

Mortgage Arrears – A Consumer Guide to Completing a Standard Financial Statement

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Introduction

The purpose of this guide is to assist you with the completion of the Standard Financial Statement ('SFS') which your lender must use to obtain financial information from you under the Mortgage Arrears Resolution Process ('MARP') framework set out in the Code of Conduct on Mortgage Arrears ('CCMA'). The SFS will be used by your lender when assessing your case to decide whether or not to offer you an alternative repayment arrangement and what type of arrangement is appropriate and sustainable for your circumstances.

The Central Bank of Ireland has also produced a consumer guide to the CCMA and the MARP. The guide, <u>Code of Conduct on Mortgage Arrears – A Consumer Guide</u> is available on our website <u>www.centralbank.ie</u>.

Completing an SFS

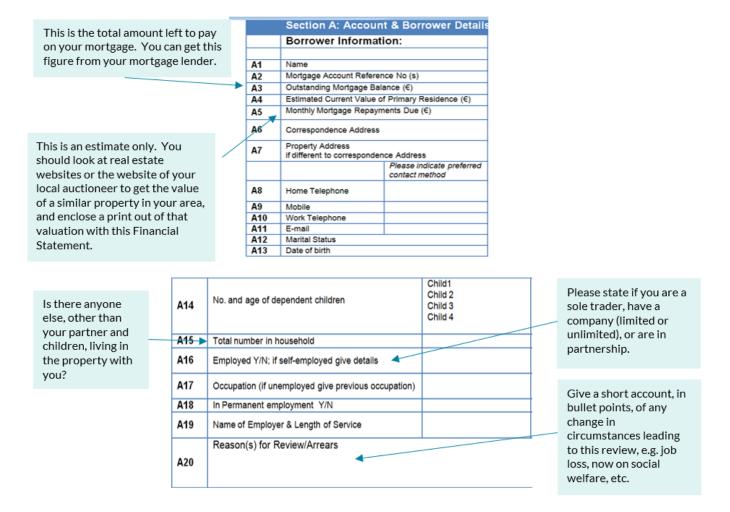
Your lender must assist you to complete the Standard Financial Statement ('SFS') and may already have a lot of the information requested on their file. However, if you would like to complete the SFS yourself or to prepare in advance to complete with your lender, Section 1 of this guide should assist you when completing the SFS. It is important that you include all your basic living expenses in the SFS. You should fill out the form honestly and provide any documentation your lender asks for. If you do not, you can be classified as not co-operating with your lender and the waiting period (moratorium) for beginning legal action for repossession of your property will no longer apply to you.

In addition, Section 2 of this guide includes a checklist of the documents you should have that will assist with the completion of the SFS. Any documents you provide to your lender should be accurate and up-to-date and you should also make copies of the documents.

Section 1 - Standard Financial Statement

Section A: Account and Borrower Details

This Section asks for details about your personal circumstances, your name, address, occupation and household.



Section B: Your Monthly Income

This Section asks for details of all your **monthly** income, e.g., your wages, social welfare benefits, rent and any other type of income you might receive.

➤ If you receive your income on a weekly basis, multiply the weekly figure by 52 and divide by 12 to get your monthly total.

weekly amount x 52

1

If you are paid every two weeks, multiply the figure by 26 and divide by 12. $\frac{bi-weekly\ amount\ x\ 26}{12}$

Do not include any irregular income, such as shift allowance, as any arrangement made on the basis of this Financial Statement must be affordable and sustainable.

You can get this information on your payslip.
You should provide proof of income in the form of 3

payslips / accounts (if self

employed).

Section B: Your Monthly Income				
B1	Gross Monthly Salary (before tax and any other deductions at source)			
B2	Net Monthly Salary (after tax and any other deductions at source) ¹			
B 3	Monthly Social Welfare Benefits Please list			
B3 (a)	Benefit-			
B3 (b)	Benefit-			
B3 (c)	Benefit-			
B4	Child Benefit			
B5	Mortgage Interest Supplement			
B6	Family Income Support			

Other deductions may include health insurance, pension contributions, union subscriptions, group savings schemes, council memberships (applicable to some public service employees), professional association fees, maintenance payments attached to earnings. You should not include loan repayments as these should be included in Section D under Monthly Debts.

