

Information for existing mortgage customers (former Ulster Bank)



Applying for a new mortgage with AIB

If you were previously an Ulster Bank mortgage customer whose mortgage transferred to AIB in 2023 or 2024, there will be some changes for you if you are applying for a new mortgage with AIB.

A new mortgage includes the following :

- A top up to your mortgage,
- Transferring the title on your mortgage
- A tracker interest rate retention (TIRR) mortgage or
- Availing of fixed rate portability on your new mortgage.

This document will give you some of the key changes and information you need to know. It is not intended to be a comprehensive list of all changes.

As part of this mortgage application, we need you to sign a new Letter of Offer with AIB and provide a new legal charge. This new contract will include the balance of your existing mortgage loan and your new mortgage loan (if applicable).

Once you accept the AIB terms and conditions, the Ulster Bank terms and conditions, practices and features will no longer apply to your mortgage. Please read your Letter of Offer, terms and conditions and mortgage loan features to fully understand the AIB offering.

We recommend that you get independent legal and financial advice on documents you are being asked to sign your agreement to.

Your Solicitor

You need to get a solicitor to act for you when you apply to us for a new mortgage.

- Let us know their name and address so we can send them the legal documents.
- When we approve your mortgage, we will send your solicitor the legal pack.
- We will send the Letter of Offer to you and your solicitor.
- Then you can arrange to meet your solicitor to review and sign the documents.
- Your solicitor will return the signed documents to us.

Top-up application legal fees

Only applicable to customers who want to top up their mortgage.

- If you are applying to top up a mortgage, we will give you €3,000 towards your legal costs. We will pay this to you within 35 days of giving you the money for the mortgage. We will not pay the money to your solicitor directly.
- **Important Note:**
 - A - If your application involves adding or removing a party from the existing mortgage or property title, this is deemed to be a Transfer of Title mortgage application and will not be eligible for the €3,000 payment towards your legal costs.
 - B - If your application involves porting your current fixed or tracker mortgage interest rate to a new property, this application will also not be eligible for the €3,000 payment towards your legal costs.
- If your solicitor fees for your top up mortgage application are more than €3,000, please contact your AIB Homes Advisor and give them your solicitor's invoice. This will be reviewed by us and you will be advised if we can pay the additional costs above €3,000.

You will need to pay your solicitor's costs directly to them to look after your interests in the mortgage process.

For Top Up and Transfer of Title Applications

Keeping your Tracker Rate

If you have a tracker interest rate, its margin will not change as part of your mortgage application. You can keep the margin but it is limited to the balance outstanding on your existing mortgage loan at the date of drawdown. You can retain this margin for the term remaining on your existing tracker mortgage loan. Any new money you apply for will be subject to AIB rates at the time of drawdown.

A tracker mortgage “tracks” changes to the European Central Bank (ECB) rate. If you are on a tracker interest rate and the European Central Bank changes its rates, we will give you notice about how that will affect your interest rate and repayment, so you have time to prepare.

If you do not want to keep your Tracker Rate

If you choose not to keep your tracker mortgage interest rate and choose a different interest rate (for example, a fixed interest rate) for your mortgage loan, you cannot go back to the tracker interest rate or apply for Tracker Interest Rate Retention.

We recommend that you get independent legal and/or financial advice before considering changing from a tracker interest rate.

Warning: If you switch to an alternative mortgage interest rate, you will not be contractually entitled to revert to a tracker interest rate at any time in the future.

Fixed Rate Portability

Where you are on a fixed rate, when applying for a top up mortgage, transferring the title on your mortgage or purchasing a new property* you can keep the fixed rate and fixed rate term of your existing mortgage loan. This fixed rate will be limited to the balance outstanding on your existing mortgage loan at the date of drawdown of your mortgage loan. You can keep this fixed rate for the remainder of your fixed rate term on your existing mortgage loan. Any additional money you apply for will be subject to AIB interest rates at the time of drawdown.

In some instances, we may extend or shorten the fixed rate term to align with our interest rate periods, but for no longer than one month.

Let's take an example,

At time of your application with us, your existing mortgage loan has a balance of €100,000 and the rate applied is a 3 year fixed rate of 2.85%. There are 18 months and 10 days remaining on this fixed rate term. We will either reduce your fixed rate term to 18 months or extend to 19 months. You can choose whether you want to keep the 2.85% interest rate and either extend or shorten the fixed rate term to 18 or 19 months. Your chosen fixed rate term will start from the date you drawdown your new mortgage loan.

*You need to apply to port the fixed rate to your new mortgage loan before you close your existing mortgage loan.

Tracker Interest Rate Retention (TIRR)

A Tracker Interest Rate Retention (TIRR) mortgage allows existing customers with a tracker interest rate on their current home loan account, and who want to sell their existing home and buy a new one, to retain their tracker interest rate subject to an additional margin.

If you are buying a new home and are applying for a TIRR mortgage with us you can retain your tracker interest rate on the new mortgage loan subject to the key features and eligibility requirements outlined within our brochure.

We will add a margin of 1% to your existing tracker interest rate. This is different to Ulster Bank's offering.

This tracker rate will be limited to the balance and term outstanding on your existing mortgage loan at the date of drawdown. Any additional money you apply for will be subject to AIB interest rates at the time of drawdown.

We assess all new applications under our lending criteria and terms and conditions. For more information please see our brochure on our website:

<https://aib.ie/our-products/mortgages/tracker-interest-rate-mortgage>

Details about taking out a mortgage with us

Available Interest Rates

If you decide to change your interest rate type, you can choose from the interest rates we offer at that time. We change our rates from time to time and our available fixed and variable rates are on our website. If you are on a tracker interest rate and the ECB changes its rates, we will tell you how that will affect your interest rate and repayment date.

