Home Mortgages Regulatory Information

AIB

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 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.

Warning: 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 Allied Irish Banks, p.l.c. and AIB Mortgage Bank u.c..

AIB plc introduces and arranges AIB Mortgage Bank u.c. mortgage loans. AIB Mortgage Bank u.c. provides mortgage loans and are the entity that our customers will contract with. AIB plc service the AIB Mortgage Bank u.c. mortgage loan for the lifetime of the product.

Our address is 10 Molesworth Street, Dublin 2.

Allied Irish Banks, p.l.c. and AIB Mortgage Bank u.c. are 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 include owner occupier and buy-to-let mortgages.

How much can you borrow?

Maximum loan to value of owner occupier residential properties

- You can borrow up to a maximum of 90% of the purchase price of the property.
- Up to 80% loan to value is available for a studio apartment valued at €275,000 or above or a one-bedroom property. We do not lend for the purchase of studio apartments valued at under €275,000.
- For buy-to-let/investment properties - 70% of the purchase price or valuation whichever is lower.

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.

Once we receive your application and any other information we ask you to give us as set out in the mortgage application checklist we will contact you within three business days to say we have received it.

(a) If there is any information missing we will tell you, within three business days;
(b) We will let you know our decision on your mortgage application within ten business of receiving all the information we need;
(c) If we cannot make a decision within ten business days we will tell you why and when we are likely to make a decision.

Repayment terms

If your mortgage loan is an owner occupier mortgage, repayment terms of up to 35 years may be available to you, subject to maximum age restrictions, such as, up to your 69th birthday or, up to 71st birthday subject to documentary confirmation of employment or on retirement if earlier or 71 years if you are self-employed. If your mortgage loan is a buy-to-let mortgage, repayment terms of up to 25 years may be available to you.

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

If your mortgage loan is a foreign currency loan because its' currency is different to either:

(a) The currency of the income or asset you intend to use to repay the mortgage loan; and/or
(b) The currency of the European Economic Area State in which you are resident.

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. We can only facilitate one non-euro currency per mortgage application.

Our mortgage interest rate options

Your AIB Mortgage Advisor 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.
- Our Standard Variable rate is available to all buy to let mortgage loans.
- A variable rate mortgage loan may be repaid at any time in full, or in part, without penalty.

(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 10 years). During this time the interest rate will not change.

At the end of your fixed interest rate term, you may choose between:

(a) another fixed interest rate for a further fixed interest rate term if we offer it at the time; or
(b) an appropriate variable interest rate for the Mortgage Loan if we offer it at the time.

PDH Fixed Interest Rates based on LTV

If your Mortgage Loan is for your PDH and is on an LTV fixed interest rate, and at the end of any fixed interest rate term you do not choose one of the options described in (a) or (b) above then:

(i) we will apply an LTV variable interest rate to the Mortgage Loan, based on the LTV fixed interest rate band that applied to the Mortgage Loan during the fixed interest rate term (or, because LTV interest rate bands may change, the closest available equivalent); or
(ii) if we don't offer LTV variable interest rates at that time but we do offer a PDH standard variable interest rate we will apply such PDH standard variable interest rate to the Mortgage Loan; or
(iii) if we offer neither LTV variable interest rates nor a PDH standard variable interest rate at that time, another variable interest rate determined by us that we offer at that time (as a default interest rate for PDH borrowers) will be applied to the Mortgage Loan.

PDH Fixed Interest Rates not based on LTV

If your Mortgage Loan is for your PDH and is on a fixed interest rate other than an LTV fixed interest rate, and at the end of any fixed interest rate term you do not choose one of the options described in (a) or (b) above, then:

(i) if we offer a PDH standard variable interest rate at that time, we will apply it to the Mortgage Loan; or
(ii) if we do not offer a PDH standard variable interest rate at that time, another variable interest rate determined by us that we offer at that time (as a default interest rate for PDH borrowers) will be applied to the Mortgage Loan.

