



Guide for ICS Mortgages SME Borrowers in Financial Difficulties

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Guide for ICS Mortgages SME Borrowers in Financial Difficulties

ICS Mortgages is committed to offering support to SME Borrowers who are finding it difficult to meet their financial obligations

This section of the booklet deals specifically with loans issued to small and medium enterprises ('SMEs'), as defined under the Regulations on Lending to Small and Medium-sized Enterprises (SME Regulations).

If you receive a letter or telephone call from ICS Mortgages regarding arrears on your account, please do not ignore it. ICS Mortgages is committed to helping customers who find themselves in financial difficulty and will assess your situation and determine whether there are any options available to your business taking into account your financial circumstances.

We may provide data about the performance of your loan to Central Credit Register or any other credit reference agency, where permitted by contract or required by law. In the event that your account has been, is or goes into arrears or we have to repossess your property this may affect your Credit Rating which may limit your access to credit from us or from other financial institutions in the future. If you enter into an alternative repayment arrangement with us, this too may affect your credit rating. If your Credit Rating is affected, it may also limit your access to any credit related purchases, for example, mobile phone contract or car loan.

The Central Bank of Ireland has introduced regulations to ensure a fair and consistent approach to borrowers who find themselves in financial difficulties.

Regulations for Lending to Small & Medium Enterprises 2015

The revised "Regulations for Lending to Small & Medium Enterprises 2015" came into effect on 1st July 2016. The SME Regulations sets out the requirements that institutions must take when dealing with SMEs in or facing financial difficulties. ICS Mortgages has prepared this detailed booklet for our SME customers.

We recommend that all SME borrowers read this information booklet carefully and contact us as soon as possible if they are in or facing financial difficulties.

ICS Mortgages understands that many of our Small and Medium Enterprise (SME) Borrowers are either facing or already experiencing a period of financial difficulty. If this is the case you should contact us on 0818 542 542. We will carry out a full assessment of your overall financial position. It is in your interest to engage with ICS Mortgages about arrears or financial difficulties.

A summary of the process that ICS Mortgages follows is provided below:

Step 1: Communication

Communication is the most important step for you and your business. If your business is already in arrears, or you are worried that it may soon be, please contact us on below:

Call: 0818 542 542 (Mon-Fri 9am to 5.30pm, excluding bank holidays)

Email: customerservices@icsmortgages.ie

It would be beneficial if you could have your account details to hand when contacting us.

Once you get in touch, we can work with you to explore the different options available to your business to address your arrears. We may offer you an alternative arrangement to assist with your financial difficulties.

It is important that you engage fully and co-operate with us throughout this process. Failure to engage may result in you being classified as not co-operating as defined below:

“Not co-operating” means a situation in which –

- (a) The borrower has failed to make a full and truthful disclosure to the regulated entity to assess the borrower’s financial situation, within the timeframe specified by the regulated entity.
- (b) The warning letter, required in accordance with Regulation 20(8), has been issued to the borrower regarding non-cooperating
- (c) The borrower has not carried out the action or actions within the timeframe specified in the letter referred to in subparagraph (b)

If you are classed as not co-operating, we have no alternative but to take the necessary steps to recover the loan which may include:

- 1. The appointment of a Receiver to take possession over the property
- 2. Commencement of legal proceedings to recover the full amounts due

Any charges or fees that we are entitled to impose due to financial difficulties will be outlined in full.

Step 2: Financial Information

Once you get in touch, we can work with you to explore the different options available to your business to address your arrears. It is important that you engage fully and co-operate with us throughout this process. Failure to engage may result in you being classified as not co-operating as discussed in the information booklet.

1. Financial information/projections, including:
 - Most recent audited/certified accounts as appropriate
 - Current management accounts
 - Up to date list of debtors/creditors
 - Financial and cash flow projections for the next 12 months and underlying assumptions
2. Tax information, including:
 - Tax Clearance Certificate (where appropriate)
 - Form 11/Tax return
3. Details of the security held over your loan(s)
4. Current Account statements

This list is not exhaustive and depending on the type and size of your business, other information may be necessary, e.g., a Business Plan or Statement of Affairs. The information you provide should be comprehensive, up to date and should demonstrate an in-depth knowledge of your business, the environment in which your business operates and the reason for the financial difficulty.

The required information will be requested from you once there has been a request for a review. ICS Mortgages recommends that you seek independent advice from a financial adviser or accountant.

Step 3: Assessment

We will examine the information provided by you to assess your situation and determine whether there are any available alternative repayment arrangements (ARA) on your mortgage repayments taking into account your financial circumstances.

The criteria used to assess your financial difficulties may include:

- Your repayment history and future repayment capacity,
- The viability of your business
- The total indebtedness of all relevant parties
- Any other relevant information

We will communicate to you in writing details of the outcome of our assessment, based on the information provided by you, within 15 working days of receiving all the required information.

If we are unable to form a decision with 15 working days, we will write to you explaining the reasons why it is taking longer than 15 working days and confirmation of when the assessment will be completed.

In order for us to help you develop a long-term solution for your mortgage repayments it is important throughout the assessment process that you:

- Keep us informed of any developments that will impact your business or your financial situation
- Always make honest and full disclosures
- Consider any third-party recommendations (You can employ third party advisers who may accompany you during any discussions)

Step 4: Resolution

Having completed our assessment, ICS Mortgages will then determine whether a particular ARA would be suitable based on your financial circumstances.

It is important that you are fully aware of the implications of any ARA before you commit to it, and we recommend you seek independent legal/financial advice in this regard. It is also important that you adhere to the terms of the agreed arrangement and advise us immediately of any change to your financial situation.

Where we decline a request for an ARA, we will advise you of the reason for the decline and where possible we will continue to make every effort to work with you to put a solution in place for your mortgage.



Lending Criteria, Terms & Conditions apply.

Dilosk DAC trading as Dilosk and ICS Mortgages is regulated by the Central Bank of Ireland.

