Mortgage Arrears

Completing a Standard Financial Statement

A Consumer Guide

Mortgage Arrears - 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 to your circumstances.

The Central Bank of Ireland has also produced a consumer guide to the CCMA and the MARP. The guide, Mortgage Arrears - A Consumer Guide to Dealing with your Lender, is available on our website www.centralbank.ie.

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 12 month 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.

A5 -This is the amount of the mortgage instalment you are currently contracted to pay under your mortgage agreement or any alternative agreement, such as monthly reduced repayments, agreed with your lender in writing.

A16 - Please state if you are a sole trader, have a company (limited or unlimited), or are in partnership.

Section A: Account & Borrower Details Borrower Information Α1 Name A2 Mortgage Account Reference No(s) А3 Outstanding Mortgage Balance (€) **A4** Estimated Current Value of Primary Residence (€) Α5 Monthly Mortgage Repayment Due (€) Corespondence Address **A6 A7** Property Address (If different to correspondence Address) Please indicate preferred contact method **A8** Home No. Mobile Α9 A10 Work No. A11 Email A12 Maritial Status A13 Date of Birth Number and age of Dependent Children A14 Total Number in Household A15 A16 Employed Y/N; if self-employed, give details A17 Occupation (if unemployed give previous occupation) A18 In Permanent Employment Y/N A19 Name of Employer & Length of Service

A20 Reason(s) for Review/Arrears

A3 - This is the total amount left to pay on your mortgage. You can get this figure from your mortgage lender.

A4 - 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 enclose a print out of that valuation with this Financial Statement.

A15 - Is there anyone else, other than your partner and children, living in the property with you?

A20 - Give a short account, in bullet points, of any change in circumstances leading to this review, e.g. job loss, now on social welfare, etc.

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 x52
- If you are paid every two weeks, multiply the figure by 26 and divide by 12, bi-weekly amount x26

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.

B1 - You can get this information on your payslip. You should provide proof of income in the form of 3 payslips / accounts (if self employed).

B7 - 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.

Section B: Your Monthly Income Gross Monthly Salary (before tax and any other deductions at source) **B1** Net Monthly Salary (before tax and any other deductions at source)1 **B3** 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 **B7** Maintenance **B8** Other, e.g. Pension, Room Rent, Grants (Rease Specify) Monthly Income from Property Assets (other than primary residence, see E5) B10 Monthly Income from non-Property Assets (see F8) **Total Monthly Income** (sum of B2 to B10) B11

B2 - 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.

B9 & 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.

B5 - If you have applied for Mortgage Interest Supplement (MIS), but have not yet received it, or have been declined MIS but are currently appealing the decision, please advise in the notes section of Section C.

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, weekly amount x52
- Every 2 Weeks: multiply the figure by 26 and divide by 12, bi-weekly amount x26
- Every 2 Months: multiply the figure by 6 and divide by 12, bi-mounthly amount x6
- Quarterly: divide the figure by 3, quarterly amount
- Every Year: divide the figure by 12, yearly amount
- Every 2 Years: divide the figure by 24, bi-yearly amount 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.

Section C: Monthly Household Expenditure (continued)

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

C1&C2 - Get the average figure using the formula above for Seasonal Bills. You must ensure that you are leaving yourself enough money to cover the months when these bills are highest.

C11 - This includes not only children's clothes, but clothing for adults, occasional wear for weddings, extra clothes for holidays, coats in the winter. Include also smaller items. such as underwear, shoes, which you may forget about. If you spend more money on clothes at certain times of the year – Christmas, Easter, Communions, Confirmations, remember to average out this cost in your monthly figure.

Section C: Monthly Household Expenditure **Utilities** C1 Electricity C2 Gas/Oil **C3** Phone (land & internet)³ 4 C4 TV/Cable 3 C5 Mobile Phone **C6** Refuse Charges **C7** TV Licence Household **C8** Childcare C9 Elderly Care (eg carer, nursing home fees etc) **C10** Food/Housekeeping/Personal Care C11 Clothing and Fotwear C12 Household Repairs/Maintenence

C3 - You may have your phone/tv/internet as part of a bundle. If so, complete EITHER C3 OR C4 and make a note of the bundle in the space provided.

C8 - This includes the cost of playschool / after school childcare / Montessori.

C10 - Remember to provide for the smaller shopping trips outside of the weekly shop as well as the big items (e.g. washing powder, detergents, hairdressing) that you wouldn't buy every week. Think about how often during the week you might buy sundries such as milk, bread, sweets etc. Also include any money spent on school lunches and subsidised canteens.

c12 - This includes painting, wall-papering, replacing electrical items, broken windows and repairing general wear and tear.

c9 - This is an average of the total additional cost of caring for an elderly person – private care, nursing home fees, medical expenses, additional home improvements.