BTL Fixed Interest Rates

If your Mortgage Loan is for a BTL property, and at the end of any fixed interest rate term you do not choose one of the options described in (a) or (b) above, then:

(i) if we offer a BTL standard variable interest rate at that time we will apply it to the Mortgage Loan; or
(ii) if we do not offer a BTL standard variable interest rate at that time, another variable interest rate determined by us that we offer at that time (as a default interest rate for BTL borrowers) will be applied to the Mortgage Loan.

EARLY REPAYMENT CHARGE

- **When will you have to pay an early repayment charge (ERC)?**
  At any time when a fixed interest rate (fixed for a period of at least 1 year) applies to your mortgage loan, you may have to pay us an early repayment charge if you; (i) repay all or part of your mortgage loan early, (ii) make an out of course repayment, or (iii) convert the interest rate on your loan to another interest rate. Any or all of these instances may result in a cost to the bank.
- **How do we calculate the early repayment charge?**
  We calculate the early repayment charge using the following formula: (A) × (U) × (D %) = € ERC [early repayment charge], where:
  (A): Amount of your mortgage loan being repaid early, or converted to another interest rate.
  (U): Number of months remaining before the fixed interest rate is due to expire, divided by 12.
  (D%): Difference between your original fixed interest rate at the start of the fixed interest rate term, for the full fixed interest rate term, and the applicable fixed interest rate offered by the Bank at the time the mortgage loan is repaid or converted, for the period of (U). [See note 3 in additional information regarding this calculation below.]

  Example 1: You fix your mortgage loan at a fixed interest rate of 5.25% for a period of 5 years (60 months). After 3 years (36 months), you repay your mortgage loan in full. The outstanding amount on your mortgage loan at that time is €100,000. The applicable fixed interest rate used is the 2 year fixed interest rate being offered by the Bank as there is still 2 years (24 months) remaining on your original fixed term, e.g. 3.0%. In this case, ERC = (A= €100,000) × (U = 24 months /12) × (D% = 5.25%–3.0%= 2.25%) = €4,500.
  We will also use a market interest rate to calculate the D% component in the formula above. In that case, D% would be the difference between the market interest rate applicable at the start of the fixed interest rate term, and the market interest rate applicable at the time of the early repayment or conversion, for the unexpired fixed interest rate term. Note: Market interest rate is determined by the wholesale market. The market interest rates used will be as of close of business on the previous working day to the day the calculation is being completed.
  Example 2 (Additional Calculation): You fix your mortgage loan at a fixed interest rate of 5.25% for a period of 5 years (60 months). The market interest rate applicable at the start of the fixed interest rate term is 3.5%. After 3 years (36 months), you repay your mortgage loan in full. The outstanding amount on your mortgage loan at that time is €100,000. The market interest rate applicable at the time of early repayment for the remainder of the fixed interest term of 2 years is 1.5%. In this case, ERC = (A= €100,000) × (U = 24 months /12) × (D% = 3.5%–1.5%= 2%) = €4,000.
  AIB will calculate the ERC, using both D% components outlined above. We will then compare the outcome of each calculation and will accept the lower amount, as this is the most beneficial to you. In the above example, this would be the ERC of €4,000.
  A specific ERC calculation for your loan can be obtained by request from AIB Home Mortgages, 1 Adelaide Road, Dublin 2.
  Further information on the terms used here is available on https://www.aib.ie/our-products/mortgages/Mortgage-Jargon
- **Additional information regarding the calculation**
  We take a number of other factors into account as described below. These will result in a lower ERC than if we did not take these into account. For example:
  1. We consider the reducing balance nature of your mortgage, which will mean that your ERC will be less than the indicative figure produced by the A × U × D% formula.
  2. When the remaining term does not exactly match a term for which there is a rate available, we will use the two closest rates and apply the most beneficial to you. For example, if you have 18 months remaining on your fixed term, we will use the more beneficial of the 12 and 24 month rates in our calculations.
  3. If there is more than one applicable fixed interest rate offered by the Bank at the time the ERC is being calculated, we will always use the fixed interest rate that generates the lower ERC in our calculations

(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.

You or your legal representative can ask 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.
- Moratorium - A moratorium is a payment break that allows you to take a break from your mortgage or reduce your repayments for up to a maximum of 6 months.

