



# Overpayment to Mortgage Account Form

## 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

## Mortgage Account Details

Name:

Mortgage account national sort code:  9  3 -   -

Mortgage account number:  (This is available on your latest mortgage statement)

Contact telephone number:  (We will only call you if we need clarification on your request)

## Overpayment Request

I wish to lodge the enclosed cheque/draft in the sum of €  to the above mortgage account.

OR

Please arrange to transfer the sum of €  from my funding account

Please make the overpayment from this funding account

NSC  9  3 -   -   / Account Number  (AIB accounts only)

There are 3 options available when making an unscheduled overpayment. Please indicate either option (a), (b) or (c) below.

- a) Pay a lump sum and reduce your scheduled repayment amount**  
Your scheduled mortgage repayments will reduce in line with the reduced balance of the account. The remaining term and prevailing rate of interest remain unchanged and your scheduled repayments will adjust in line with any future rate increases or decreases, as normal.
- b) Pay a lump sum, maintain current scheduled repayments and reduce your mortgage term**  
Your mortgage loan term will be reduced to keep the scheduled repayments at approximately the same level as they were prior to the lump sum payment. The prevailing rate of interest remains unchanged and your scheduled repayments will adjust in line with any future rate increases or decreases as normal.
- c) Increase your monthly scheduled repayments and reduce your mortgage term**  
Your mortgage loan term will be reduced due to the increase in your monthly repayments to your mortgage. The prevailing rate of interest remains unchanged and your scheduled repayments will adjust in line with any future rate increases or decreases as normal. Please complete the following:  
Please arrange to increase my monthly mortgage repayment amount to €  per month  
**Please note:** Due to the mortgage calculation we may not be able to increase your mortgage by that specified amount, We will advise you in writing of the revised loan repayment based on your current rate & revised repayment amount.

Please turn over for further information and to sign.

**Please Note:**

1. In the case of Fixed Rate loans, breakage costs may arise in the event of an unscheduled lump sum payment. For payments received by cheque or draft you will be notified of any breakage cost in writing prior to applying the lump sum payment.
2. Unscheduled lump sum payments result in a permanent reduction of the mortgage balance and are non-refundable.
3. Once this request has been completed on your mortgage, we will write to you to confirm your new details.
4. If arrears exist on your mortgage account, lump sum payments will be prioritised in reduction of arrears first.

Signature of account holders (all parties to the loan must sign)	
SIGNATURE	SIGNATURE
<input type="text"/>	<input type="text"/>
DATE	DATE
Day    Month    Year	Day    Month    Year
<input type="text"/> <input type="text"/> / <input type="text"/> <input type="text"/> / <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> / <input type="text"/> <input type="text"/> / <input type="text"/> <input type="text"/> <input type="text"/>

When completed, please return this form to: AIB Home Mortgage Operations, Accounts Section, 1 Adelaide Road, Dublin 2. DX 183, Dublin.

## Statutory Notices & Warnings

- 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.**
- 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.**

The following is applicable only where the interest rate is FIXED for a period of at least one year:

- 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:  $(A) \times (U) \times (D \%) = \text{€ ERC [early repayment charge]}$ , 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).

**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,  $ERC = (A = €100,000) \times (U = 24 \text{ months} / 12) \times (D\% = 5.25\% - 3.0\% = 2.25\%) = €4,500$ .

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,  $ERC = (A = €100,000) \times (U = 24 \text{ months} / 12) \times (D\% = 3.5\% - 1.5\% = 2\%) = €4,000$ .

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  $A \times U \times D\%$  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.

Lending criteria, terms and conditions apply.