AIB

For the life you're after

AIB Mortgages Helping you move home

Tracker Interest Rate Retention Brochure.
Guiding you through your next move.

Contents

AIB Mortgages to help you move home

At AIB we understand that life doesn't stand still. There may be various reasons why you need or want to move from your current home. Perhaps your family is growing or getting smaller, or you'd like to relocate for personal or professional reasons.

If you have an existing tracker interest rate mortgage you don't want to lose, you may have thought there were no options available to you. Well now there are,with TIRR from AIB.

Tracker Interest Rate Retention (TIRR)

If you are an existing AIB mortgage customer with a tracker interest rate on their current home loan account, and you want to sell your existing home and buy a new one, our TIRR could be of interest to you.

TIRR allows you to retain your existing tracker interest rate (plus an additional 1% margin) on a new mortgage loan, subject to the key features and eligibility requirements outlined within this brochure. All new applications will be assessed under AIB standard lending criteria and terms and conditions.

Tracker Interest Rate Retention

If you are an existing AIB mortgage customer with a tracker interest rate mortgage, TIRR could help you move home without losing your tracker interest rate.

TIRR: Key features and eligibility requirements

- TIRR is only available to existing AIB mortgage customers with a tracker interest rate on their principal private residence and who are not experiencing difficulties making their existing mortgage repayments
- The amount of your new mortgage loan(s), that can avail of TIRR will be limited to the balance outstanding at full loan approval. This could be different to the balance at the time of Approval in Principle
- You can only avail of TIRR for the term remaining on your existing tracker mortgage loan(s), at the time of full loan approval. This could be different to the term remaining at the time of Approval in Principle. Subject to AIB's maximum age. i.e.:
  - Subject to clearance by your 69th birthday if you are PAYE employee or up to your 71st birthday subject to documentary confirmation of employment or on retirement if earlier; and for self employed customers by your 71st birthday.
- The new tracker interest rate will be your existing tracker interest rate plus an additional margin of 1%
- Any additional mortgage amount required to purchase your new home will be at the prevailing AIB new business rate which can be viewed on **www.aib.ie/mortgages**, or in your local branch
- Your new mortgage loan may only be used to purchase a new home which is to be used as your principal private residence
- If you have more than one AIB mortgage on a tracker interest rate secured against your home, TIRR will be based on:
  - The total balance outstanding on all of your AIB tracker mortgage accounts;
  - The longest term remaining on your existing tracker mortgage accounts; and
  - The lowest tracker interest rate applicable to your tracker mortgage accounts (plus an additional margin of 1%).
- You must have an Approval in Principle or a Letter of Offer that is still valid for the new Tracker Interest Rate Retention mortgage prior to selling your existing property. Your existing property should only be sold after receiving your Approval in Principle or a Letter of Offer.

Your existing mortgage account must be cleared in full before you can draw down your new mortgage. Please take note of the date your Approval in Principle or Letter of Offer is valid until

- If you have sold your home and cleared your mortgage loan, to remain eligible for TIRR you must reapply for TIRR at least 30 days before the expiry of your Approval in Principle or your Letter of Loan Offer. This is subject to AIB still offering TIRR at the time and to lending criteria and terms and conditions. You may reapply for one subsequent Approval in Principle prior to applying for full loan approval

- The full sale proceeds of your existing home must be used to repay your existing mortgage

- You will need to pay any costs which may occur from the sale of your existing home and the purchase of your new home (including professional fees)

- 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

- You will only be able to avail of TIRR once during your relationship with AIB as a mortgage customer i.e. you will not have the option to retain your tracker interest rate again for a subsequent house move

- If you are approved for TIRR, an Approval in Principle will be issued to you. This will be valid for 12 months. To remain eligible for TIRR you must reapply for TIRR at least 30 days before the expiry of your Approval in Principle or the Letter of Loan Offer. This is subject to AIB still offering the TIRR at that time and to lending criteria and terms and conditions. After the sale of your existing home you may reapply for one subsequent Approval in Principle prior to applying for full loan approval