You should include any regular maintenance received that you can provide proof of, even if not received by way of court order or separation agreement.

B7 💌	Maintenance	
₽8	Other, e.g. Pension, room rent, grants (Please Specify)	
В9	Monthly Income from Property assets (other than primary residence) (see E5)	
B10	Monthly income from non-property assets (see F8)	
B11	Total Monthly Income (sum of B2 to B10)	

These figures are calculated in Section E and Section F of the Financial Statement so, when you have calculated them, you can come back to this Section and insert them here.

Section C: Monthly Household Expenditure

This Section asks for details of all of your outgoings, calculated on a monthly basis. There may be bills or other outgoings that you pay weekly, every 2 weeks, every 2 months, quarterly, every year or every two years.

To get the monthly figure you should:

- Weekly: multiply the weekly figure by 52 and divide by 12 to get your monthly total. $\frac{weekly\ amount\ x\ 52}{12}$
- Every 2 Weeks: multiply the figure by 26 and divide by 12.

 bi-weekly amount x 26

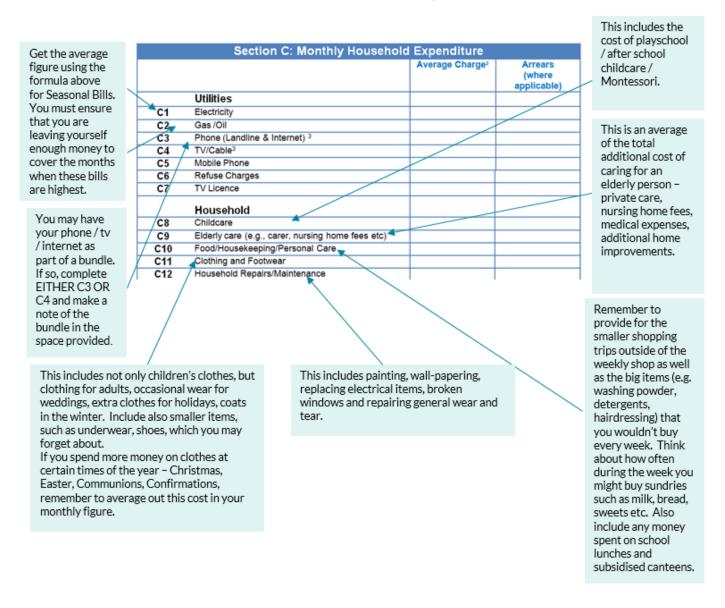
 12
- Every 2 Months: multiply the figure by 6 and divide by 12.

 bi-monthly amount x 6
- \triangleright Quarterly: divide the figure by 3. $\frac{Quarterly\ Amount}{3}$
- \triangleright Every Year: divide the figure by 12. $\frac{Yearly\ amount}{12}$
- Figure by 24. $\frac{bi-yearly}{24}$

Seasonal Bills

Some bills will vary depending on the time of year (e.g. your heating / fuel bill). You should take an average figure for these bills over 6 months: add 3 Summer bills to 3 Winter bills and divide this figure by 6. Alternatively, if you have been with your supplier for more than a year, you could call them to get details of your average monthly use.

Remember to include details of any arrears as well as your average cost.



Section C: Monthly Household Expenditure - Continued

For calculations, see the introduction to this Section above.

around.

This is the petrol or diesel costs for personal use. If you are a taxi / van driver for your business, only include those personal travel costs not included in your accounts to determine your income.

Include the cost of annual service, valeting and repairs, replacing tyres etc.



renewal date to make sure you are getting

the best price for your needs www.ccpc.ie

provides useful information for shopping

determine the frequency of your NCT.

