

Movers' Guide to getting 'mortgage ready'.



**PUTTING
DOWN
ROOTS**
#backedbyAIB



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When it's time to move, we'll get things moving for you.

An easy guide to help you get your next mortgage.

No matter what life stage you are at, deciding to buy a new home is a big move. We're here to help you make sense of your choices, and guide you through the whole process.

Maybe you have decided that you need a larger home, or you would like to be nearer

family, friends, the right school for the children, or your new job. Whatever your reason for moving, AIB can help you to plan ahead and get the process moving in the right direction. That means you can get on with the exciting part – finding that new dream home.



Keep it simple.

It may be a long time since you bought your last house, or just a few years. Either way the market and mortgages have probably changed a lot in the meantime.

That's where AIB comes in, we will help to explain everything, keep things as simple as possible and guide you through the big move.

1 Find out the current value of your home

This will help you to work out the budget for your new home. Get valuations on your home from a few of your local estates agents, bear in mind, the fee they charge can vary from 1.5% to 2.5% so make sure you ask.

2 In Negative Equity?

This doesn't have to mean you can not move home. You can apply for an AIB Negative Equity Mover. This may allow you to add the negative equity balance from your current property onto the Mortgage for the new property. For further information on Negative Equity Mover please see our FAQ section in this brochure. Alternatively you can pick up our brochure 'AIB Mortgages Helping you move home,' contact your local AIB branch, phone **1890 742 742** or check out www.aib.ie/mortgages

3 Your "New Home Profile"

Start a "New Home Profile". How many bedrooms do you need? What else do you need? A garden, off-street parking, access to public transport, access to schools etc. What area would you like to live in?

Next, you can do a price comparison for your New Home Profile in your chosen area(s). You can easily find out the current asking prices by going online or by ringing local estate agents. Remember that in today's "buyer's market", asking prices are often higher than final selling prices.

4 Work out your timeline

Should you Sell and Buy or Buy and Sell? There really is no right way. It depends on how much time you have to move and how flexible you are about the type of house you buy. You may already have seen your dream house and want to buy it now before you sell, or you might prefer to sell your home and rent until you find the right house.



Your New Home Budget

You'll need to work out your New Home Budget, or exactly what you can spend on your move. This will depend on the following factors:

New Home Budget

Equity + Savings + New Mortgage = New Home

Equity

This is money left over from the sale of your existing house, after the existing mortgage has been repaid in full.

Savings

You might have a lump sum put away or you may be saving regularly for your new home, adding your savings to any equity you have will reduce your new mortgage.

New Mortgage

If the price of your new home is more than your equity and savings, you will need to arrange a new mortgage. Just drop in and meet your Mortgage Advisor at any AIB branch to find out what kind of mortgage would work best for you. Use the checklist at the back of this brochure to find out what you will need to bring with you.

Cost of Moving

Don't forget, your New Home Budget also needs to cover your selling and moving costs as well as the purchase price of the new house. Before you work out the final figure that you can spend on your new house, you'll need to factor in the following costs:

Solicitor's fees. For buying your new home and for selling your existing home.

Estate agent's fees. For selling your existing home.

Stamp duty. For your new home. The current rate of stamp duty is 1% of the value of the property up to €1,000,000. Your solicitor will work out how much stamp duty you owe. (Please refer to www.revenue.ie for further details).

Valuation fees. You'll need a valuation report, completed by an approved valuer from the AIB Residential Mortgage Valuers panel, a list of which is available from your Mortgage Advisor or from www.aib.ie. The valuation report must be dated within two months of the date of the drawdown of funds, otherwise you may be required to obtain a new valuation. AIB has agreed with the panel a fee of €150 for the initial valuation and €65 for any subsequent valuations should they be required.

Structural survey. For your new home. It's always worth paying to have a house surveyed before the sale is closed in case there are any defects or problems with the building.

Depending on the circumstances, you might also have to cover the below costs:

Moving cost – If you have furniture to move, you may need to hire professional movers or a moving van that you can drive yourself.

Storage cost – If you sell before you buy, you might find yourself renting while you search for the right house, unless you rent an unfurnished house, you'll need to store your furniture.

Decorating costs – To get your existing home ready for market, you might need to make some small improvements to freshen up its appearance. Don't forget, there will also most likely be some changes you want to make to the décor of your new house.



Top-Up Mortgages

Don't want to move but need a bigger home. An AIB Top-Up Mortgage may be the answer.

If you are thinking of extending the kitchen, building a play room or adding another bathroom, an AIB Top-Up could help make this happen.

AIB can help by offering you competitive interest rates of up to 80% Loan to Value on the purchase price and 75% for one bed apartments.

Top-Ups will be considered for the following purposes:

- Expenditure on the Mortgaged Property or on another property mortgaged to AIB
- Grant-aided renewable energy and other energy efficient home improvements
- Education expenses
- Parental gift for dependent(s) into a house purchase.

The minimum Top-Up loan amount is €10,000. If the application for Top-Up is for grant-aided renewable energy or other energy efficient home improvements, the Top-Up may be less than €10,000.

Repayment terms of up to 35 years may be available on your Top-Up mortgage.

AIB Negative Equity Top-Up

If your home is currently in Negative Equity, a Top-Up mortgage may still be available to you to finance improvements to your property.