- If you and your co-borrower wish to sell your existing home, buy new homes separately from each other, and avail of TIRR, you will each only be able to avail of TIRR in respect of half of the balance of your existing joint mortgage

- If your co-borrower does not wish to buy a new home and avail of TIRR, then you may be able to avail of TIRR in respect of the entire balance of your existing joint mortgage. Your co-borrower would, however, lose their entitlement to avail of TIRR at any time in the future. They would need to waive this entitlement and sign a TIRR Waiver. We would recommend that all borrowers receive interdependent financial and legal advice in this scenario.

- If your existing mortgage is in your sole name and you wish to sell your home and apply for a new joint mortgage with a co-borrower so that you can buy a new home together, you may apply for TIRR subject to the key features and eligibility requirements outlined above

- Up to 90% LTV finance is available to you towards the purchase price of your new property.

Moving home, regardless of your circumstance, is a big decision. We advise you to take independent legal, tax and financial advice before deciding on any type of mortgage.

Your step-by-step guide to Tracker Interest Rate Retention

These simple steps will help you get things moving.

Applying for TIRR with AIB is very similar to our normal mortgage application process. Some of the key steps are outlined below:

Step 1

Talk to us

Read through this guide, and if you feel TIRR is for you, or if you'd simply like more information, talk to our specialist team on **0818 24 44 25***. They will be happy to answer all of your questions and get things moving for you. You will need to provide:

- A completed TIRR Form

and

- A completed Mortgage Application Form together with all requested documentation.

Once you have done this, we can assess your application.

*Please note that TIRR applications can't be dealt with in your AIB branch.

Step 2

Review & approve

Over to us – we will review your Mortgage Application and, if your new mortgage is approved, we will provide you with an Approval in Principle letter. This is when your bank agrees, in principle, to give you a mortgage, based on the information you've provided. The Approval in Principle letter will also confirm that you are eligible for TIRR.

Step 3

Selling your home

To avail of TIRR, you will need to sell your home and clear your existing mortgage in full before drawing down your new mortgage. You will also need to pay all legal, moving and auctioneering fees (these can't be deducted from the sale proceeds). If you have a fixed interest rate mortgage account you may need to pay an early repayment charge (ERC).

Remember, selling your existing home may take time, so make sure you have the property on the market in good time. You must let us know the sale price of your home as soon as you can.

Step 4

Buy your new home

So, you have sold your old house and found a new home to buy. Your new home will need a valuation report. You will be advised when this is required so you do not need to arrange it prior to that time. You will need to contact AIB to arrange this. It needs to be completed by a valuer appointed by our Central Valuations Team. The Team can be contacted on **0818 100 051.**

The valuation report must be dated within four months of the date of the drawdown of funds, otherwise you maybe 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.

Before the mortgage amount is transferred to your solicitor, you must give us a valid BER certificate to draw down the Mortgage Loan funds irrespective of the interest rate you have chosen or the BER rating of the property. The Mortgage Loan must be taken out before the end date on the BER certificate.

If you are a self-build customer, you will need to give us a completed Building Certificate confirming nZEB standards each time you ask for a stage payment.

Step 5

Your new mortgage

Once the conditions in the Letter of Loan Offer have been met we will forward the money to your solicitor to complete the purchase of the new property.


MORTGAGE LOAN AGREEMENT
MORTGAGE LOAN AGREEMENT

Tracker Interest Rate Retention Form

Please complete the following and select one option in the declaration section. You will need to sign and submit this form to us, together with a completed Mortgage Application form.

