



**Lapithus**

Lapithus Management DAC

# **Mortgage Arrears Resolution Process (MARP)**

**A helpful Guide  
For customers**



**Lapithus**  
Lapithus Management DAC



# Our Commitment To You

At Lapithus we understand how important your home is and the challenges that individuals and families sometimes face to meet their mortgage payments.

This document describes the process that Lapithus has put in place to help our customers through a change in financial circumstances that may make it difficult to meet their commitments under their mortgage loan.

Your mortgage lender is Tanager DAC ("Tanager").

Tanager has appointed Lapithus Management DAC ("Lapithus") to carry out all loan administration activities in relation to your mortgage account.

Lapithus has appointed Cabot Financial (Ireland) Limited to perform some administration services in relation to your loan.

Lapithus is authorised by the Central Bank of Ireland as a Credit Servicing Firm. If you are worried about any aspect of your mortgage loan, please talk to us. We are only a phone call away.

**Telephone:  
0818 555390 (Lo-Call)**

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# The First Step is Yours to Take

Changes in circumstances can put pressures on your financial situation and can result in you struggling to meet the repayments on your family home. Whether you are currently in arrears or facing financial difficulties, Lapithus' Dedicated Arrears Support Unit (ASU) will be happy work with you to help find a solution.

You may have been affected by one of the following:

- > Unemployment
- > A reduction in work
- > Unexpected bills
- > Relationship breakdown
- > Over-commitment
- > Health issues

Whatever your circumstances if you are struggling to keep up with your repayments; the earlier you let us know about your circumstances, the sooner we can assist you.

# Lapithus' MARP Process

The Central Bank of Ireland has implemented a Code of Conduct for Mortgage Arrears (the Code), which prescribes a process designed to help customers who are in arrears or financial difficulty on a loan secured upon their “**Primary Residence**”. This is either a residential property which you occupy as your family home or your only residential property in the State. This process is called the Mortgage Arrears Resolution Process (“MARP”)

In accordance with the Code, Lapithus has adopted a process for assisting customers who find themselves in arrears or financial difficulty. Our MARP process is a **four step** process that will guide you from initial contact with us to resolution.

1. Communication

2. Financial  
Information

3. Assessment

4. Resolution

# Step 1

## Communication

The MARP process involves a conversation about your current situation and what arrangements can be made in the long or short term.

Communication is key to the success of this process, not just initially but throughout the process, we need you to stay involved.

We have a team of associates in our Arrears Support Unit, who are qualified to guide you through MARP.

Our commitment to you is to be respectful of your circumstances. Our communications with you will be proportionate and not excessive. We will seek to agree with you the next communication at each step.

We will give you sufficient time to make an informed decision; we recognise that you need time to consider your options.

You can get in touch with us at:

Lapithus DAC  
PO Box 12714  
Dublin 24

**Telephone**  
**0818 555390 (Lo-Call)**

If you're calling from abroad dial:  
**+353 81 8203202**

We are open:

- 9am to 8pm Monday to Thursday
- 9am to 5pm on Friday.

We have a section of our website dedicated to arrears, you may find this at:

[www.lapithus.ie/tanager](http://www.lapithus.ie/tanager)

If you would like someone to visit you at your home to discuss your options, please contact us at the number above and we will

# Step 2

## Financial Information

Under MARP, Lapithus will consider a number of alternative arrangements that may suit you. Our obligation is to consider arrangements that are both sustainable and affordable based on your current financial circumstances.

We will need detailed information on your current financial circumstances; we will ask you to complete a Standard Financial Statement (SFS). This is a form that provides a complete picture of your household income and what you are spending.

Our ASU team will be happy to assist you in completing this form.

We will also require evidence of your income and expenses, for example we will ask for pay slips covering the last three months, and confirmation of Social Welfare payments, Mortgage Interest Supplement or Family Income Supplement as well as three months'

bank statements. Depending on your circumstances additional documents may be requested.

If you are self-employed, audited financials, tax returns and three months' bank statements for your business may be requested.