The following information will apply to a Negative Equity Top-Up Mortgage:

- The maximum LTV for the combined balance of the current mortgage and Top-Up is 175% subject to a maximum loan balance of €700,000
- Standard new business rates will apply to the top-up loan
- The standard assessment and approval process for all mortgage Top-Up will apply.

If you would like further information on Top-Up Mortgages, phone **1890 724 724** or call in to any AIB branch.

Your Mortgage Life may be affected by topping up your mortgage and we would recommend reviewing your policy to ensure you are adequately covered.

Home Insurance policies can be impacted if you are extending or altering the structure of your home, we would advise that you contact your insurer to check if any changes will affect your cover.

Step by step guide to getting a mortgage.

These steps will give you all the information you need to set you on the road to buying your new home.

If you're thinking about moving home, then you will need to be thinking about a new mortgage. It doesn't matter how long it was since your last mortgage, AIB will help you with all the homework and help you get 'mortgage ready'.

Step 1

A good first step - talking to an AIB Mortgage Advisor

Drop in to meet your Mortgage Advisor or phone **1890 724 724** to make an appointment to suit you. They'll make sure you're on the right track from the very start.

Step 2

Saving for your deposit

You need to aim to have a deposit of at least 20% as a Home Mover. AIB currently offers up to 80% Loan to Value, with 75% maximum for a one bedroom apartment.

Step 3

Getting everything in order

The most important part of your application is proving you can repay the new mortgage loan. This means you'll need to provide payslips, bank statements, credit card bills or other documents.

Step 4

A Sanction in Principle

Apply for a Sanction in Principle. This is when your bank agrees, in principle, to give you a mortgage, based on the information you've provided.

Step 5

Looking for and making an offer on a home

This is the exciting bit – looking for your new home. Once you've found it, you put in an offer. If it's accepted, it's back to us.

Step 6

Selling your Home

Remember, selling your existing home may take time. Ensure you have the property on the market in good time if you want to move in to your new home rather than rent after you have sold your house.

Step 7

Once your offer is accepted

Let us know you've made an offer and now want to proceed. You will need to provide details of the property and your solicitor before we send you our mortgage offer.

Step 8

Appointing your solicitor

You can appoint a solicitor before starting your search or after you've made an offer and received approval. One solicitor will look after both the sale of your existing home and the purchase of your new one.

Step 9

The Contract for Sale

The Contract for Sale is an agreement between you and the Seller. It sets out the agreed price and planned completion date, but it's dependent on checks and searches that your solicitor will carry out for you.

Step 10

Last steps to remember

Don't forget you will be dealing with the sale of your old home. This will include correspondence with solicitors, estates agents, maybe more paperwork and phone calls to deal with.

Step 11

The loan funds

A few days before completion, your solicitor will request the loan funds from the lender and arrange the transaction.

Step 12

A final note

The final stages of the mortgage process may seem complex but don't worry - your lender and your solicitor will help you through it.

Saving for your next home.

It's important to put money away for a rainy day. But it's just as important to put it away for special days too.

As a home mover you need to aim to have saved at least 20% of the purchase price to cover the deposit. AIB funds up to 80% Loan to Value on mortgages.

If you have your deposit already, then great, you can proceed to the next stage. Otherwise you may want to think about a savings plan. Regular savings are the key, and AIB will help you set this up.

How Much Will I Need?

This will depend on the price of your new home, how much you have saved and the amount of equity in your old home.

How will I save?

There are loads of ways to save with AIB. Start by doing a budget with your weekly outgoings and check how much you can afford to save. Visit www.aib.ie/savings to view the full range of savings accounts.

Branch Savings

Just pop into one of our branches and talk to our staff to help you decide on the regular savings account that best suits your needs. For example, the AIB Saver is designed especially for regular savers, allowing you to save what you want, when you want and how you want. So if flexibility is important to you, then this account definitely fits the bill. The AIB Saver is available to personal customers who have an AIB Demand Deposit or AIB Current Account.

Online Savings

If you are already an AIB Phone and Internet Banking customer and prefer the ease and convenience of saving online, we have a range of online savings accounts to help you reach that all important savings goal. The Online Saver, for example, lets you manage your account and keep track of your regular savings at a time that suits you. The Online Saver is available to customers who have an AIB Demand Deposit or AIB Current Account.



Check out our savings information online at www.aib.ie/savings and start planning.



AIB Internet, Mobile & Phone Banking

- ✓ Register for AIB Internet, Mobile and Phone Banking to get instant information on your account balances and transactions
- ✓ Pay bills, transfer money, change your personal details or Top-Up your phone on the go
- ✓ Stay on top of your finances with visibility and control day and night
- ✓ Benefit from services like e-Statements, eFees and eDrafts
- ✓ Set up and manage your standing orders
- ✓ AIB Mobile Banking is an easy and convenient way to manage your money while on the move
- ✓ Download the App directly from the Apple App store, Google Play store and m.aib.ie

Transaction limits, fees and charges may apply.



Registered? Log onto www.aib.ie/internetbanking or call us on **0818 724 724** (or +353 1 771 2424).
To register, contact us on **0818 724 020**.

Insurance Advice.