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

When appropriate, a valuation of the property must be carried out by a valuer on our residential mortgage valuers panel and can only be arranged by contacting our Central Valuations Team on 0818 100 051. This valuation will cost you €150. If the valuation of the property is undertaken more than four months before the requested date of drawdown of the loan or of the final stage payment, a re-valuation will be required which will cost you €65.

(ii) BER Certificate

All our mortgage customers must give us a valid BER certificate before their Mortgage Loan funds are released. This will apply to both owner occupier and investment properties. You must give us a valid BER certificate to draw down the Mortgage Loan funds irrespective of the interest rate you have chosen or the BER rating of the property. A BER certificate is valid for 10 years. The Mortgage Loan must be taken out before the end date on the certificate.

If you are buying a new or second-hand property, the seller of the property will have the BER certificate. The estate agent or solicitor should be able to share it. Or the BER reference number will be available on the property listing. This reference number can be used to source the complete report from the SEAI National BER Register. You can print off the report or upload a screen shot to your MyMortgage app account.

If you are switching your Mortgage Loan to us, you must give us a valid BER certificate before you take out the Mortgage Loan, irrespective of the interest rate you have chosen or the BER rating of the property. If you don't have a valid BER certificate for your property, you will need to arrange to get one and you will have to pay for it. To check if your property already has a BER certificate, visit the SEAI National BER Register website. For more information on arranging a BER assessment of your property, please visit the SEAI website.

If you are a self-build customer or topping-up your Mortgage Loan for works that need planning permission, you need to give us a completed Building Certificate confirming nZEB standards each time you ask for a stage payment. Your architect or engineer will complete these certificates. You can locate a copy of the Building Certificate on our website under the Forms and Guides section or by copying this link:
www.aib.ie/content/dam/aib/personal/docs/our-products/mortgages/Arch-cert.pdf

If you are topping up your Mortgage Loan to carry out renovations that do not require planning permission, or you are topping up your Mortgage Loan for any other reason, you will need to give us a valid BER certificate prior to drawdown. If you don't have a valid BER certificate for your property, you will need to get one and you will have to pay for it. For more information, please visit the SEAI website.

If your property or the property you are buying is registered as BER exempt, you must provide us with documents that show this from the appropriate local authority Record of Protected Structures prior to drawdown of your Mortgage Loan. The cost of a BER certificate varies based on factors like the provider and property size, so it is not included in our credit cost calculations.

Please note that the BER rating of the property may change over the course of the Mortgage Loan. We may ask you at any time during the Mortgage Loan for a BER certificate for your property that is no more than 10 years old. You will have to pay the cost of arranging the BER certificate.

(iii) 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.

(iv) Stamp Duty

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

(v) 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.

(vi) 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.

- 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 seek this insurance through us or from other sources).

Allied Irish Banks, p.l.c. is tied to AIB life for life and pensions business. Allied Irish Banks, p.l.c is regulated by the Central Bank of Ireland. Saol Assurance d.a.c., trading as AIB life, is regulated by the Central Bank of Ireland.

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 rate 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 AIB will take the appropriate steps to recover the amount due. This could mean that AIB 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.

What is the total amount I will have to pay?

The following examples 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 < 50% will have a variable interest rate of 3.75% and APRC 3.84%, and 240 monthly repayments of €592.48. If the interest rate does not vary during the term of the mortgage, the total cost of credit i.e. the total amount repayable less than the amount of the loan would be €42,467.79 (inclusive of €215.00 valuation report fees and security release fee of €60.00). The total amount repayable would be €142,476.79. The effect of a 1% increase in interest rates for such a mortgage will add €52.99 to the monthly repayments.

Buy-To-Let/ Investment Property

A typical €100,000, 20 year mortgage for a Buy-To-Let/Investment Property will have a Standard Variable interest rate of 5.20% and 5.34% APRC and 240 monthly repayments of €670.11. If the APR does not vary during the term of the mortgage, the total cost of credit i.e. the total amount repayable less than the amount of the loan would be €61,096.83 (inclusive of €150.00 and €65.00 valuation report fees and security release fee of €60). The total amount repayable would be €161,096.83. The effect of a 1% increase in interest rates for such a mortgage will add €56.44 to the monthly repayments.

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.

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