You can fill in this form at home, or a member of the ASU team can call you at a time that is convenient and can take this information over the phone.

The *Mortgage Advice and Budgeting Service* is free financial advisory service available to you. They also provide assistance completing the SFS. A link to their website is available in the Useful Contact section of this document

The Central Bank of Ireland has also published a guide to completing the Standard Financial Statement. This guide can be found on their website:

[www.centralbank.ie/consumer/infor/doc](http://www.centralbank.ie/consumer/infor/doc)

# Step 3

## Assessment

The Lapithus ASU team will assess your options based on the information that you have provided.

The ASU team will consider your circumstances based on the information provided, the nature of your difficulties and whether they are temporary or more long-term and will consider if there is an appropriate arrangement that they can propose for you.

If you are spending more than you are earning, we may suggest independent sources for financial advice.

The ASU will give careful consideration to your individual circumstances to assess if an alternative repayment arrangement might be suitable, the factors considered will include:

- › Whether or not the cause of your current difficulties is temporary in nature
- › Your current income and outgoings
- › Savings, investment or other financial means
- › Your repayment history
- › Your overall personal indebtedness
- › Your ability to meet repayments in the short and longer term

# Step 4

## Resolution

Once the review of your account and financial circumstances is complete, the ASU will assess if an alternative repayment arrangement is suitable for you.

The ASU will only recommend an arrangement that they consider to be both affordable and sustainable for you.

Depending on your circumstances a short term or long term arrangement may be proposed.

Any repayment arrangement suggested will be subject to your agreement and approval, the terms and conditions will be explained to you, including the cost of the arrangement and the impact it will have on your repayments, both during the arrangement term and afterwards.

You will be given sufficient time to make an informed decision.

There is no guarantee that a suitable, sustainable and mutually agreeable solution will be found, however, your ongoing engagement in the process will permit us to take your situation and priorities into account.

You may wish to seek advice on your options, we have provided the details of the Mortgage Advise Budgeting Service in our 'Useful Contacts' section.

# Alternative Repayment Arrangements

Lapithus has a suite of options that it considers when considers when considering the appropriate solution for customers loans:

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<b>Arrangement</b>	<b>How it Works</b>	<b>Advantages and Disadvantages</b>
<b>Interest Only Repayment</b>	<p>You would pay only the interest accrued on your loan for a short period of time, usually not more than three months.</p> <p>The capital repayments on your loan are suspended for that period of time.</p>	<p>Your mortgage repayments are reduced to cover only the interest accrued on your loan for the period of the arrangement.</p> <p>Your repayments will increase at the end of the arrangement term as the capital that has been deferred remains outstanding.</p>
<b>Reduced Repayments</b>	<p>You would pay a reduced monthly repayment for a period of time, usually six months or less.</p> <p>You would pay more than the interest accrued but less than the usual capital repayment</p>	<p>Your mortgage repayments are reduced for an agreed period.</p> <p>At the end of the period your repayments will be higher as the capital that was deferred remains outstanding.</p>

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**Moratorium**

We suspend your monthly repayments in full for a short period of time, usually no more than three months.

Your mortgage repayments are suspended for an agreed period to deal with short-term difficulties that impact your income.

At the end of the arrangement your repayments will be higher as the deferred interest and capital remains outstanding.

**Mortgage to Rent**

The Mortgage to Rent scheme, is a government sponsored scheme designed to keep people who cannot afford the loan on the family home in the family home at an affordable rent.

The Mortgage-to-Rent scheme would involve the sale of your property to the Housing Authority.

You would stay in your home at an affordable rent, agreed between you and your Local Housing Authority.

Information on the Housing Agency Mortgage-to-Rent Scheme is available on their website:

[www.housingagency.ie/Housing-Information/Mortgage-to-Rent-Scheme](http://www.housingagency.ie/Housing-Information/Mortgage-to-Rent-Scheme).

If you are eligible for this scheme we will guide you through the process.

**Arrears Repayment Plan**

We may agree increased repayments for a period of time to address your arrears.

