of action:

- Return payment requests on an account where there are not sufficient funds to meet them
- Cancel cards and regular payments and seek payment through one of the ways mentioned below
- Issue a formal demand (for the full balance of the debt)
- Refer the account to our Debt Collection Agency
- Inform the Irish Credit Bureau (this could affect a customer's ability to get credit in the future)
- Take legal action which could lead to a court judgement resulting in the customer having to pay court and solicitors' costs in addition to the debt.

Remember, the sooner you talk to us the easier it is for us to work with you to help you through this difficult time.

Further Information

www.aib.ie/yourmoney

You can access the Income & Expenditure Planner and Financial Statement here.

www.mabs.ie - Government agency MABS (Money Advice and Budgeting Service)

MABS offer free, independent advice on managing finances through their helpline

0761 072000 or website www.mabs.ie

www.itsyourmoney.ie

- **Recession Survival Guide** by the National Consumer Agency.

www.revenue.ie

The Revenue website is the comprehensive source for information on tax reliefs and benefits and provides contact numbers for your local Revenue office.

www.welfare.ie

The website of the Department of Social & Family Affairs has details on eligibility for jobseekers' allowance and other welfare payments, as well as application forms and contact numbers.

www.citizensinformation.ie or 0761 074050

National agency that provides information, advice & advocacy to the public on social & civil services. The Board also has a dedicated website aimed at those coping with or facing unemployment – www.losingyourjob.ie

www.keepingyourhome.ie

Website provided by the Citizens Information Board and the Money Advice and Budgeting Service (MABS) that aims to provide information on the services and entitlements available if you are having difficulties paying your rent or making your mortgage repayments.

www.ibf.ie

Website of the Irish Banking Federation (IBF), the leading representative body for the banking and financial services sector in Ireland.

www.centralbank.ie or 1890 777777

Contains full details of the Code of Conduct on Mortgage Arrears.

www.isi.gov.ie - Insolvency Service of Ireland

Under the Personal Insolvency Act 2012, you have the right to consult with a Personal Insolvency Practitioner. For more information please refer to their website.

Financial Jargon Explained

Arrears

Arrears occur where you fall behind with regular payments (for example, monthly mortgage or loan payments), or do not pay the correct amount required. In certain cases, surcharge interest may apply to the amount of arrears.

Credit History

A record of an individual's past borrowing and repaying. Most lenders use a central agency, the Irish Credit Bureau (ICB) to check your credit history.

Debt Consolidation

This entails taking out one loan to pay off a number of other existing loans.

Equity

The difference between what a home is valued at and the amount owed on the mortgage.

Guarantor

A guarantor is a person other than the borrower who guarantees the loan repayments.

Interest Only Repayments

With an Interest Only Loan, the loan is not paid off during the loan term: instead just the interest on the loan is paid monthly, while the original amount borrowed is due in full at the final maturity date of the loan. www.aib.ie/personal/mortgages/Mortgage-Jargon

Loan to Value (LTV)

LTVs are shown as percentages and represent the relationship between the size of the mortgage and the value of the property. For example a mortgage of €90,000 on a property valued at €100,000 would be shown as 90% LTV.

Negative Equity

When the value of a property has fallen below the outstanding mortgage debt.

Primary Residence

The Code of Conduct on Mortgage Arrears defines a Primary Residence as a property which is:

- (i) the residential property which the borrower occupies as his/her primary residence in the State, or
- (ii) a residential property which is the only residential property in this State owned by the borrower.

Repayment Break

Repayment Holidays allow the borrower to spread monthly repayments over a shorter number of months, for example, 10 months instead of 12, or postpone repayments for a time, for example 3months.

The information contained in this Brochure is provided for guidance only and does not constitute any form of legal or tax advice, recommendation or arrangement by AIB. Whilst we have made all reasonable efforts to ensure that the information is accurate at the time of inclusion we do not make any warranties, undertakings or representations as to the Brochure's completeness, accuracy or reliability, and, exclude all warranties, undertakings and representations (either express or implied) to the fullest extent permitted under applicable law.

If you would like further information in relation to the contents of this Brochure or any of our products and services please contact your local AIB branch.

Allied Irish Banks, p.l.c. is regulated by the Central Bank of Ireland.

Notes

A large rectangular area with horizontal stripes in alternating light blue and medium blue colors. The stripes are evenly spaced and cover the entire area, providing a guide for writing notes.

**+ add
more
green**

We all want to do our bit for the environment. That's why AIB has created 'Add more green', a range of environmentally-friendly initiatives that will help us and our customers create a greener world. Even something as simple as signing up for eStatements can make a huge difference. Find out how you can help add more green at www.aib.ie/csr



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