Mortgage Reclassification Form

Change how you use your property

How to complete the form

1 Please use a **BLACK pen**

2 Mark boxes **like this** If you make a mistake, **do this** and mark the correct box

3 Please use **BLOCK CAPITAL LETTERS** and leave **one space between each word** A 2

Customer Details

Customer 1 Name

Customer 2 Name

*If there is more than 2 customers on the mortgage, please complete a separate reclassification form.

Account Number

Account Number

Account Number

Account Number

Please include all account numbers for the property in this section. You will find your account number on your latest loan statement. If you wish to reclassify a different property, you will need to complete a separate Mortgage Reclassification Form.

Please mark the box for either Option 1 or 2 below.

1. Change your property from a home you live in, or your only property in the state "we call this your Private Dwelling Home (PDH)" to an investment, or Buy to Let property

   If this loan is on a variable rate, changing it from a PDH to a Buy to Let will not change the rate.

   If this loan is on a fixed rate then it will remain on this fixed rate until the end of the fixed rate period. After the end of this term, we will apply the applicable Variable Rate to this loan.

I/We confirm that the address of my/our home we live in is:

New Address

2. Change your property from an investment, or Buy to Let property to a home you live in, or your only property in the state "we call this your Private Dwelling Home (PDH)"

   In order to confirm that you live in this property, we will require one utility bill and one other proof of address (both dated within 6 months) as evidence that this is the home you live in. When we have received your request we will write to you to let you know the rates available to you.

   Please note the following:

   - We may charge you an Early Repayment Charge (ERC). You can see how these are calculated in the "Early Repayment Charge" section below.
   - We may report details about you and your borrowings to the Central Credit Register.
   - If you are on a tracker interest rate, this will be the rate on your account, unless you ask us to change it.
   - We will not apply the rate until we have received all of the information we need to process your request. This may result in the interest rate you have asked for being higher when we apply it.

- Your address will change on your mortgage account only. If you want to change your address for other accounts you have with us, please visit our website under aib.ie/help-and-guidance/change-of-address.
- Insurance: Under your terms and conditions, you must have mortgage protection and home insurance in place. You can arrange this with any provider, or we can help you. Talk to your mortgage advisor about arranging an appointment with one of our financial advisors.
- Payment Protection: Where you have payment protection insurance (PPI) through AIB in connection with this mortgage, you should contact AXA directly to discuss your changed circumstances as failure to do so may affect your right to make a claim on the policy.

Important Information

1. To get a Loan To Value (LTV) rate on your PDH you will need to provide an up to date valuation report completed by an AIB approved valuer.
    - You are responsible for the cost of the valuation report.
    - The valuation report must be dated within the past 6 months.
    - The valuation report must be completed by an approved valuer from the AIB Residential Mortgage Valuer’s Panel (details are on our website, www.aib.ie).
2. There are three exceptions to where a valuation report is required:
    - If you choose an LTV rate for the first time on your mortgage loan account and the LTV rate band is the same as the original loan to value ratio of your mortgage loan account at the time of drawdown; or
    - If you choose the same LTV rate band that was previously applied to your mortgage loan account; or
    - If you choose a >80% LTV rate band
3. Fixed rate options may incur an ERC if you wish to exit before the end of the fixed period. See below for details on how early repayment charges are calculated.
4. 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.
5. As a result of choosing a new rate for your mortgage loan, the cost of credit and repayment amount on your mortgage loan will change. If you would like further information on this please contact us on 0818 251 008.
6. If you change your mortgage account from PDH to an investment, or Buy to Let property you will no longer be eligible for our mortgage benefit of transaction free banking. We will write to you to let you know when the benefit has been removed from your AIB current account
7. LTV means, “Loan to Value” i.e. the loan amount as a percentage of the value of the property.
8. > Means “Greater Than” and >= means “Greater Than or Equal To”.
9. < Means “Less Than” and <= means “Less Than or Equal To”.
10. PDH means, “Private Dwelling House”.
11. Yr means Year
12. A full list of the mortgage rates (including the current rate price) currently on offer from AIB Mortgage Bank u.c., and the AIB Variable Rate Policy Statement, can be found on the mortgage section on our website www.aib.ie. The interest rate you have selected may change between the time you complete this application form and the time we process it. The interest rate applicable at the time we process the application form will be applied to the loan.

*If you entered into your PDH Letter of Loan Offer before 11th September 2020 and you do not exercise a choice at the end of your LTV based fixed interest rate period, you should be aware that the interest rate that will apply to your mortgage loan after the expiry of your fixed rate period will be different to the interest rate outlined in the Terms and Conditions of your mortgage loan. Our standard variable interest rate (SVR) will no longer apply. We will instead apply an LTV variable interest rate, based on the LTV interest rate band that applied to your mortgage loan during your fixed interest rate period. You have not been disadvantaged by the removal of our SVR as our highest LTV variable rate will always be equivalent to, or lower than, our SVR rate. You can still request that our SVR be applied to your mortgage loan, however, our SVR will never be more advantageous to you than our highest LTV variable rate available to PDH customers.

Statutory Notices & Warnings

Warning: If you do not keep up your repayments you may lose your home.

Warning: The cost of your monthly repayments may increase.

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)

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

Please be advised that 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 the lender will take appropriate steps to recover the amount due. This could mean the lender will commence legal proceedings seeking an order for possession against you, which will affect your credit rating and limit your ability to access credit in the future.

Warning: The entire amount that you have borrowed will still be outstanding at the end of the interest-only period.

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

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.

The Central Credit Register is maintained and operated by the Central Bank of Ireland. For information on your rights and duties under the Credit Reporting Act 2013 please refer to the factsheet prepared by the Central Bank of Ireland. This factsheet is available on www.centralcreditregister.ie. Copies can also be obtained at your local AIB branch and on www.aib.ie.

Fixed interest rate

While on a fixed interest rate, the interest rate 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 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.

For customers on an LTV based fixed rate, if you do not exercise a choice, an LTV variable interest rate, based on the LTV interest rate band that applied to your mortgage loan during your fixed rate period, will apply when your fixed interest rate period expires.

For customers on a non LTV based fixed rate, if you do not exercise a choice, our standard variable interest rate will apply when your fixed interest rate period expires.

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.

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 €592.45. 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 €42,459.14 (inclusive of €215.00 valuation report fees and security release fee of €60.00). The total amount repayable would be €142,459.14. The effect of a 1% increase in interest rates for such a mortgage will add €52.97 to the monthly repayments.

Customer 1

Signature

Date Day __ __ / Month __ __ / Year __ __ __ __

Customer 2

Signature

Date Day __ __ / Month __ __ / Year __ __ __ __

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