Your monthly repayment amount is increased to address your arrears over an agreed period of time, based on your affordability.

At the end of the Arrears Repayment Plan your arrears will have been repaid in full.

**Term Extension**

Should your circumstances permit it we may propose lengthening the term of your mortgage to reduce your monthly repayments.

The term of your mortgage is extended, which will have the effect of reducing your monthly repayments.

As you will be repaying your loan over a longer period of time, you will be paying more for your loan over the extended life of the loan.

# What if none of these Options are Suitable?

If no sustainable and affordable solution can be found for you, the alternative options are set out below.

## 1. Voluntary surrender

If you surrender your home, we will arrange the sale of your property on the open market, at the best price possible for your property. The proceeds of the sale will be used to pay the balance of your loan. The costs of the sale are added to your loan balance. If there is surplus profit from the sale after clearing the loan, this will be sent to you. If there is a shortfall, we will agree a repayment arrangement suitable for you.

Lapithus may be in a position to assist with the costs incurred in the sale or to address any shortfall. Please contact us to discuss what assistance may be available to you.

## 2. Voluntary/supported sale

You may feel that your preferred option is to sell your property. By selling, you will be able to use the proceeds from the sale to pay the outstanding balance on your loan mortgage balance.

Lapithus offers a voluntary/supported sale scheme that is customer focused and allows you to manage the process and expense associated with the sale of a property. If there is a shortfall, we will agree a repayment arrangement suitable for you.

We may be able to offer you assistance towards the cost of moving or the cost of selling your property.

## 3. Trading Down

Similar to a supported sale, you may choose to manage the sale of your current property and a move to a more affordable home. You would then use the sales proceeds to repay your loan.

Tanager and Lapithus are not in a position to provide you a new loan for the new property but may be willing to consider a discount on your loan amount to facilitate this transition.

## 4. Debt restructure

If your loan is not affordable then Lapithus will review your circumstances and may suggest a loan modification or a restructuring of your loan agreement that will enable you to recommence payments at a level that is tailored to your proven individual circumstances and which is affordable and sustainable for you.

## 5. Mortgage to rent

The Mortgage to Rent scheme is a State assisted scheme whereby you agree to sell your property to an Approved Housing Authority which allows you to remain in your property, as a tenant paying rent to the authority. It is described in greater detail in the section above.

*If you would like further information on any of these options, please contact us by telephone or in writing*

# Further Information on Your Options

## **Costs**

Interest is charged on the full amount outstanding on your loan. You will pay increased interest if you are in arrears as the balance outstanding will include your arrears amount.

There may be fees and charges incurred in the sale of your property or litigation, where necessary. These costs vary depending on the value of the asset and the action taken.

## **Your ongoing liability**

If your property is sold, each customer named on the mortgage will be liable for any shortfall incurred if the sale proceeds do not clear the remaining balance (including any accrued interest, charges, legal fees, selling and other related costs).

Until your mortgage is paid in full, you will continue to be liable for monthly repayments based on the outstanding loan amount and interest will to be charged on this balance.

## **Credit Reference Agency**

If you miss repayments, your account will go into arrears. Information relating to arrears may be shared by Lapithus with a Credit Reference Agency. This would affect your credit rating which may impact your ability to get credit in the future.

## **A review of your circumstances**

Lapithus will continue to review your circumstances to ensure that you are on the most appropriate arrangement for your situation.

Please continue to co-operate with these reviews, for example by submitting an updated SFS when requested by us.

## Confidentiality agreements

We may ask you to sign a confidentiality agreement as part of an agreed option.

You must not disclose this information to anyone except your advisors and you must ensure that they also keep the information confidential.

We would recommend that you seek independent legal or financial advice before signing any such agreement.

## Keep in touch

It is important that you keep Lapithus informed about any changes to your circumstances. Whether your situation improves or worsens, if we know about this then we can make an informed decision about how to proceed.

NB: Each of the above options can be explained in more detail by our team of experts but it is important that you seek independent and impartial advice about the implications of these alternatives.