C13 - 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.

C16 - Include the cost of annual service, valeting and repairs, replacing tyres etc.

Section C: Monthly Household Expenditure Transport Costs C13 Petrol C14 Motor Insurance/Tax/NCT C15 Rail/Bus/Taxi Costs (includes school transport for children) C16 Car Maintenance/Repairs C17 Car Parking and Tolls **Primary Residence Mortgage Related Costs C18** Mortgage Protection/Endowment Premium C19 Payment Protection C20 House Insurance

car will determine the frequency of your NCT. Do not include any costs associated with preparing your car for NCT as these come under Section C16.

C18 - 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 provides useful information for shopping around.

C20 - You should shop around close to your renewal date to make sure you are getting the best price for your needs, www. itsyourmoney.ie provides useful information for shopping around.

Section C: Monthly Household Expenditure (continued)

For calculations, see the introduction to this Section above.

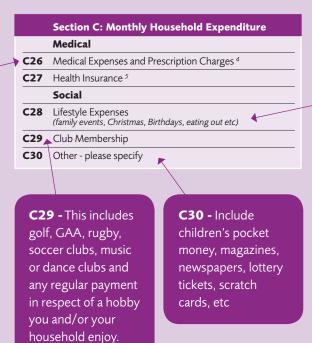
Consider last year's costs as the basis for your calculation, this will give you a starting point. If you have children starting a new school year, or entering First Year or Fifth Year (in preparation for Junior or Leaving Certificate Exams) as well as in the exam year itself, your costs will be higher. 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.

Section C: Monthly Household Expenditure Education C21 Books C22 School/College Fees C23 Uniforms C24 Extra Curricular Activities (e.g. school outings) C25 Other (e.g. voluntary contributions)

C24 - Only include those outings/activities that are arranged through the school / college, such as swimming, art lessons, trips, dancing, etc.

C26 - 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.



C28 - Remember that this Financial Statement must be realistic if it can be used to properly assist you. Any arrangement made with your lender must be sustainable and affordable. Provide for spending on cigarettes and alcohol, cinema trips, eating out, birthday / Christmas and other occasional presents.

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Section C: Monthly Household Expenditure (continued)

C33 - 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.

C37 - 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.

		Section C: Monthly Household Expenditure
Γ		Other
	C31	Life Assurance
	C32	Pention Contribution 6
•	C33	Maintenance Paid to spouce/child (if applicable)
	C34	Rent
	C35(a)	Property Service/Management Charges
	C35(b)	Other - please specify
	C35(c)	Other - please specify
	C36	Monthly expendure on property assets (see E5)
*	C37	Monthly Savings
	C38	Totally Monthly Expendure (sum of C1 to C37)

C34 - 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.

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.

Do you intend to renegotiate your other debts? Are you waiting for a decision on MIS or any other 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.

Please provide details of any steps you propose to take to reduce your monthly expenditure and the savings you have achieved.

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:

- Weekly: multiply the weekly figure by 52 and divide by 12 to get your monthly total, weekly amount x52 12
- Every 2 Weeks: multiply the figure by 26 and divide by 12, bi-weekly amount x26
- Every 2 Months: multiply the figure by 6 and divide by 12, bi-mounthly amount x6
- Quarterly: divide the figure by 3, quarterly amount
- Every Year: divide the figure by 12, yearly amount
- Every 2 Years: divide the figure by 24, bi-yearly amount
 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.

Section D: Your Current Monthly Debt Payments (continued)

For calculations, see the introduction to this Section above.

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. 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.

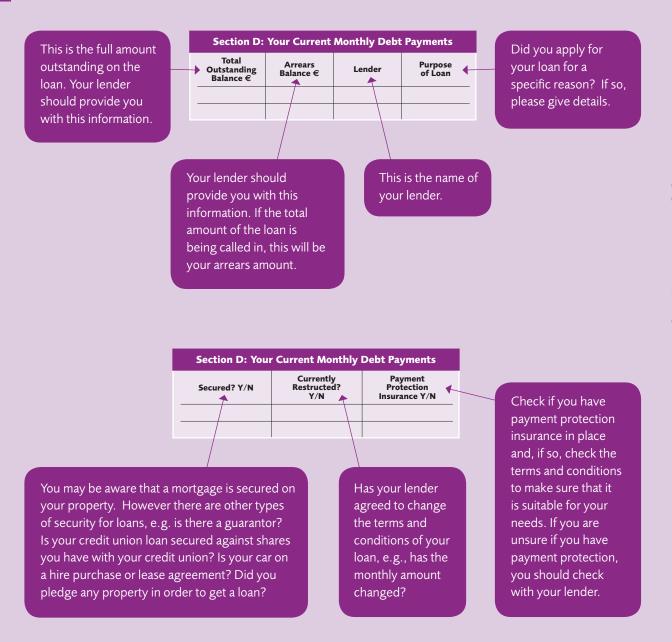
	Section D: Your Current Monthly Debt Payments				
	Debt Type	Monthly F	Remaining Term		
		Due €	Being Paid €		
D1	Mortgage for Primary Residence		G4		
D2	Court Mandated Debt (please specify) 7				
D3	Court Mandated Debt				
D4	Credit Union				
D5	Credit Union				
D6	Overdraft				
D7	→ Hire Purchase				
			1		

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

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.

