



Banking & Payments
Federation **Ireland**

Protections if your mortgage is sold to a third party



**Plain
English**
Approved by NALA

This factsheet tells you about how your mortgage is protected if it is sold to a third party. First, we explain the law on protecting your mortgage, then we provide information on how this law applies if your mortgage is sold on.

In this factsheet we include information on:

- the Central Bank's Code of Conduct on Mortgage Arrears (CCMA),
- the Mortgage Arrears Resolution Process (MARP),
- the Banking & Payments Federation Ireland (BPMFI) and the Money Advice & Budgeting Service (MABS) Framework Agreement,
- what happens if your mortgage is sold to a third party, and
- credit servicing firms.

What protections do I have if I fall behind on my mortgage repayments?

Central Bank's Code of Conduct on Mortgage Arrears (CCMA)

Your mortgage is protected by the Central Bank's CCMA. If you fall behind on your mortgage repayments or if you tell your bank that you are at risk of falling behind on your repayments, your bank must follow the CCMA rules.

How does the CCMA work?

Mortgage Arrears Resolution Process (MARP)

Under the Central Bank's CCMA, your bank must follow the Mortgage Arrears Resolution Process (MARP). This process sets out:

- how your bank should contact you, and
- what information your bank should give you. It also sets out what information your bank will need from you to:
 - look at your financial situation, and
 - understand what repayments you can make towards your mortgage.

At this stage in the process, your bank will or will not offer you an alternative repayment arrangement (ARA). If your bank does not offer you an ARA, it must set out the reasons why and notify you that you have a right to appeal its decision to your bank's Appeals Board.

Protection under the BPFi and MABS Framework Agreement

In addition to the Central Bank's CCMA, Banking & Payments Federation Ireland (BPFi) and the Money Advice & Budgeting Service (MABS) have developed a framework agreement. This framework agreement outlines how borrowers in long-term mortgage arrears will be helped to work with their lender. The framework agreement is called *BPFi-MABS Framework Agreement for Late-Stage Mortgage Arrears*.

Cases it applies to

This framework agreement sets out the steps that the two parties will take to work together to find a resolution to the borrower's arrears. They will do this mindful of the fact that these are cases that have exhausted the MARP process or that are entering or have entered the legal process.

The cases that apply to this framework agreement are already treated as priority cases by mortgage lenders, and the involvement of a MABS Dedicated Mortgage Arrears (DMA) advisor will provide further independent mortgage arrears advice to such borrowers.

What protections apply if my bank sells my mortgage to a third party?

If your bank sells your mortgage to a third party, the company that buys your mortgage must still apply the protections of the CCMA to your mortgage.

Credit servicing firms

The third party that buys a mortgage must appoint a 'credit servicing firm' to manage it. The law covering this is the Consumer Protection (Regulation of Credit Servicing Firms) Act 2015.

The credit servicing firm will inform you about changes to interest rates and payments due.

The credit servicing firm will now manage your mortgage by:

- collecting repayments on your loan,
- managing complaints, and
- helping you when you may be in financial difficulty.

Credit servicing firms are authorised by the Central Bank.



More information about who created this sheet

The Citizens Information Board and Banking & Payments Federation Ireland (BPFI) worked together to develop this factsheet.

The Citizens Information Board is the statutory body that supports the provision of information, advice and advocacy on a broad range of public and social services. The Citizens Information Board funds and supports the Money Advice & Budgeting Service (MABS). MABS is the State's money advice service, guiding people through dealing with problem debt. MABS is free, confidential and independent.

BPFI represents the banking sector in Ireland. It works on behalf of more than 100 domestic and international member institutions.

Where can I go for more information?

You can get more information from the MABS website at www.mabs.ie

BPFI's webpage sets out the range of options available to you if you find that you have missed some repayments on your mortgage. The information is available on BPFI's webpage at www.bpfi.ie/customer-assist/personal-customers/debt-management/





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