1st Applicant:

First Name:

Surname

2nd Applicant (if any):

First Name:

Surname

Reference Number:

Declaration Section:

You must select one of the following options

Applying for TIRR please tick here ☐

1. I/We, confirm that I/we have read and understand the contents of the attached 'AIB Mortgages, Helping you move home' Brochure, particularly the Key Features and Eligibility Requirements and wish to apply for TIRR

2. I/We agree and understand that this application is subject to eligibility criteria and terms and conditions

3. I/We agree and understand that if at any time in the future I/we switch our mortgage from my/our tracker interest rate to any other fixed or variable interest rate offered by AIB at that time that I/we will not under any circumstances be subsequently permitted to revert to the tracker interest rate

4. I/We confirm that I/we have received a copy of the Bank's Terms of Business

5. I agree and understand that if I have a co-borrower on my existing mortgage and I have applied for TIRR separately from them in respect of the entire amount of our existing mortgage, it is my responsibility to supply AIB with the waiver form signed by my co-borrower. The AIB waiver form will be provided by your AIB Mortgage Advisor.

Alternatively, if you do not wish to apply for TIRR please tick here ☐

6. I/We, confirm that I/we have read and understand the contents of the attached '**AIB Mortgages, Helping you move home**' Brochure, particularly the Key Features and Eligibility Requirements and do not wish to apply for TIRR

7. I/We agree and understand that if I/we choose not to apply for TIRR and instead choose an alternative interest rate (e.g. fixed interest rate) for my/our Mortgage Loan, we will not at any time have the option to revert back to the tracker interest rate or to apply for TIRR.

Please note: We strongly recommend that you get independent legal and/or financial advice before considering the options above.

1st Applicant:

Borrower Name (Print Name):

Signature of Borrower: **Date:** Day / Month / Year

2nd Applicant (if any):

Borrower Name (Print Name):

Signature of Borrower: **Date:** Day / Month / Year

Warning: If you switch to an alternative interest rate, you will not be contractually entitled to go back onto a tracker interest rate in the future.

Helpful Examples

To help you understand how TIRR could work for you, we have put together a few examples*.

Example 1

Positive Equity, trading up and availing of TIRR.

Example 2

Positive Equity, trading down and availing of TIRR.

You can phone us on 0818 24 44 25.

*These examples are for illustrative purposes only.

Example 1

Positive Equity, trading up and availing of TIRR.

Existing Property

Current Mortgage	€200,000
Current Value of Property	€240,000
Positive Equity	€40,000
Loan-to-Value	83%
Term Remaining (Years) (subject to AIB lending criteria)	20
Existing tracker interest rate (ECB base rate e.g. 2.15% plus 1.25% margin)	3.40%
Monthly Repayment Amount (Capital & Interest)	€1,149.00

New Mortgage Loan

New Property	
Purchase Price	€300,000
Less Minimum Deposit Required (10%)	€30,000
Mortgage on New Property	€270,000
Loan-to-Value	90%

Repayment of New Loan

Part A – Tracker Interest Rate 4.49% APRC (Variable)	
Mortgage Balance	€200,000
New tracker interest rate (1% higher than previous tracker margin + ECB base of 2.15%)	4.40%
Term (Years)	20
Monthly Repayment Amount	€1,253.23
Part B – Variable Rate 4.15% (APRC 4.25%)	
Mortgage Balance	€70,000
Interest Rate (Loan to Value Variable Rate Home Loan >80% LTV)	4.15%
Term (Years) (subject to AIB lending criteria)	30
Monthly Repayment Amount	€339.85

Total Repayment Amount (Part A + Part B) **€1,593.08**

Example 2

Positive Equity, trading down and availing of TIRR.