Before you draw down your mortgage, you need adequate Life Assurance and Home Insurance in place.

Life Assurance to cover your mortgage

The type of Life Assurance you need depends on the amount, term and type of borrowing. Please note that Life Assurance Cover should also take account of flexible repayment options such as Interest Only, Deferred Start/ Moratorium or Payment Holidays. We strongly recommend that you get advice on your protection needs. At AIB, we have the specialist staff to help you. Your Mortgage Advisor will be happy to arrange a consultation with an AIB Financial Adviser to discuss your life and/or illness cover and income protection options.

Home Insurance

Home Insurance shouldn't just be about getting the minimum protection for your bricks and mortar. Your policy should be designed around you, reflecting the things you value most. So that's what we do at AIB.

Home Insurance from AIB offers a range of benefits including:

- ✓ 30% discount if you have been claim free for 3 years or are a first time buyer
- ✓ Mortgage Customers get a 10% discount off AIB Home Insurance
- ✓ 24- Hour Claims Helpline based in Ireland
- ✓ Emergency Home Assist included as standard
- ✓ Pay by monthly Direct Debit at no additional cost to your premium
- ✓ 'Contents only' policies available for apartment owners with existing Block Policy Buildings cover.

Discounts are subject to a minimum premium of €157.50 and are deducted consecutively to the reduced premium.

If you wish you may arrange either life assurance or home insurance through another provider/intermediary.



The right cover in 3 simple steps

Step 1

Choose the level of buildings cover you need

Step 2

Add the value of all your contents (that's curtains, carpets and everything that would fall out if you turned your house upside down)

Step 3

Remember to add extra cover for items you take outside your home (like your jewellery, watch, camera or golf clubs)



Ask for a quote in any AIB branch or call **1850 27 26 25** (Mon-Fri 8am-8pm, Sat 10am-2pm), or buy online at a time that suits you at www.aib.ie/homeinsurance

What to look for when house hunting.

Write a checklist of what you want from your new home and bring it with you every time you view a property. Here are some things you should keep in mind during your hunting.

Before you set out

- Save yourself a lot of time and effort by arranging viewings as close together as possible. It's much easier to make comparisons that way.

First impressions count

- Does it fit your "New Home Profile"?
- Before you go in to a house, study the outside. Does it look as if the current owners have taken good care of it?
- If it's a new-build, check which direction it faces. That will tell you when you'll have sunlight during the day
- Go across the road and check out the condition of the roof. Look for broken tiles, or large patches of moss or weeds growing in the gutters. These can all be clues about how well the house has been looked after
- Look out for any cracks in the outer walls
- Will you have your own parking space, or is there shared parking?
- Has the property got security and fire alarms?
- Is it on a busy road – and would children be safe playing outside?

- Revisit the neighbourhood in the evenings and weekends to ensure it still seems safe and peaceful.

When you get inside

- Use your nose. Can you smell any dampness or rot when you enter the property?
- If the property has been freshly painted, make sure it's not hiding something such as cracks in the plasterwork
- Check the quality of the window frames – they can be expensive to repair
- Tap the walls, especially in older properties. If you hear a hollow sound, it could mean that the plaster has come loose
- Open every window and door and make sure that they're not warped or stuck
- Test the floorboards to check they're not springing up and down and the floor is in good condition
- Look out for any stains or signs of dampness. Damp stains in downstairs rooms could mean there's a plumbing problem in the bathroom, while damp stains in an upstairs room could mean a problem with the roof

- The carpets and curtains may not be exactly to your taste – but are they included in the sale price? Don't be afraid to ask
- Check the age of the boiler and whether it runs on oil or gas
- Check when it was last rewired (especially in older houses) as this can be expensive
- Take a measuring tape with you and check that all your furniture is going to fit
- List anything which needs to be repaired
- Check the plumbing as much as you can by turning on all taps, flushing all toilets, trying all showers etc. Don't be shy about checking – you don't want any nasty surprises after you move in.



Moving into your new home.

At last, the paperwork has all been processed. You're now a step closer to moving into your new home. But there's still a little bit of work to be done.

We know how difficult it is to move home. Therefore we want to make it easy for you by highlighting some handy tips.

Six Weeks Before

- Get a floor plan of your new home and work out where everything is going to go
 - Get family involved to help you move. Or hire a removals company
 - Buying new furniture, this may need to be ordered now
 - Get any odd jobs around the house completed that may be part of the sale agreement with the new owners.
-

Four Weeks Before

- Start packing. Make sure you label each box clearly
- You'll have important documents that you definitely don't want to go missing in the move. So keep them in a file and a safe place
- Contact your gas, electric, oil, phone and broadband suppliers and let them know
- Contact your home insurance company and let them know about the move, and arrange any new cover that you may need.



Two Weeks Before

- Confirm the date with your removals company, if you are using one, and make sure they have directions
- Let everyone know who may want to contact you about your move e.g. friends, family, your bank, your health insurance company, your car insurer
- Pack first-night items such as sheets, towels, toiletries, alarm clock, a change of clothes etc.
- If you're doing some or all of the removals yourself, get large sturdy cardboard boxes, bubble wrap and lots of sticky tape
- If you have children, get a family member or a friend to look after them on the day of the move.

