

Options Summary

Temporary Alternative Repayment Arrangements

These types of ARAs are temporary in nature for situations when your financial difficulties may only be short-term. They may be used in two circumstances. The first is where the ARA allows you to resolve your financial situation and make your full contractual repayments. The second is where you do not have a suitable payment history and you need time to establish that with a view to qualifying for a permanent ARA.

- **Increased Monthly Repayment** - For the temporary period you agree to make a monthly repayment in excess of your contractual monthly mortgage repayment.
- **Contractual Monthly Repayment** - For the temporary forbearance period you make your contractual monthly mortgage repayment.
- **Reduced Monthly Repayment (interest only, reduced capital and interest or full deferral of the monthly mortgage repayment)** - For the temporary forbearance period you are permitted to make a monthly mortgage repayment that is less than your contractual monthly repayment.

Many temporary ARAs include a provision that fixes the repayment amount for the duration of the ARA, even if interest rates change during this period. This means the amount you pay each month does not change during the ARA.

Separately, in certain circumstances, Start Mortgages may now also apply a concessionary interest rate to your account, which will not vary for a 24 month period. This means that both your monthly repayment amount and your interest rate will stay the same for 2 years from when you enter the ARA.

All ARAs are subject to an assessment of your individual circumstances and you meeting our eligibility criteria.

Permanent Alternative Repayment Arrangements

These types of ARAs are for the remaining term of your mortgage and are designed to make your mortgage repayments affordable and sustainable. Your monthly repayments will be recalculated on the current balance using the new terms of your ARA.

- **Capitalisation of Arrears** – The arrears on your mortgage are capitalised thereby spreading the arrears owing over the remaining term of the mortgage. Capitalisations are considered on a case by case basis, where firstly your SFS must demonstrate affordability and secondly your repayments confirm this over the requisite period, in order to qualify.
- **Capitalisation of Arrears with Rate Restructures** – This arrangement means your arrears are capitalised, as above, and your current variable interest rate will be permanently reduced to a lower variable interest rate offered by Start Mortgages, the purpose of which is to reach a monthly repayment amount that is sustainable and one that you can afford to pay. This amount has to be of a repayment level and at an interest rate that is acceptable to Start Mortgages.
- **Capitalisation of Arrears and Term Extension** – Your arrears are capitalised, as above, and the term of your mortgage is extended where possible. This reduces the amount of your repayments by spreading your mortgage repayments over a longer period of time. In certain circumstances, it may be appropriate to extend the term of your mortgage past the normal retirement age to further increase the sustainability of this arrangement.