Do not include any costs associated with preparing your car for NCT as these come under Section C16.

The age of your car will

It is a condition of your mortgage that you have mortgage protection life assurance in place. If this has lapsed, you should have it reinstated.

If the cost of this cover is high, you should shop around, www.itsyourmoney.ie

www.itsyourmoney.ie provides useful information for shopping around.

Consider last year's costs as the basis for your calculation, this will give you a starting point. If you have children starting a new school year, or entering First Year or Fifth Year (in preparation for Junior or Leaving Certificate Exams) as well as in the exam year itself, your costs will be higher. Discuss costs of books with the school. If unsure, add up last year's costs from September and divide by 12 to get a monthly average.

	Education
C21	Books
C22	School/ College Fees
C23	Uniforms
C24	Extra Curricular activities (e.g. school outings)
C25	Other (e.g. voluntary contributions)

Only include those outings / activities that are arranged through the school / college, such as swimming, art lessons, trips, dancing, etc.

Remember that this Financial

can be used to properly assist

you. Any arrangement made

with your lender must be

Provide for spending on

presents.

sustainable and affordable.

trips, eating out, birthday /

cigarettes and alcohol, cinema

Christmas and other occasional

Statement must be realistic if it

Section C: Monthly Household Expenditure - Continued

For calculations, see the introduction to this Section above.

Unless you have a prescribed illness, you should plan as if you, and each member of your household, go to the doctor four times per year for visits. As well as prescription medicines you should also include over the counter medicines that may arise throughout the year, e.g., calpol, paracetamol. Remember also to include dentist and optician visits in this figure.

		Medical
	C26	Medical Expenses and Prescription Charges ⁴
Į	C27	Health Insurance ⁵
		Social
	C28	Lifestyle Expenses (e.g., family events, Christmas, Birthdays, eating out etc.)
	C29 🗡	Club membership
	C30	Other - please specify

Include children's pocket money, magazines, newspapers, lottery tickets, scratch cards,

etc.

This includes golf, GAA, rugby, soccer clubs, music or dance clubs and any regular payment in respect of a hobby you and/or your household enjoy.

You should include any regular maintenance paid that you can provide proof of, even if not payable by way of court order or separation agreement.

You should make some provision for savings. This need only be a modest amount which may help you to manage and prevent you getting into further debt in future.

	Other
C31	Life Assurance
C32	Pension Contribution ⁶
▲ C33	Maintenance paid to spouse/child (if applicable)
C34	Rent
C35 (a)	Property Service/Management Charges
C35 (b)	Other - please specify
C35 (c)	Other - please specify
C36	Monthly expenditure on property assets (see E5)
▶ C37	Monthly Savings
C38	Total Monthly Expenditure (sum of C1 to C37)

If you are now living with parents / renting a room, include the cost of this accommodation here. If you have rented out your mortgaged property, the amount of rent received should be included in Section E.

Section C: Monthly Household Expenditure – Continued

Have you already renegotiated your payments with other lenders? Have you cancelled any club or gym memberships? Have you reduced your shopping bill? Have you kept a spending diary and cancelled any unnecessary expenditure? Give as much detail as you can to your lender.

Please provide details of any steps you have already taken to reduce your monthly expenditure and the savings you have achieved:

Please provide details of any steps you propose to take to reduce your monthly expenditure

Do you intend to renegotiate your other debts? Are you waiting for a decision on a social welfare payment? Are you currently appealing a decision to decline a social welfare payment? Give as much detail as you can to your lender.

