



Customer update on Personal Insolvency Arrangements and the Tullamore Circuit Court Judgement

In recent days we have received a number of customers queries regarding Personal Insolvency Arrangements (PIAs), following a widely publicised judgement made by the Tullamore Circuit Court last week.

Below we have provided a brief update to customers on PIAs, the judgement and other solutions available to customers concerned about their finances or their ability to meet rising mortgage repayments.

Dealing with debt through Personal Insolvency Arrangements (PIAs)

In Ireland PIAs have been a very useful additional solution to help people dealing with long term indebtedness in Ireland and can be an effective solution for borrowers in particular circumstances and who are eligible; with secured debt (e.g. a mortgage), who are insolvent (cannot pay their bills in full as they are due), are in mortgage arrears, and could be at risk of losing their home. In total, just over 800 PIAs were completed and agreed in Ireland in 2022.

Personal Insolvency Practitioners (PIPs) are qualified professionals regulated by the Insolvency Service Ireland. They will work with borrowers who are considering PIAs to carry out an eligibility assessment to determine if a PIA is an option for them.

We work closely with PIPs who come to us with PIA proposals and last year Pepper worked on over 200 PIAs with the majority being completed and approved.

You can find more information on the website of the Insolvency Service of Ireland: backontrack.ie

To be eligible to apply for insolvency and a PIA, a customer must have co-operated under a mortgage arrears process for a period of 6 months in respect of their home mortgage and the result was that no alternative repayment arrangement was agreed with Pepper or we confirmed we could not put in place such an arrangement.

Implications of the recent Circuit Court judgement

The Tullamore Circuit Court judgement, widely publicised in media, related to the specific facts of what is a unique case and reflected the personal circumstances of the borrowers in question.

The judgement is not unprecedented and similar court rulings to fix rates for insolvency customers have been handed down by the Irish High Court in recent years. Each individual case is different and most PIAs are agreed without having to go to Court.

Judgement does not mean Pepper can offer Fixed rate mortgages

Unlike banks and non-bank lenders, Pepper is a regulated loan servicer and not a residential mortgage lender. This means we can't provide residential mortgage loans and therefore can't offer fixed-rate mortgage products to customers.

To get a fixed rate mortgage product some customers have chosen to switch to a different lender and we continue to support customers looking to switch or refinance their home loan.

If this is not an option for you, we have a number of other ways to help.

We are here to help with a wide range of solutions

We know this is a challenging time for many people. Our highly experienced team is on hand to help customers concerned about debt or their ability to meet the payments.

If you talk to us, our team will work with you to find the best solution appropriate to your individual circumstances, and our key objective is helping customers avoid going into arrears on their mortgage.

We offer one of the broadest ranges of temporary and longer-term forbearance solutions in the Irish market and in 2022 we helped over 2,000 people put new arrangements in place.

This can include interest only payments, term extensions, arrears capitalisations, interest rate discounts as well as several other options. We can also offer fixed reduced monthly repayments, both for short term and extended periods. Solutions are always based on people's individual circumstances and offered based on affordability and an assessment of each individual's circumstances as set out in their Standard Financial Statement which is assessed in accordance with the Central Bank's Code of Conduct for Mortgage Arrears 2013.

Please contact us - our role is to help and support customers

Helping customers is central to our role as a Retail Credit Firm and we would ask all customers with concerns about their mortgage to engage with our experienced team.

If you have any questions on the above or are concerned about the recent increases in mortgage rates please contact our Helpline 0818 828 828, which is available on our website along with frequently asked questions and answers (<https://www.peppergroup.ie>)

You can also contact a MABS office or the MABS helpline (0818 07 2000), who can carry out a short eligibility assessment and refer you to the appropriate service.

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