Existing Property

Current Mortgage	€200,000
Current Value of Property	€250,000
Positive Equity	€50,000
Loan to Value	80%
Term Remaining (Years)	20
Existing tracker interest rate (ECB base rate e.g. 2.15% plus 1.00% margin)	3.15%
Monthly Repayment Amount (Capital & Interest)	€1,123.73

New Mortgage Loan

New Property

Purchase Price	€200,000
Less Minimum Deposit Required (10%)	€20,000
Mortgage on New Property	€180,000
Loan-to-Value	90%

Repayment of New Loan

Part A – Tracker Interest Rate 4.24% APRC (Variable)

Mortgage Balance	€180,000
New tracker interest rate (1% higher than previous tracker margin + ECB base of 2.15%)	4.15%
Term (Years) (subject to AIB lending criteria)	20
Monthly Repayment Amount	€1,104.04
Part B – N/A	

Total Repayment Amount (Part A + Part B)	**€1,104.04**

Frequently asked questions

Q1. How can I apply for TIRR?

Simply contact our dedicated team on **0818 24 44 25** and they will talk you through the application process.

Q2. If I am eligible for TIRR what interest rate will apply to my new mortgage?

The TIRR on the new mortgage will be your existing tracker interest rate plus an additional margin of 1%. This will be limited to the balance of your existing mortgage, at the time of full loan approval for the new loan. Any funds above this amount will be at the prevailing AIB new business rate which can be viewed on **www.aib.ie/mortgages**

Q3. I have been approved for TIRR, do I need to sell my home before I can draw down my new mortgage to buy my new home?

To avail of TIRR, your existing home must be sold and your existing mortgage account must be cleared in full before you can draw down your new mortgage.

Q4. I am building a new house – can I avail of TIRR?

Yes, once you meet the eligibility criteria and your existing mortgage account is on a tracker interest rate you may apply for TIRR.

Q5. I already have mortgage approval from AIB – can I avail of TIRR?

To avail of TIRR you must have an existing AIB Mortgage account on a tracker interest rate at the time of application.

If this is the case, and you already have mortgage approval, you can still avail of TIRR.

If you wish to apply for TIRR, please talk to the mortgage Advisor who handled your original mortgage application.

Q6. I have already sold my home and cleared the mortgage loan – can I apply for TIRR?

No, TIRR is not available to anyone who has already sold their home and cleared their loan. You must apply and have an Approval in Principle or Letter of Loan Offer with TIRR prior to the sale of your existing property and the closure of your existing Tracker Mortgage.

Q7. I have already purchased my new home – can I get my old tracker interest rate applied to my new mortgage?

No, TIRR is not available to anyone who has already drawn down their new mortgage.

Q8. I previously had loan approval for a larger loan amount, but have been offered less with TIRR, why?

AIB must take the mortgage term and interest rate into consideration when assessing the affordability of the mortgage. If the mortgage amount originally approved has changed this is most likely due to one of these factors changing.

Q9. What if I can't sell my home before my Approval in Principle Offer for my new mortgage expires?

An Approval in Principle is valid for 12 months from the date of approval. If you are unable to sell your home before the Approval in Principle expires you must reapply at least 30 days before the expiry.

This is subject to AIB still offering the TIRR at that time and to lending criteria and terms and conditions.

Q10. What if I can't sell my home before my Letter of Loan Offer for my new mortgage expires?

A Letter of Offer lasts for six months from the date we approve your loan. If you are unable to sell your home before that date, please contact your mortgage advisor/ broker to discuss your next steps.

This is subject to AIB still offering the TIRR at that time and to lending criteria and terms and conditions.

A to Z guide – a jargon buster

Annual Percentage Rate (APR) or Annual Percentage Rate of Charge (APRC). 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 u.c. 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

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 **0818 24 44 25** or click on **www.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 will include the requirement of a valuation report, this valuation report must be dated within four 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 break that allows you to take a break from your mortgage or reduce your payments up to a maximum of 6 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.

Approval in Principle.
An Approval 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 an Approval 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.

TIRR. If you are eligible for our TIRR, 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.

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.