On Moving Day

- Stay in touch with your removal company to make sure there are no misunderstandings
- Record all meter readings, such as gas and electricity
- Stay until the removals firm has finished and don't sign their inventory sheet until you've gone through it thoroughly
- Be careful lifting heavy furniture or white goods. Recruit a few friends to help with the heavy lifting.

Frequently asked questions about mortgages.

We know you will have questions and if they are not covered by the answers below, please contact us on **1890 724 724**.

Q1. How does AIB work out how much I can borrow?

This really depends on how much you can afford comfortably in monthly repayments. This is for the length of your mortgage, which may be up to 35 years, depending on your age.

We look at the detail of your overall financial situation – including income, outgoings, savings and other loan repayments. Then we calculate the monthly mortgage amount that you can afford to repay.

You've probably already worked this out yourself, but it's important to remember a few key points:

- Most importantly, only reliable income should be included in your calculations. By this we mean guaranteed income – bonuses and one-off payments shouldn't be included
- AIB offers up to 80% Loan to Value on a Mortgage for Home Movers
- Remember that your outgoings may increase in more ways than just the monthly mortgage repayment. There's the cost of life assurance and home insurance to consider.

Q2. What proof of income is required?

As a mortgage is a long-term commitment,

AIB can only include your sustainable income when calculating the amount you can borrow, not bonuses or other one-off payments. To show your sustainable income you will need to:

- Provide 3 months' payslips
- Have an AIB Salary Certificate signed and stamped by your employer – you can pick up this certificate in your branch.

Q3. What documentation do I need to supply with my mortgage application?

We need to see records of your bank accounts, savings and debt. Of course, we will have access to any AIB records, but for any non-AIB accounts you will need to supply copies of statements.

The Mortgage Advisor at your local AIB branch can explain everything you need and there is a Mortgage checklist in this pack. But, at the very least, all customers need to supply:

- 6 months' bank statements for any non-AIB accounts (including one original statement)
- Proof of savings and any funds you will be putting towards the purchase of your home (again, only if these savings are not held with AIB)
- 6 months' statements for all non-AIB

borrowings e.g. credit cards, car/personal loans and mortgages.

You will also need to supply evidence of your employment and income.

For PAYE employees, this includes:

- 3 months' Payslips
- Your P60
- An AIB Salary Certificate signed and stamped by your employer.

Having all these documents ready when you apply will speed up your application.

Q4. I am self-employed/a company director - can I get a mortgage?

Yes - provided your income is sufficient and you provide documents to support your application. If you're self-employed, we'll need to see:

- 3 years' financial accounts certified by your accountant
- Confirmation that your tax affairs are up-to-date and in order
- 6 months' account statements, including one original statement, for any non-AIB accounts.

For self-employed customers we need to see 3 years' Revenue Notices of Assessment and Tax Clearance confirmation.

Q5. I am planning to build my own home - can I get a mortgage?

Yes, mortgages are available for Self-Build customers, provided you meet all the usual criteria, that is:

- You can afford the mortgage repayments
- Your basic income is sustainable
- AIB offers up to 80 % Loan to Value of your build and site costs for Home Movers.

You will need to supply particular documents relating to the size, cost and value of your Self-Build, as well as a copy of the planning permission.

Your AIB Mortgage Advisor can give you all the details on this, and you can refer to the Mortgage Checklist included in this brochure.

Q6. What kind of Insurance do I need to take out with a mortgage?

Life Assurance and Home Insurance. You need to have these in place before you can draw down your mortgage. Your AIB Mortgage Advisor can arrange a quote for you.

Q7. What is the difference between the Interest Rate and the APR?

The Interest Rate is the actual rate at which interest is charged on the amount you borrow. AIB calculates this on a daily basis.

APR stands for Annual Percentage Rate (APR), which is the total cost of your mortgage over its term, taking into account both interest rate charged and other fees.

Q8. What other costs may be associated with purchasing a property?

You should remember to budget for all the costs associated with buying a new property, which may include:

Legal Fees

When you find the house you want and we have approved your mortgage, you need to choose a solicitor to act on your behalf. It is worth shopping around to get the best quote available.

Valuation

You'll need a Valuation Report, completed by an approved valuer from the AIB Residential Mortgage Valuers' panel, a list of which is available from your Mortgage Advisor or from www.aib.ie. The valuation report must be dated within two months of the date of the drawdown of funds, otherwise you may be required to obtain a new valuation. AIB has agreed with the panel a fee of €150 for the initial valuation and €65 for any subsequent valuations should they be required.

Surveyors Fees

For your own peace of mind, you may want to organise a structural survey. It's not a bank requirement, but will ensure that there are no faults that may affect your property's value.

Q9. What Interest Rate options does AIB offer?

Your AIB Mortgage Advisor can tell you exactly what our current rates are and how they translate into monthly repayments, but this is how they work.

With a Variable Rate

- Your monthly repayments may rise and fall as market interest rates change
- You can make early or lump sum repayments to reduce the overall cost of your mortgage and pay the loan off early
- You can also switch to a Fixed Rate any time you want.

With a Fixed Rate

- A fixed rate mortgage means that your rate and repayments will stay the same for a specific period of time, even when market rates change
- This protects you from interest rate increases, but you usually pay a higher rate for this security and your repayments won't reduce if interest rates fall
- A breakage cost could be incurred if you want to pay off a lump sum during the fixed rate term, or switch to a variable rate.