Section D: Your Current Monthly Debt Payments

This Section asks for details of all of your debt repayments, calculated on a monthly basis. There may be debts that you pay weekly, every 2 weeks, every 2 months, quarterly, every year or every two years. To get the monthly figure you should:

and the savings you expect to achieve:

- Weekly: multiply the weekly figure by 52 and divide by 12 to get your monthly total. $\frac{weekly\ amount\ x\ 52}{12}$
- Every 2 Weeks: multiply the figure by 26 and divide by 12.

 bi-weekly amount x 26

 12
- Every 2 Months: multiply the figure by 6 and divide by 12.
 bi-monthly amount x 6
 12
- \triangleright Quarterly: divide the figure by 3. $\frac{Quarterly\ Amount}{3}$
- ➤ Every Year: divide the figure by 12. \(\frac{Yearly amount}{12} \)
- \triangleright Every 2 Years: divide the figure by 24. $\frac{bi-yearly}{24}$

Each debt type is listed down the left-hand side of the sheet and you are asked to complete all boxes for each debt.

This Section also asks for more detail about the type of debts you owe, the total balances, the reason you took out the debt, whether you have come to an alternative arrangement with any of your lenders and whether you have Payment Protection Insurance in place. As there is a lot of detail, you should contact each of your lenders to request the relevant information if you do not already have it before completing the SFS.

This is the amount your lender expects to receive from you.

Where you have previously renegotiated a reduced payment with your lender, insert the agreed reduced payment here.

It is unlikely that you will have arrears on an overdraft unless you have agreed a specific payment arrangement with your lender. If this is the case, give details here.

Sectio Remaining Debt Type Monthly Repayments Term Due € Being Paid€ D1 Mortgage for G4 Primary Residence Court Mandated D₂ Debt (Please Court Mandated D3 Credit Union D4 Credit Union D5 D6 Overdraft Hire Purchase D7

What are you currently paying? If you are paying the expected amount, this figure will be the same as the previous column.

If you are paying a different figure, it is the different figure that will be inserted here.

This is the amount of time left under your loan agreement, regardless of any restructure, unless you have agreed a term extension with your lender.

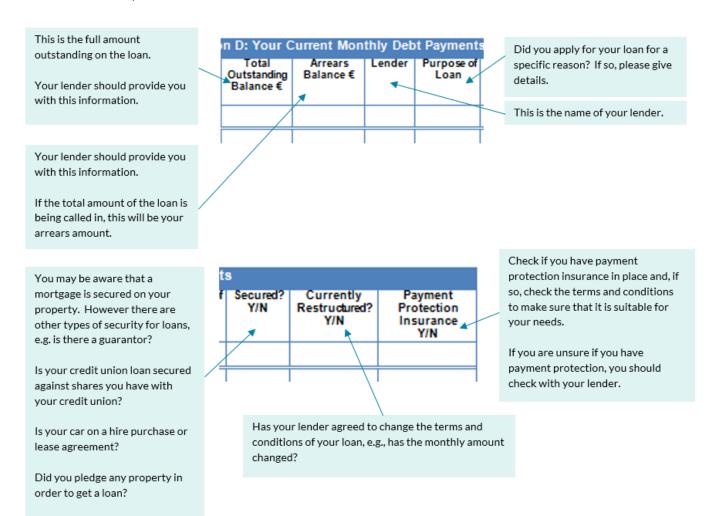
Your lender should provide you with this information.

This is a type of agreement (usually for a car) where you hire the goods for a period of time (typically 3-5 years) and only own the goods when the final instalment has been paid. Hire purchase includes Personal Contract Plans (PCPs).

This type of agreement is also set up when accessing finance for goods directly with a store.

Section D: Your Current Monthly Debt Payments - Continued

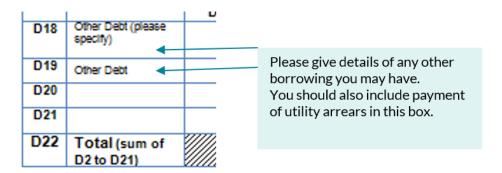
For calculations, see the introduction to this Section above.



Section D:

Your Current Monthly Debt Payments - Continued

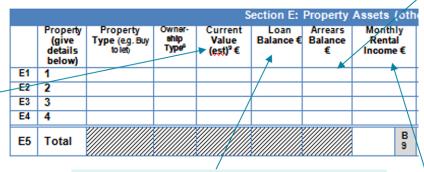
For calculations, see the introduction to this Section above.