Section D: Your Current Monthly Debt Payments (continued)

For calculations, see the introduction to this Section above.





Section E: Propert 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.

Section E: Property Assets (other than Primary Residence)							
	Property (give details below)	Property Type (e.g. Buy to let)	Ownership Type ⁸	Current Value (est) ⁹ €	Loan Balance €	Arrears Balance €	Monthly Rental Income €
E1	1					/	
E2	2			/		/	
E3	3				/		
E4	4						
E5	Total						В9

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.

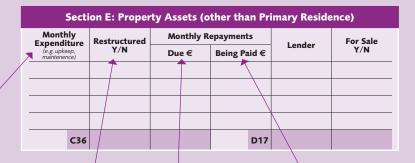
This is the full amount outstanding on the loan. Your lender should provide you with this information. Your lender should provide you with this information.

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 www.revenue.ie 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.

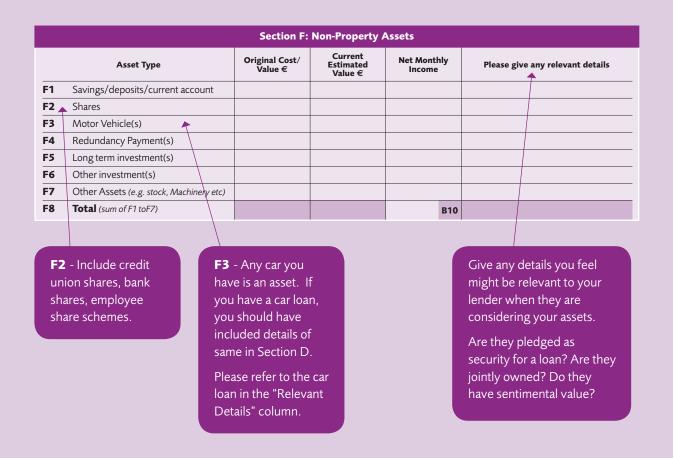
Where you have renegotiated a reduced payment with your lender, insert the agreed reduced payment here.

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

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.



Please list all other liabilities, for example any quarantees given with respect to company borrowing or borrowing by a family member.

Please provide any other information which you believe to be relevant to above.		Is there any other
		information, not
		already included
		in this Financial
		Statement,that your
		lender will need to
		know when assessing
		your case?
	1	

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.

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.ie

I/we understand that the information provided will only be used for the purpose of assisting my lender to assess my financial 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.ie"

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).]

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

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 Experian, 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.

Not all lenders are registered with a credit reference agency so this credit check may not give your lender the full picture of your circumstances. 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 2: Checklist (continued)

Section D: Your Current Monthly Debt Payments	Check (X) what you have
> Proof of any Court Payment Due (if applicable)	
 Statement of loan from your credit union (if applicable), including: the amount outstanding, the payments being made, the time left, the arrears balance, the reason for the loan, if there is payment protection insurance in place. 	
 Statement of loan from your car/goods finance provider (if applicable), including: the amount outstanding, the payments being made, the time left, the arrears balance, the reason for the loan, 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: the amount outstanding, the payments being made, the time left, the arrears balance, the reason for the loan if there is payment protection insurance in place. 	
> Details of any other debts you may have.	

Section 2: Checklist (continued)

Section E: Property Assets (other than Primary Residence)	Check (X) what you have
> 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 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 Resourses/Links

> Central Bank Guide on the CCMA

Mortgage Arrears - A Consumer Guide to Dealing with your Lender

> Central Bank of Ireland

www.centralbank.ie

> Money Advice & Budgeting Service

MABS: www.mabs.ie

> National Consumer Agency

The NCA 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., go to www.nca.ie

www.keepingyourhome.ie is provided by the Citizens Information Board and the Money Advice and Budgeting Service (MABS).

> Citizens Information

www.citizensinformationboard.ie

> Data Protection Commissioner

www.dataprotection.ie

> Dept of Social Protection

www.welfare.ie

> Financial Services Ombudsman

www.financialombudsman.ie

> Free Legal Advice Centres

www.flac.ie

> Irish Banking Federation

www.helpinghomeowners.ie



Bosca PO 559, Sráid an Dáma, Baile Átha Cliath 2, Éire PO. Box No 559, Dame Street, Dublin 2, Ireland