We would also strongly recommend that you check any insurance arrangements that you have in place, e.g. Life insurance policies or Mortgage Payment Protection polices, to make sure that these cover any changes we agree to implement on your mortgage account.

# Non co-operative customers

It is vitally important that you co-operate at all times with Lapithus and that you are open and honest about your circumstances and financial situation.

If any of the following applies to you then Lapithus may consider you to be non co-operative:

You fail to make a full and honest disclosure of information to us that has a significant impact on your financial situation.

**or**

You fail to provide Lapithus with information requests that are relevant to your financial situation, within the timescales specified by us.

**or**

A three month period elapses where you have not entered into an alternative repayment arrangement, and during which you have failed to meet your mortgage repayments in full or if you meet your mortgage repayments in full but have an arrears balance on your mortgage.

**or**

You do not meet the full repayments required as specified in an alternative repayment

arrangement and have not made contact with Lapithus or responded to any communications from us.

**Or**

You have made contact with or responded to any communications from Lapithus but have not engaged with us in a manner that allows us to complete an assessment of your circumstances and you have not carried out the actions specified in a letter from Lapithus, warning you that you may be deemed as non co-operative.

## **What are the implications of not co-operating?**

**If we classify you as non co-operative you will no longer be under the protections of the MARP process under the Code of Conduct on Mortgage Arrears. If you fail to co-operate and address your arrears, we may commence legal proceedings to take possession of your property.**

This may impact on your eligibility for a personal insolvency arrangement under the criteria set out in the Personal Insolvency Act 2012.

# Appeals

We hope that our customers consider our processes to be fair and transparent, however Lapithus recognises that there may be occasions when its customers wish to appeal a decision that has been made.

Lapithus has a fair and impartial appeals process in place, overseen by individuals who are suitably qualified and experienced to decide on a fair outcome.

## **You have a right to appeal a decision of the ASU if:**

- › An alternative repayment arrangement has been offered by Lapithus and you are not willing to enter into the alternative repayment arrangement.
- › If we have declined to offer an alternative repayment arrangement to you.
- › Where Lapithus has classified you as non co-operative.

You have the right to appeal to Lapithus' appeal board up to 22 days after you receive notification of our decision.

All appeals must be made in writing and addressed to:

The Appeals Board  
Lapithus Management DAC  
PO Box 12714  
Dublin 24

Lapithus will acknowledge your appeal within five days of receipt and will keep you updated every 20 days with the progress of your appeal.

A final decision will be communicated to you in writing within 40 days of Lapithus having received your appeal. This decision will explain fully the reasons behind our final decision.

# Complaints

Lapithus is committed to offering high quality customer service.

However, if you feel that we have not done so or you are unhappy with the resolution or options given to you under our MARP process, we will review your case as part of our standard complaints procedure and will address your concerns fairly and as quickly as possible.

Lapithus will acknowledge your complaint within five days of receipt and will keep you updated every 20 days with the progress of your complaint. A final decision will be issued to you in writing once we have completed our investigations. In any event we will issue a response within 8 weeks.

You can write to Lapithus at:

Complaints Department  
Lapithus Management DAC  
PO Box 12714  
Dublin 24

Or phone us on  
**0818 555390 (Lo-Call)**

If you remain dissatisfied or in the unlikely event of us not issuing our Final Response within 40 working days of us initially receiving your complaint, you have the option to refer the matter to the Financial Service Ombudsman Bureau.

At this point our Internal Complaints Procedure is considered to have been exhausted. Should you now wish to refer your complaint to the Financial Service Ombudsman Bureau (which must take place within 28 days of receiving our Final Response), please find below the relevant contact details:

## **Financial Services Ombudsman's Bureau**

3rd Floor  
Lincoln House  
Lincoln Place  
Dublin 2

**Lo Call: 1890 88 20 90**  
**Telephone: +353 1 6620899**  
**Fax: +353 1 6620890**

**[Email: enquiries@  
financialombudsman.ie](mailto:enquiries@financialombudsman.ie)**

It is important to remember that you will need to complete our Internal Complaints Procedure before the Ombudsman will review your concerns.