Section E: Property Assets (other than Primary Residence)

In this Section you are asked to give details of any other properties you own, whether on your own or with someone else and whether in Ireland or abroad.

This is an estimate only. You should look at real estate websites or the website of your local auctioneer to get the value of a similar property in your area, and enclosing a print out of that valuation with this Financial Statement to provide proof.



This is the full amount outstanding on the loan.

Your lender should provide you with this information.

Your lender should provide you with this information.

If the lender is requesting the full amount of the loan, this will be your arrears amount.

You may be asked to verify this income with items such as copies of rent receipts or bank statements showing rent received.

You may also be required to verify this.

You should keep receipts of any amounts spent on these properties.

Remember to make

provision for any tax payments due, e.g., income tax on rent, non -residential property tax, see <u>www.revenue.ie</u> for more information. Has your lender agreed to change the terms and conditions of your loan, e.g. has the monthly amount changed?

This is the amount your lender expects to receive from you.

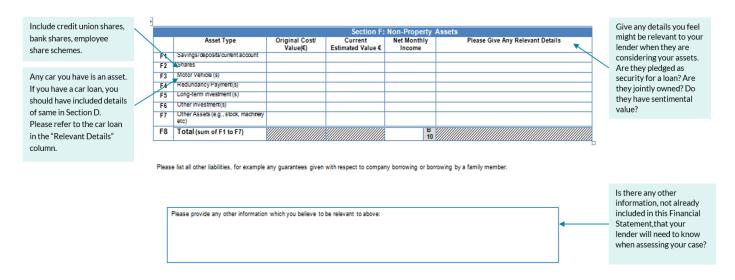
Where you have renegotiated a reduced payment with your lender, insert the agreed reduced payment here.

What are you currently paying? If you are paying the expected amount, this figure will be the same as the previous column.

If you are paying a different figure, it is the different figure that will be inserted here.

Section F: Non-Property Assets

This Section asks for details of all other assets you own, either on your own or with someone else. This includes savings, cars, shares etc.



Declaration

Before signing the declaration at the end of the Financial Statement, make sure that you understand its effect.

Your lender has
asked you to
complete this
Financial
Statement to
assess your
financial
circumstances.
They can only
use this
Financial
Statement for
that reason.

You are asked to confirm that the information in this Financial Statement is correct and agree to tell your lender if your circumstances change.

I/we understand that the information provided will only be used for t	the purpose of assisting my lender to assess my financia
situation under its Mortgage Arrears Resolution Process.	

Protecting Your Information

"Your lender will keep your information confidential and will only use this information for the purpose of assisting you in accordance with its Mortgage Arrears Resolution Process in accordance with your lender's obligations under the Data Protection Acts 1988 and 2003. For more information on your rights under the Data Protection Acts, see the Data Protection Commissioner's website at www.dataprotection.ieg

I declare that the information I have provided represents my/our financial situation, and commit to informing my lender if my situation changes.

I consent to [name of lender] conducting a credit reference check.

Signed: ______ Date: _____

[Note: Declarations confirming the accuracy of the information provided and consent to a credit reference check must be completed for every SFS. Any other declarations requiring the consumer's signature (for example to give permission for the lender to contact other parties regarding the borrowers financial situation) must be optional (i.e., a lender cannot deem the SFS to be incomplete if such declarations are not signed by the consumer).]

Your lender must, by law, keep your information secure and only use it for the reason(s) they requested it from you. If you are unsure of your rights concerning the privacy of your information, you can contact the office of the Data Protection Commissioner. www.dataprotection

You are asked to agree to your lender carrying out a credit reference check. This involves your lender contacting a credit reference agency, such as the Irish Credit Bureau (ICB) or Central Credit Register, giving them your details and receiving information about your financial circumstances, e.g. your loans, details of any missed payments, the balance still to be paid, any applications you have made.

