Variable Rate Policy Statement

Warning: We may change the interest rate on this loan. This means the cost of your monthly repayments may increase or decrease.

This statement details the factors we consider when setting our variable interest rates for mortgage loans.

What do we consider when setting our variable interest rates?

A variable interest rate is an interest rate that can rise or fall over time. ICS Mortgages' variable interest rate is based on a number of factors, including:

(i) Funding Costs
We obtain funds from multiple sources (e.g. wholesale markets, bond markets), with each source of funding having different interest rate terms. Therefore our funding cost can change from time to time due to changes in interest rates in these markets or by other factors outside of our control.

(ii) Credit Risk
We also consider the risk that a percentage of our mortgage customers may experience financial difficulty and may not make their expected mortgage payment.

(iii) Operational Costs
We operate as efficiently as possible and, like any enterprise, have ongoing operational costs, e.g. administrative costs, staff costs,.

(iv) Business Profitability/Sustainability
ICS Mortgages as a regulated entity seeks always to remain profitable. The setting of the variable interest rate is a very important component in the long-term sustainability of ICS Mortgages and ensures it retains a strong competitive position in the Irish mortgage market.

Because variable interest rates can rise and fall, your mortgage repayments can go up or down during the term of your loan..

How do we make decisions when setting variable interest rates?

Within ICS Mortgages, interest rates are set by the Product and Conduct Committee. The Product and Conduct Committee is made up of the Executive Directors and Senior Management and meets to review market conditions and the competitiveness of the interest rates on all ICS Mortgages' products. The Product and Conduct Committee meet at least quarterly and more frequently, as required .

Why do we have different variable interest rates?

We have different types of mortgage interest rate options depending on whether the loan is an Owner Occupier Mortgage, a Buy-to-Let Mortgage, or a Housing Bridging Loan.

We currently offer our variable interest rates using a risk-based approach. The credit and funding cost is typically higher for a Buy-to-Let mortgage than an Owner Occupier mortgage

and the credit and funding cost is typically higher for a Housing Bridging Loan than a Buy-to-Let mortgage.
For Owner Occupier Mortgages, we offer variable interest rates available to you depending on your Loan-To-Value (LTV).

For Buy-To-Let Mortgages, we offer variable interest rates available to you depending on your LTV and also the type of mortgage loan e.g. Interest-Only or Flexi-Mortgage product.

For Housing Bridging Loan, we offer a variable interest rate.

Could you get a different type of interest rate or a lower interest rate?

A mortgage is a substantial financial commitment; therefore, we would urge all of our customers to consider their mortgage options on a regular basis.

It may be possible over time to get a lower interest rate on your Owner Occupier Mortgage, a Buy-to-Let Mortgage, if the risk profile on your loan changes, for example, if the LTV on the property falls due to you paying a lump sum off your mortgage or the value of your property has risen significantly.

Further information about our mortgage loans and interest rate options can be found on our website

For Owner Occupier customers:
Existing Customer Rates | ICS Mortgages | Residential Mortgages

For Buy-To-Let customers:
Rates | ICS Mortgages | Residential Mortgages

For Housing Bridge Loan Customers:
Housing Bridging Loans ICS Mortgages | Residential Mortgages in Ireland | Dilosk

If we decide to increase your variable interest rate, we will notify you at least 30 calendar days before the increase takes effect.

If you would like to discuss any of these options, or you have any questions about your mortgage, please contact us 0818 542 542 or **email us at** customerservice@icsmortgages.ie.

We would also encourage you to visit the ‘Switching your Mortgage’ section of the Competition and Consumer Protection Commission website on https://www.ccpc.ie/consumers/money/mortgages/switching-lenders-or-mortgage/

This document is subject to change and notification of any changes will be provided by Dilosk. The current version of this document can be found on www.icsmortgages.ie