With a Split Rate

The Split Rate option lets you split your loan between Variable Rate and Fixed Rate, in whatever proportion you choose. This gives you peace of mind on part of your mortgage repayments, but stills gives you the flexibility that a variable rate mortgage can provide.

Q10. My current house is in negative equity, can I still move house?

Typically, people want to move home because their family is growing, has grown and moved into a home of their own, or want to relocate for personal or professional reasons.

With A Negative Equity Mover you can apply to combine the Negative Equity residual



We're here to help so speak to your Branch Mortgage Advisor or phone **1890 724 724** or click on www.aib.ie/mortgages

Negative Equity Trade Up

Negative Equity Trade Up mortgage is where the value of the new property is of a higher value than the current value of the existing property. Also, the Loan to Value (LTV) applicable to the total new borrowings, including the negative equity from the old property, must be a lower LTV than that of the existing property.

Negative Equity Trade Down

Negative Equity Trade Down mortgage is where the value of the new property is of a lower/equal value than the current value of the existing property. Also, the total new borrowings, including the negative equity from the old property, must be of an equal or lesser amount than the existing loan.

For more information please speak to an AIB Mortgage Advisor in your local branch, contact **1890 724724** or download our AIB Mortgages Helping you move home brochure on www.aib.ie/mortgages

Q11. I don't want to move, can AIB give me a Top-Up on my mortgage?

Applications for Top-Ups are subject to the normal assessment and our approval process. We will consider the following purposes for a Mortgage Top-Up:

- Expenditure on the Mortgaged Property
- Expenditure on another unencumbered property
- Expenditure on another property mortgaged to AIB
- Education expenses
- Parental gift for dependent(s) into a house purchase

- Grant-aided renewable energy and other energy efficient home improvements.

Normal lending terms and conditions will apply for Top-Ups, these include but are not limited to:

- Maximum LTV to be calculated on the total amount of the borrowing
- You will be asked to provide a Valuation which needs to be dated within 2 months of drawdown, this must be provided by a member of the Bank's Valuer Panel. We may require two valuation reports depending on the purpose of the loan
- Normal minimum amount is €10,000 (exception for Top-Ups for grant-aided renewable energy and other energy efficient home improvements which may be considered for amounts less than €10,000)
- Up-to-date validated evidence of income is required in all cases.

Q12. I want to apply for a Top-Up but my house is in Negative Equity, can I still apply?

Yes you can still apply for a Top-Up to finance improvements to your property even if your home is currently in Negative Equity.

We can offer a combined Loan to Value of up to 175%, this will include your current mortgage balance and the new Top-Up mortgage (subject to a maximum loan balance of €700,000). Competitive interest rates also available.

For more information please speak to an AIB Mortgage Advisor in your local branch, contact **1890 724724** or download our AIB Mortgages Helping you move home brochure on www.aib.ie/mortgages

Q13. What is and is not a foreign currency mortgage loan?

- Richard is a Republic of Ireland resident and earns sterling which he will use to repay the Euro mortgage he is applying for. The income Richard will use to repay the Euro mortgage will be sterling. Therefore, Richard's mortgage is a foreign currency mortgage loan.
- Martina is a Republic of Ireland resident. Her income includes US dollars received from an investment property in the USA. Martina will use the US dollars to repay the Euro mortgage she is applying for. Therefore, Martinas' mortgage is a foreign currency mortgage loan.
- Charlene is a USA resident and earns Euro which she will use to repay the Euro mortgage she is applying for. The USA is not a EEA State and Charlene will use her Euro income to repay the Euro mortgage. Therefore, Charlene's mortgage is not a foreign currency mortgage loan.
- Patrick is a Polish resident and earns Euro which he will use to repay the Euro mortgage he is applying for. Patrick will use his Euro income to repay the Euro mortgage but he lives in an EEA state that has a non-euro currency, zlotty. Therefore, Patricks' mortgage is a foreign currency mortgage loan.
- Sonja is a Croatian resident and earns Croatian Kuna and British Pounds which she will use to repay the Euro mortgage she is applying for with her partner Stephen. Stephen is a Republic of Ireland residents and earns Euro which he will use to repay the Euro mortgage. The income Sonja will use to repay the Euro mortgage will be in Croatian Kuna and British Pounds. Therefore, Sonja and Patricks' mortgage is a foreign currency mortgage loan. However, AIB can only facilitate one non-euro currency per mortgage application so this application cannot be processed.

Mortgage Glossary.

Annual Percentage Rate (APR). The yearly cost of your borrowing. It takes into account the interest rate charged and any other fees.

Arrears. Mortgage repayments that haven't been made.

Building Energy Rating (BER). A Building Energy Rating or BER is an energy label with accompanying advisory report for homes. The rating is a simple A to G scale. A-rated homes are the most energy efficient and will tend to have the lowest energy bills.

Broker. Your advisor on mortgage deals available from various lenders.

Capital. The amount you owe excluding costs and interest. Also known as the principal of the loan.

Collateral. Security offered against the value of the loan.

Cost of Credit. Cost of Credit is the difference between the amount you borrow and the total you repay by the end of the loan period.