If you are refused an arrangement by your lender on the basis of your credit check, you are entitled to request a copy of it and to have any mistakes corrected.

Section 2 - Checklist

The following is a checklist of the documents you should have that will assist with the completion of the SFS.

If you have any difficulty locating this information you should contact your creditors for details.

Section A: Account & Borrower Details	Check (X) what you have
If required, a statement from your mortgage lender showing the total left to pay on your mortgage.	
Print out showing current estimated value of your property.	
If required, a Statement of mortgage payments or confirmation from your lender of the amount of monthly mortgage payment.	
Section B: Your Monthly Income	
Proof of income in the form of 3 recent payslips or a set of accounts (if you are self-employed).	
 Proof of receipt of maintenance payments (if applicable). 	
 Proof of other income (see also Section E and Section F) 	
Section C: Monthly Household Expenditure	
 4 Electricity or Gas/Oil bills / confirmation from your supplier of your average monthly cost (if applicable – see notes in Section C below). 	
2 Recent Phone Bills.	
Any documents which verify the amount spent on Childcare and / or Elderly Care.	
 Proof of Mortgage Protection Insurance 	
Proof of House Insurance	
 Proof of maintenance payments (if applicable) 	
Proof of rent paid (if applicable)	

Section	n D: Your Current Monthly Debt Payments	
>	Proof of any Court Payment Due (if applicable)	
>	Statement of loan from your credit union (if applicable), including:	
0	the amount outstanding,	
0	the payments being made,	
0	the time left,	
0	the arrears balance,	
0	the reason for the loan,	
0	if there is payment protection insurance in place.	
>	Statement of loan from your car / goods finance provider (if applicable), including:	
0	the amount outstanding,	
0	the payments being made,	
0	the time left,	
0	the arrears balance,	
0	the reason for the loan,	
0	if there is payment protection insurance in place.	
>	Statement from your bank showing the amount outstanding on your overdraft (if applicable).	
>	Statement from your store card provider showing the amount outstanding (if applicable).	
>	Statement from your catalogue provider showing the amount outstanding (if applicable).	
>	Statement from each of your credit card providers showing the amount outstanding (if applicable).	
>	Statement from your personal loan provider (if applicable), including:	
0	the amount outstanding,	
0	the payments being made,	

0	the time left,	
0	the arrears balance,	
0	the reason for the loan	
0	if there is payment protection insurance in place.	
>	Details of any other debts you may have.	
Section	n E: Property Assets (other than Primary Residence)	
>	Proof of estimated value of your properties (if applicable).	
>	Statement from your mortgage lender showing the full	
	amount left to pay on each mortgage (if applicable).	
>	Statement of arrears on your mortgage accounts (if applicable).	
>	Proof of rental income (if applicable).	
>	Statement of mortgage payments or confirmation from your	
	lender of the amount of monthly mortgage payment.	
Section	n F: Non-Property Assets	
>	Receipts and/or statements of purchase price for any asset.	
>	Statement of current estimated value.	
>	Statement of income from any asset.	

Useful Resources/Links:

Central Bank Guide on the CCMA: <u>Code of Conduct on Mortgage Arrears - A</u>

Consumer Guide

Central Bank of Ireland: <u>www.centralbank.ie</u>

Money Advice & Budgeting Service (MABS): <u>www.mabs.ie</u>

Competition and Consumer Protection www.ccpc.ie
Commission: The CCPC has a number of useful resources for households including budgeting

information and budgeting tools. These resources provide money saving tips not only on financial products but also other household

expenses such as utility bills, groceries, etc.

Citizens Information: <u>www.citizensinformationboard.ie</u>

Data Protection Commissioner: <u>www.dataprotection.ie</u>

Dept of Social Protection: <u>www.welfare.ie</u>

Financial Services and Pensions Ombudsman www.fspo.ie

(FSPO):

Free Legal Advice Centres (FLAC): <u>www.flac.ie</u>