However, we believe that we should be able to resolve any issues without reference to a third party.

# Useful Contacts

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The following is a list of helpful contacts that you may find useful:

## **Lapithus**

A copy of this booklet and additional information including a copy of the Standard Financial Statement is available on our website at:

[www.lapithus.ie/tanager](http://www.lapithus.ie/tanager)

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## **Money Advice and Budgeting Service (MABS)**

MABS is a free confidential and independent service in the Republic of Ireland for people in financial difficulty.

**Telephone: 0761 07 2000**

[www.keepingyourhome.ie](http://www.keepingyourhome.ie) [www.mabs.ie](http://www.mabs.ie)

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## **National Consumer Agency**

The National Consumer Agency provides consumer information and performs the education functions on behalf of the Central Bank of Ireland. This includes providing information on the Code. The following websites provide useful information for customers:

[www.itsyourmoney.ie](http://www.itsyourmoney.ie)  
[www.consumerhelp.ie](http://www.consumerhelp.ie)

## **Central Bank of Ireland**

The Central Bank's website provides independent information on financial products and details of financial services providers.

On the website you can find the text of the Code as well as a consumer guidance note "Mortgage Arrears – A Consumer Guide to dealing with your Lender" which you may find useful.

**Telephone: 1890 777 777**

[www.centralbank.ie](http://www.centralbank.ie)

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## **Citizens Information Board**

The Citizens Information Board helps people access comprehensive and clear information relating to social services.

Citizens Information Centres are located around the country.

**Lo Call: 0761 07 4000**

**(Monday to Friday 9.30am-5.30pm)**

[www.citizensinformation.ie](http://www.citizensinformation.ie)

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## **Department of Social Protection**

The website of the Department of Social Protection provides information about Job Seekers Allowance, Mortgage Interest Supplement and other welfare benefits in the Republic of Ireland.

[www.welfare.ie](http://www.welfare.ie)

## **Financial Services Ombudsman's Bureau**

3rd Floor  
Lincoln House  
Lincoln Place  
Dublin 2

**Lo Call: 1890 88 20 90**

**Telephone: +353 1 6620899**

**Fax: +353 1 6620890**

**Email: [enquiries@financialombudsman.ie](mailto:enquiries@financialombudsman.ie)**

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## **Office of the Revenue Commissioners**

The website of the Revenue Commissioners offers information on tax credits and benefits you may be entitled to in the Republic of Ireland, including Mortgage Interest Relief.

[www.revenue.ie](http://www.revenue.ie)

## **Insolvency Service of Ireland**

The Insolvency Service of Ireland is a statutory body set up under the Personal Insolvency Act 2012 and its role includes the provision of information to the public relating to the Act.

Insolvency Service of Ireland, Block 2, Phoenix House, Conyngham Road, Dublin 8.

**Telephone: 076 106 4200**

[www.isi.gov.ie](http://www.isi.gov.ie)

Please note carefully the following information relating to Irish Housing Loans covered under the Irish Consumer Credit Act 1995 and the Consumer Protection Code.

**Warning:**

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

If you do not meet the repayments on your loan, your account will go into arrears.

**Variable Rate loans:**

Your payment rate may be adjusted by Lapithus from time to time; you will be given appropriate notice of any changes however the cost of your monthly payments may increase:

**Interest-only mortgages:**

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

You are responsible for ensuring that you have an adequate repayment method in place to repay your loan in full when it matures.

For endowment linked loans, there is no guarantee that the proceeds of the endowment insurance policy will be sufficient to repay the loan in full when it becomes due for repayment.

**Fixed rate loans:**

Lapithus may impose a redemption charge if you choose to repay your loan early. Full details are available upon request.

**Tracker rate mortgages:**

If you choose to switch to an alternative rate of interest you are not contractually entitled to switch back to a tracker interest rate in the future.



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