Deeds. Official documents of ownership.

Deposit. An initial sum paid to the seller for purchase of a property. The buyer could forfeit this if they don't complete the transaction.

Direct Debit Mandate. By signing a Direct Debit Mandate (DDM) you authorise AIB Mortgage Bank to send instructions to your Bank to debit your account in accordance with the instruction received. This enables you to pay your monthly mortgage repayment amount from a current account. If your repayment amount increases or decreases as a result of interest changes then this will automatically be reflected in the amount debited from your account.

Equity. The difference between a home's value and the outstanding mortgage debt.

Fixed Interest Rate. The rate on a mortgage loan, which doesn't change for a specified period, known as the fixed period.

Foreign currency mortgage loans The currency of your loan and repayments will be euro. If the currency of (some of) your 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.

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

First Time Buyer. A first time buyer is someone who has never borrowed money before that was secured on residential property or land (where they had an intention to build a dwelling) in or outside the State. Where there is more than one borrower on a mortgage application and a housing loan has previously been advanced to any one of the borrowers, none of the borrowers will be considered a first time buyer.

Freehold or Leasehold. A freehold title gives the holder ownership of the land and buildings for an indefinite period. A leasehold title gives the holder a right to use and occupy land and buildings for a defined period of time.

Guarantor. Somebody, other than you, who can guarantee your mortgage loan repayments.

Home Insurance. You need a Home Insurance policy in place before you can draw down your mortgage. To get a quote today, simply drop into your local branch, call us on **1890 724 724** or click on aib.ie to ensure you're protected.

Interest Rates. You can choose between our fixed, variable or split interest rates. Fixed makes it easy to budget because you know what your repayments will be. Variable lets you make early or lump sum repayments. And Split Rate lets you split your mortgage loan between variable and fixed rates, in whatever proportion you choose.

Judgement. Judging the right location, size and style of home is very important. You also need to consider its resale value in case you want to move in future.

Letter of Loan Offer. Once a mortgage application is approved, you'll receive a formal letter setting out the conditions of the loan. This includes the requirement of a valuation report. This valuation report must be dated within two months of the date of the drawdown of funds otherwise you may be required to obtain a new valuation. Your solicitor will also get a copy.

Loan to Value (LTV). These are percentages representing the difference between your mortgage loan and the value of your property. For example, a mortgage of €90,000 on a property valued at €100,000 would be shown as 90% Loan to Value.

Maturity Date. The last day of the mortgage agreement – the day the mortgage loan must be paid in full or the agreement renewed.

Moratorium. A Moratorium is a payment holiday that allows you to take a break from your mortgage or reduce your payments up to a maximum of 3 months. This is taken at the beginning of your mortgage. The Mortgage term will remain the same however your repayment amounts will be adjusted. This option affects the repayment amount and / or the term of the mortgage. Flexible repayment options are subject to approval.

Mortgage Loan. A long-term loan, usually 20 to 35 years, secured by a mortgage against the borrower's property.

Payment Protection Insurance. This is an optional product designed to protect your mortgage repayments should your circumstances change. This can cover your payments for up to 12 months in the event of an accident, sickness, involuntary unemployment, business failure or critical illness.

Principal private residence, Home, PDH (Private Dwelling House). A person's primary residence, or main residence is the dwelling where they usually live with in the state. A person can only have one primary residence at any given time.

Sanction in Principle. A Sanction in Principle (SiP) is provisional approval for a mortgage loan amount and term subject to evidence of income and employment, proven repayment capacity and any other special conditions the Bank may issue.

It is not a legally binding agreement.

A SiP is invaluable in giving you the confidence to go out into the market knowing, in most cases, your mortgage will be approved. In addition, Estate Agents and Vendors will be more comfortable proceeding knowing you have a Sanction in Principle in place.

Standard Variable Rate. A standard variable rate is a rate set by the lender, which may change when necessary.

Terms and Conditions (T&C's). Remember all loans will have different terms and conditions, ensure you are familiar with your loans T&C's.

Tracker Retention Interest Rates. If you are eligible for our Tracker Interest Rate Retention, the Tracker Interest Rate will be made up of two parts:

- (a) the European Central Bank's main refinancing operations minimum bid rate (the "ECB rate") which is variable; and
- (b) the Margin/Adjustment above the ECB rate, this will stay static throughout the life of the loan.

If you choose to convert the tracker interest rate to an alternative interest rate (e.g. fixed interest rate), at a later date, you will not have the option to revert back to the tracker interest rate.

Valuation. This report, carried out by a professional valuer, gauges the market value of your property. It is important to remember that this report is different to a structural or planning survey. AIB has agreed with the panel a fee of €150 for the initial valuation and €65 for any subsequent valuations should they be required.

Allied Irish Banks, p.l.c. is an authorised agent and servicer of AIB Mortgage Bank in relation to origination and servicing of mortgage loans and mortgages. AIB Mortgage Bank and Allied Irish Banks, p.l.c. are regulated by the Central Bank of Ireland.

Your Mortgage Checklist.

Things you'll need when meeting your AIB Mortgage Advisor.