Important points to note

- AIB strongly recommends that you seek independent legal, tax and financial advice before proceeding with or TIRR
- The Approval in Principle regarding how much money you may be able to borrow for the new property, is subject to change based on your financial circumstances at the time of purchase of the new property and the actual sale price for your existing property
- After the sale of your existing property, it may be necessary for you to review/amend/cancel your existing insurance policies
- Prior to the drawdown of your new mortgage, you will be required to have adequate life cover in place. You should speak to your financial advisor about amending your existing life cover and/or taking out additional life cover
- You will be responsible for the cost of any property valuations and any other associated costs of buying and selling the properties
- If part of your existing mortgage is on a fixed interest rate and it is repaid prior to the expiry of the fixed interest rate term this may result in an ERC being payable to us. For further details regarding the ERC please telephone **0818 251 008**
- TIRR offer is available until further notice
- TIRR may also be referred to as Tracker Portability in other documentation you may receive from us.

General and Regulatory information sheet about our TIRR

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, a hire-purchase agreement, a consumer-hire agreement or a BNPL agreement 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: If you switch to an alternative interest rate, you will not be contractually entitled to go back onto a tracker interest rate in the future.

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

About Us

We are Allied Irish Banks, p.l.c. and AIB Mortgage Bank u.c.

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

Our address is 10 Molesworth Street, Dublin 2.

Allied Irish Banks, p.l.c. and AIB Mortgage Bank u.c. are regulated by the Central Bank of Ireland.

Purpose of the mortgage loan

Tracker Interest Retention Rate enable existing customers with a tracker rate mortgage to purchase a new home without losing their tracker interest rate

How much can you borrow?

- **TIRR:**
  - 90% of the purchase price or valuation whichever is lower.
- Up to 80% loan to value is available for a studio apartment valued at €275,000 or above or a one-bedroom property. We do not lend for the purchase of studio apartments valued at under €275,000.

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.

Once we receive your application and any other information we ask you to give us as set out in the mortgage application checklist we will contact you within three business days to say we have received it.

a. If there is any information missing we will tell you, within three business days;

b. We will let you know our decision on your mortgage application within ten business days of receiving all the information we need;

c. If we cannot make a decision within ten business days we will tell you why and when we are likely to make a decision.

Repayment terms

You can only avail of our TIRR product for the amount of time remaining on your existing tracker mortgage loan(s) at the time of application, subject to AIB's maximum age i.e. subject to clearance by your 69th birthday if you are PAYE employee or up to your 71st birthday subject to documentary confirmation of employment or on retirement if earlier or if you are self-employed by your 71st birthday.

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
- As your loan to value may decrease over the term of your mortgage, you may be eligible to move between LTV rate bands.
- Our buy to let 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 10 years). During this time the interest rate will not change.

At the end of your fixed interest rate term, you may choose between:

a. another fixed interest rate for a further fixed interest rate term if we offer it at the time; or

b. an appropriate variable interest rate for the Mortgage Loan if we offer it at the time.

PDH Fixed Interest Rates based on LTV

If your Mortgage Loan is for your PDH and is on an LTV fixed interest rate, and at the end of any fixed interest rate term you do not choose one of the options described in (a) or (b) above then:

i. we will apply an LTV variable interest rate to the Mortgage Loan, based on the LTV fixed interest rate band that applied to the Mortgage Loan during the fixed interest rate term (or, because LTV interest rate bands may change, the closest available equivalent); or

ii. if we don't offer LTV variable interest rates at that time but we do offer a PDH standard variable interest rate we will apply such PDH standard variable interest rate to the Mortgage Loan; or

iii. if we offer neither LTV variable interest rates nor a PDH standard variable interest rate at that time, another variable interest rate determined by us that we offer at that time (as a default interest rate for PDH borrowers) will be applied to the Mortgage Loan.

PDH Fixed Interest Rates not based on LTV

If your Mortgage Loan is for your PDH and is on a fixed interest rate other than an LTV fixed interest rate, and at the end of any fixed interest rate term you do not choose one of the options described in (a) or (b) above, then:

i. if we offer a PDH standard variable interest rate at that time, we will apply it to the Mortgage Loan; or

ii. if we do not offer a PDH standard variable interest rate at that time, another variable interest rate determined by us that we offer at that time (as a default interest rate for PDH borrowers) will be applied to the Mortgage Loan.