The types of rates we offer are:

- Private Dwelling House (PDH rates, which means a home you intend to live in in the Republic of Ireland)
- Loan to Value (LTV) fixed and variable rates. This means these rates are different depending on the ratio of your loan to value of your home.

- Buy to Let (BTL) fixed and variable rates. Our BTL interest rates do not depend on the LTV of your mortgage.
- Our Green 5 Year Fixed Rate mortgage (for PDH only) rate is available on homes with a Building Energy Rating (BER) between A1 and B3 and more than five years remaining on the mortgage.
- Our Higher Value 4 Year Fixed Rate (for PDH only) is for mortgage balances is €250,000 with four or more years remaining on the mortgage.

There are qualifying criteria for these mortgage interest rate options.

Once you meet all the conditions of your Letter of Offer and we are in a position to approve drawdown of your mortgage loan, we will use the money from the new mortgage account to clear your existing mortgage loan balance. If your application includes a request for new money, we will send the new money amount (where applicable) to your solicitor

In some instances, the amount of your existing mortgage loan as stated in your Letter of Offer may be higher than the actual amount we need to drawdown to clear the existing mortgage loan balance. Any surplus amounts over the existing mortgage loan balance will not be available for drawdown. The amount stated in your Letter of Offer will be reduced accordingly if needed.

Let's take an example:

When you apply for the new mortgage with us the balance on your existing mortgage loan is €100,000. Since the time you applied, you have made two monthly repayments, making the balance on your existing mortgage loan less than €100,000. In this instance, we will only lend you the amount needed to clear the balance of the existing mortgage loan.

Worked Example-

Existing mortgage loan balance in the Letter of Offer = €100,000

New Mortgage Top Up amount = €50,000

Total New Mortgage with AIB as per Letter of Offer = €150,000

On the date we lend you the money:

Balance of existing mortgage loan = €98,000 (as monthly repayments have been made during the time period you are applying for your new mortgage loan)

New Mortgage Top Up = €50,000

Total amount drawdown on new AIB mortgage accounts = €148,000

A valuation of the property must be carried out by a valuer on our panel of valuers. This process is different to Ulster Banks.

We will tell you when you need to get a valuation report.

This full valuation will cost you €150.

If the valuation of the property is done more than four months before the requested date of drawdown of the loan or of the final stage payment you will have to give us an updated valuation report, which you will have to pay for. It will cost €65.

If the conditions of your loan require a final valuation following completion of any building works, renovations or repairs to it, this will cost you €65.

Repayments

When repaying your mortgage the options available to you will be different to those previously available in Ulster Bank.

You can choose to repay monthly or fortnightly.

In Ulster Bank you could make one repayment for all mortgage accounts that make up your existing mortgage loan. When you move to AIB terms and conditions your mortgage repayment will need to be paid by separate direct debits for each mortgage account you have with us.

Overpayment

We do not offer the same overpayment options for fixed rates that were available from Ulster Bank. Information on the overpayment options we offer at the time of your application will be available on aib.ie

Interest Calculation and Charging

Interest will be calculated on the mortgage loan balance from the day of drawdown. Thereafter, interest is calculated on the balance of the loan account outstanding on a day-to-day basis and will be charged to the mortgage loan account quarterly.

This is different to how interest is calculated and charged on your existing mortgage loan. This difference may mean that if you decide to fully repay your mortgage shortly after drawing it down, you could be charged marginally more interest compared to what you would have paid on your previous mortgage.

Let's take an example:

You request a top up mortgage and the outstanding balance of your existing mortgage loan is €150,000 with an interest rate of 5% and the remaining term is 154 months. If you were to fully repay the mortgage loan within approximately six months of drawing down your top up mortgage loan, an increased interest charge of a maximum amount of €3.63 would apply compared to if you did not avail of the top up mortgage loan. However, if the loan is not fully repaid within this timeframe, the interest charge will be lower from this point forward.

Flexible Repayments

Our flexible repayment options are different to Ulster Bank's. For example, we do not offer the options to make annual mortgage payments over 10 months, or capital and interest payment breaks for Buy to Let mortgages.

Information on the flexible payment options we offer are available on aib.ie.

Acknowledgement

I/We understand that the mortgage loan is subject to qualifying criteria and lending terms and conditions and that security and appropriate insurances are required.

Mortgage Application Reference No

(insert your mortgage application reference no with us here)

Applicants Signature

By signing below I/we acknowledge receipt of the key information provided in this document

First Applicant's Signature

Second Applicant's Signature

Date

Day Month Year
 / /

Warning: Your home is at risk if you do not keep up payments on a mortgage or any other loan secured on it.

Warning: If you switch to an alternative mortgage interest rate, you will not be contractually entitled to revert to a tracker interest rate at any time in the future.

Warning: You may have to pay charges if you pay off a fixed rate loan early.

Warning: The payment rates on this housing loan may be adjusted by the lender from time to time.

Warning: If you do not meet the repayments on your credit agreement, your account will go into arrears. This may affect your credit report, which may limit your ability to access credit in the future.

The Central Credit Register is owned and operated by the Central Bank of Ireland. You can get more information on your rights, duties and how your data is processed in the Borrower Area of the Central Credit Register website (centralcreditregister.ie), the CCR page of AIB's website (aib.ie/central-credit-register) or your local AIB branch. If you want more information on how AIB use, share and keep your information this is available at our website (aib.ie/dataprotection) or you can get a copy of our Data Protection Notice at any of our branches.

NOTICE: Under the Credit Reporting Act 2013 lenders are required to provide personal and credit information for credit applications and credit agreements of €500 and above to the Central Credit Register. This information will be held on the Central Credit Register and may be used by other lenders when making decisions on your credit applications and credit agreements.