For Employees

- | | | |
|---|--------------------------|--------------------------|
| ◦ 3 months' up-to-date consecutive payslips are needed to confirm your basic salary | <input type="checkbox"/> | <input type="checkbox"/> |
| ◦ AIB Salary Certificate (available in all branches) completed by your employer confirming permanency and basic salary | <input type="checkbox"/> | <input type="checkbox"/> |
| ◦ Your P60 can be provided as well as payslips, but this includes all income (including bonus/overtime etc.), so 3 months' payslips are still needed to confirm your basic salary | <input type="checkbox"/> | <input type="checkbox"/> |
| ◦ 6 months' statements are required for any savings or investments not with AIB | <input type="checkbox"/> | <input type="checkbox"/> |
| ◦ 6 months' statements are required for any borrowings not held with AIB. | <input type="checkbox"/> | <input type="checkbox"/> |
-

For Self-Employed/Sole Trader/Director of a company

- | | | |
|---|--------------------------|--------------------------|
| ◦ 3 years audited/trading accounts (certified by your accountant) | <input type="checkbox"/> | <input type="checkbox"/> |
| ◦ Confirmation of tax position from your accountant | <input type="checkbox"/> | <input type="checkbox"/> |
| ◦ Minimum 6 months' recent bank statements not held with AIB | <input type="checkbox"/> | <input type="checkbox"/> |
| ◦ Minimum 6 months' statements for any borrowings not held with AIB | <input type="checkbox"/> | <input type="checkbox"/> |
| ◦ 3 years Revenue Notice of Assessment. | <input type="checkbox"/> | <input type="checkbox"/> |
-

Equity input for Purchase

- | | | |
|--|--------------------------|--------------------------|
| <ul style="list-style-type: none"> ◦ If you have been given funds to help with your Mortgage, we need confirmation of it in writing and confirmation that it is non-repayable | <input type="checkbox"/> | <input type="checkbox"/> |
|--|--------------------------|--------------------------|

Proof of the funds, in the donor's name, may also be required.

For Non-AIB Customers

- | | | |
|---|--------------------------|--------------------------|
| <ul style="list-style-type: none"> ◦ You'll need to provide suitable proof of identity and residential address - a current passport or driver's licence and a current utility bill or bank statement | <input type="checkbox"/> | <input type="checkbox"/> |
|---|--------------------------|--------------------------|

- | | | |
|---|--------------------------|--------------------------|
| <ul style="list-style-type: none"> ◦ 6 months' recent bank statements (including 1 original) | <input type="checkbox"/> | <input type="checkbox"/> |
|---|--------------------------|--------------------------|

If your current Mortgage isn't with AIB, we need:

- | | | |
|---|--------------------------|--------------------------|
| <ul style="list-style-type: none"> ◦ 6 months' recent mortgage statements (including 1 original) | <input type="checkbox"/> | <input type="checkbox"/> |
| <ul style="list-style-type: none"> ◦ If you live abroad or bank abroad, a foreign credit check will be required. | <input type="checkbox"/> | <input type="checkbox"/> |

For Self-Builds

- | | | |
|--|--------------------------|--------------------------|
| <ul style="list-style-type: none"> ◦ Planning Permission and details of proposed size of the property (square feet/metres) | <input type="checkbox"/> | <input type="checkbox"/> |
| <ul style="list-style-type: none"> ◦ (A) Copy of your fixed price contract or (B) if you are building by direct labour, a detailed schedule of build costs from your qualified architect, engineer or building surveyor | <input type="checkbox"/> | <input type="checkbox"/> |
| <ul style="list-style-type: none"> ◦ Completed Valuation Report*, explaining the cost and estimated market value of the completed property | <input type="checkbox"/> | <input type="checkbox"/> |

***Valuation Report:** You will need a Valuation Report completed by an approved valuer from the AIB Residential Mortgage Valuers' panel, a list of which is available from your AIB Mortgage Advisor or click on www.aib.ie AIB has agreed with the panel a fee of €150 for the initial valuation and €65 for any subsequent valuations should they be required.

This needs to be completed before your Letter of Loan Offer can be issued, but you shouldn't arrange the valuation until your application has been approved in principle.

The final valuation report must be dated within two months of the date of the drawdown of funds, otherwise you may be required to obtain a new valuation.

For New Houses

- | | | |
|--|--------------------------|--------------------------|
| <ul style="list-style-type: none"> ◦ If the house is part of an estate development, the Structural Guarantee Certificate (which the builder will provide) | <input type="checkbox"/> | <input type="checkbox"/> |
| <ul style="list-style-type: none"> ◦ If the house is being built on your own site by direct labour, a letter from a qualified architect or civil engineer confirming that he/she: | | |
| <ul style="list-style-type: none"> • Believes the resources are available to complete the building to a good standard | <input type="checkbox"/> | <input type="checkbox"/> |
| <ul style="list-style-type: none"> • Will supervise the construction throughout | <input type="checkbox"/> | <input type="checkbox"/> |
| <ul style="list-style-type: none"> • Will provide a Certificate of Completion, confirming that the building was constructed in accordance with its planning permissions and best practices | <input type="checkbox"/> | <input type="checkbox"/> |
| <ul style="list-style-type: none"> ◦ If the house is being built on your own site by fixed-price contract, a copy of the contract - plus the original Structural Guarantee Certificate. Or a letter from a qualified architect or civil engineer confirming the contract price and the cover under the Structural Guarantee and stating that he or she will supervise the building construction through all stages. | <input type="checkbox"/> | <input type="checkbox"/> |
-

General and Regulatory information about our mortgages

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.