BTL Fixed Interest Rates

If your Mortgage Loan is for a BTL property, and at the end of any fixed interest rate term you do not choose one of the options described in (a) or (b) above, then:

i. if we offer a BTL standard variable interest rate at that time we will apply it to the Mortgage Loan; or

ii. if we do not offer a BTL standard variable interest rate at that time, another variable interest rate determined by us that we offer at that time (as a default interest rate for BTL borrowers) will be applied to the Mortgage Loan.

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) × (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) x (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

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.

(iv) TIRR (only available to existing AIB Tracker Mortgage customers):

- TIRR allows you to retain your existing tracker interest rate (plus an additional 1% margin) on a new mortgage loan.
- If you are eligible for our TIRR product, 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.
- You can make extra mortgage repayments or clear your mortgage earlier than agreed without having to pay any penalties.
- If you move from a tracker interest rate to an alternative interest rate, such as a fixed interest rate, you cannot go back onto a tracker interest rate in the future.

Please note that due to the changeability of variable and tracker rates, it is not possible to determine at loan offer stage whether a fixed, variable or tracker rate will have the lowest repayment amount over the course of the loan.

You or your legal representative can ask us to give you an idea of how your current or existing mortgage interest rate compares to any other rate we may offer at that time.

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 break that allows you to take a break from your mortgage or reduce your repayments for up to a maximum of 6 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

When appropriate, a valuation of the property must be carried out by a valuer on our residential mortgage valuers panel and can only be arranged by contacting our Central Valuations Team on 0818 100 051. This valuation will cost you €150. If the valuation of the property is undertaken more than four months before the requested date of drawdown of the loan or of the final stage payment, a re-valuation will be required which will cost you €65.

(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 tied to AIB life for life and pensions business. Allied Irish Banks, p.l.c is regulated by the Central Bank of Ireland. Saol Assurance d.a.c., trading as AIB life, is regulated by the Central Bank of Ireland.

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?

TIRR Mortgage

A typical €100,000, 20 year mortgage for an Owner Occupier Residential Property with interest rate of 4.25% (based on this scenario) ECB rate currently 2.15% + margin 1.1% + additional margin 1%) and APRC 4.35%, will have 240 monthly repayments of €618.64. 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 the amount of the loan would be €48,746.60 (inclusive of valuation report fees of €215 and security release fee of €60.00). The total amount repayable would be €148,746.60. The effect of a 1% increase in the ECB interest rate for such a mortgage will add €54.19 to the monthly repayments.

Variable Interest Rate Example

A typical €100,000, 20 year mortgage for an Owner Occupier Residential Property with LTV >80% will have a variable interest rate of 4.15% and APRC 4.25%, and 240 monthly repayments of €613.38. 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 €47,483.90 (inclusive of €215.00 valuation report fees and security release fee of €60.00). The total amount repayable would be €147,483.90. The effect of a 1% increase in interest rates for such a mortgage will add €53.96 to the monthly repayments.

Additional information relating to switching lender or changing mortgage type can be found on the www.ccpc.ie website.

Allied Irish Banks p.l.c. is an authorised agent and servicer of AIB Mortgage Bank u.c. in relation to origination and servicing of mortgage loans and mortgages. AIB Mortgage Bank u.c., Allied Irish Banks p.l.c. are regulated by the Central Bank of Ireland. Allied Irish Banks p.l.c. and AIB Mortgage Bank u.c. subscribe to the Voluntary Code of Conduct on pre-contractual information for home loans. A copy of the code is available on request. Lending criteria, terms and conditions apply.

Notes

What to remember and what to do next...

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Drop in to any branch, call 0818 724 725 or visit → www.aib.ie/mortgages

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