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.

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

Our address is Bankcentre, Ballsbridge, Dublin 4.

Allied Irish Banks, p.l.c. and AIB Mortgage Bank 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
 - First Time Buyers: 90 % of the purchase price or valuation whichever is lower on mortgages up to €220,000 (you will pay 80 % Loan to Value on anything over this amount).

- Movers: 80 % of the purchase price or valuation whichever is lower
- 75 % loan to value on one bed apartments.
- 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.

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, 68 years if you are PAYE employee 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.
- 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 5 years). During this time the interest rate will not change.
- You may be charged an early breakage cost if you do any of the following while on a fixed interest rate:
 - (a) Repay the mortgage loan in full (including interest).
 - (b) Convert your fixed interest rate to an appropriate variable interest rate or another fixed interest rate (if offered by us at that time).
 - (c) Make a partial out-of-course repayment.
- The formula to calculate the early breakage cost is: $(A) \times (U) \times (D \%) = \text{early breakage cost}$

Definition of terms used in this formula: (A) the amount of the premature payment or balance of the mortgage loan at date of conversion to another rate. (U) Unexpired period is the period remaining to the end of the original fixed interest rate period. (D%) Difference in interest rate is the difference between the fixed interest rate applicable at the start of the fixed interest period and the fixed interest rate applicable as at date of premature payment/conversion, for the unexpired fixed interest rate period.

Worked Example: A = € 100,000 the amount of the premature payment or balance converted to another rate

U = 2 years (24 months) on basis you fixed for 5 years (60 months) and are now breaking out of fixed rate after 3 years (36 months) D = 2% on the basis you fixed at a 5 year rate of 5.25% and the fixed rate for the unexpired period (i.e. 24 months) is 3.25%. So, applying the formula $A \times U \times D: € 100,000 \times 24/12 \times 2\% = € 4,000$

- At the end of your fixed interest rate period, you will have the option of moving to:
 - (a) a new fixed interest rate and period, (if offered by us at that time); or
 - (b) a variable interest rate, at our then prevailing rates applicable to your mortgage loan.

If you do not exercise a choice, our standard variable interest rate will apply to your mortgage loan.

(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.

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 holiday that allows you to take a break from your mortgage or reduce your repayments for up to a maximum of 3 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

To assess the value of your property and make sure that it offers suitable security for your mortgage loan, you will need to send us a valuation report on it. This valuation report will cost you €150.00 and must be in our standard form and undertaken by a valuer from our Residential Mortgage Valuer's Panel. If the valuation of the property is undertaken more than two months before the requested date of drawdown of the mortgage loan or of the final stage payment, we will require an up to date valuation of the property, in our standard form, before drawdown can take place; this will cost you €65.00.

(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.

• 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 a tied agent of Irish Life Assurance plc. for life and pensions business.

(vi) Surcharge Interest

Arrears attract surcharge interest at 6 % per annum in addition to the interest rate that applies to the loan. Surcharge can be avoided by making all repayments when due.

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 % <= 80 % will have a variable interest rate of 3.55 % and APR 3.60 %, and 240 monthly repayments of €581.99. 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 39,678.56 (inclusive of €150.00 and €65.00 valuation report fees and security release fee of €60.00). The total amount repayable would be 139,678.56. The effect of a 1 % increase in interest rates for such a mortgage will add €52.43 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 5.10 % and 5.21 % APR, and 240 monthly repayments of €664.30. 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 €59,431.76 (inclusive of €150.00 and €65.00 valuation report fees and security release fee of €60). The total amount repayable would be €159,431.76. The effect of a 1 % increase in interest rates for such a mortgage will add €56.13 to the monthly repayments.

Summary.

As an AIB Mortgage Customer you'll get access to:

- ✓ A Mortgage Advisor to guide you through the process
- ✓ Competitive rates including Variable (relative to your Loan to Value) and Fixed
- ✓ Up to 80 % Loan to value is available for Home Movers and 75 % for one bed apartments
- ✓ No Fees - When you drawdown a new mortgage with us, we'll waive the maintenance and transaction fees on the current account you use to pay your mortgage*
- ✓ Home Insurance from AIB: 30% discount if you have been claim free for 3 years and mortgage customers get a 10% discount on AIB Home Insurance from AIB**
- ✓ 3 months' deferred start option available, subject to approval
- ✓ Repayment terms of up 35 years
- ✓ Consultation with an AIB financial advisor, which includes an assessment of your life insurance, specified illness and income protection options.

* This offer is limited to the AIB personal current account used to setup the direct debit repayment instruction for an AIB mortgage on a principal private dwelling house. The direct debit must be setup within 12 months of mortgage drawdown. For more information please refer to the Mortgage Benefit: 'No Maintenance or Transaction Fees' - Terms and Conditions that are available on www.aib.ie

** Discounts are subject to a minimum premium of €157.50 and are deducted consecutively to the reduced premium.

In Branch. On the phone. Online.
1890 724 724 • www.aib.ie/mortgages

