

A photograph of a man and a woman looking at a laptop screen. The woman is on the left, smiling, and the man is on the right, looking intently. They are both wearing casual clothing. The image is partially obscured by a large blue triangle on the right side of the page.

Talk to us today about
MORTGAGES

The easy guide for
customers looking
for a mortgage

Buying a Home

Your home is where you'll spend most of your life, and so it should be somewhere you really love. Whether buying or building a new home, we'll support you so you can keep going and make it the home you've always wanted.

At permanent tsb, we have years of experience helping people buy their new homes, and we'll use our expertise to help you along your journey.

This useful guide will give you a quick rundown of the different types of mortgages available and is designed to help you navigate some of the more complicated elements.

Have a read, and if you've any queries, one of our Mortgage Consultants will be happy to chat through them with you over the phone or if you book an appointment in branch.





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Getting Started with Your Mortgage

What is a mortgage?

A mortgage is a credit agreement advanced to a borrower secured by a residential property. Credit may be used to:

- » Buy, build or improve a family home
- » Purchase a buy-to-let or holiday home
- » Release equity in the property, subject to maximum lending limit

Saving for a deposit

We offer residential mortgages with the maximum Loan to Value (LTV) varying by borrower type, so you'll need to have a minimum deposit to make up the balance of the property's purchase price.

It's important to keep in mind that you'll also need to budget for some additional costs that come with buying a home, e.g. valuation costs, solicitor fees, moving fees (where relevant) and home insurance, to name but a few. For more details on some of these costs, go to page 12.

If you don't have your deposit yet, don't worry, we have deposit and savings account options that will help you get to where you need to be.






**Approval in
Principle in
15 minutes**

Approval in Principle in 15 minutes

Mortgage Approval in Principle is an indication of how much we could lend to you based on the information you provide us with, however, it's not legally binding.

Getting your Approval in Principle is simple. Just arrange a meeting at your local permanent tsb branch and come in for a simple chat to talk through your finances. Here we'll discuss:

-  1 What income you're earning
-  2 Any other loans you may have
-  3 What type of mortgage you're looking for

This will give you an indication of the mortgage that best suits your needs and how much the monthly repayments would be. This amount is Approved in Principle, based on the information you've provided to us.

You will have to go through a full application process in order to formally apply for a mortgage and we'll guide you in preparing the supporting documents you need to progress with your application, such as payslips and bank statements.

If these all match the information you've provided and the Irish Credit Bureau (ICB) check of credit histories we run comes back okay, your full approval shouldn't differ from the amount we have approved in principle.



Tip: Fast track that deposit

If you'd like to speed up your saving process, why not set yourself some goals? You could set up a standing order to a savings account and try to save what a potential mortgage would cost every month (this monthly repayment can be found using our online calculator). Saving your required monthly mortgage repayment will demonstrate that you can pay your proposed mortgage and will also get you into the habit of paying a regular amount every month. Plus, if you choose your savings account wisely, you can earn interest on your savings, which should come in useful for those additional costs we mentioned above. Talk to a member of our dedicated savings team about the right savings account for you, or go online to check out our competitive savings options.

Important Terms and Key Information Explained

Here's a breakdown to some of the most important mortgage terms, starting with Loan to Value (LTV).

Loan to Value

Loan to Value is the amount you can borrow from us relative to the value of the property you're buying.

The maximum LTV depends on the type of purchaser:

For First Time Buyers:

- » 90% of a property's purchase price.

For Non First Time Buyers:

- » 80% (with the exception of negative equity customers and customers switching their mortgage to permanent tsb who are not borrowing additional funds).

Loan to Income (LTI)

Loan to Income is the maximum amount a customer can borrow based on a multiple of their gross income.

All home mortgage customers, with the exception of those in negative equity, are subject to a borrowing limit of 3.5 times gross LTI for either single or combined incomes.

Minimum and maximum terms available

The minimum term you can borrow from us is 5 years, and the maximum term is 35 years.

If you're looking to get a loan for an investment property, the process is slightly different. Please visit permanentsb.ie for further information on our Buy-to-Let mortgages.

Repayment types

We offer an annuity mortgage, otherwise known as a repayment mortgage, which means that you pay monthly repayment installments that consist of capital and interest charged on this capital, over the term of your mortgage.

WARNING: IF YOU DO NOT KEEP UP YOUR REPAYMENTS YOU MAY LOSE YOUR HOME.

WARNING: IF YOU DO NOT MEET THE REPAYMENTS ON YOUR LOAN, YOUR ACCOUNT WILL GO INTO ARREARS. THIS MAY AFFECT YOUR CREDIT RATING, WHICH MAY LIMIT YOUR ABILITY TO ACCESS CREDIT IN THE FUTURE.

**The minimum
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Fixed Interest Rate

A Fixed Rate Mortgage means you know exactly what your interest rate is and how much your repayment will be for the duration of your fixed rate term. Fixed rates offer certainty, so you know what to expect.

A fixed rate means your repayments can't increase during your fixed rate term, however neither will they fall. By fixing your interest rate you could miss out on lower interest rates and lower repayments during the course of your fixed rate period. Fixed rates may cost more in the long run, but the main thing they offer is peace of mind as you know exactly how much you're going to pay each month.

If your rate is fixed and you want to switch to another lender, move to a variable rate, remortgage or pay off all or part of your mortgage, you would face early repayment 'breakage fees'. See page 27 for a sample calculation of such a fee.

Make sure you're aware of these conditions before you sign up to, or decide to exit a fixed rate contract.

WARNING: YOU MAY HAVE TO PAY CHARGES IF YOU PAY OFF A FIXED-RATE LOAN EARLY.

Variable Interest Rate

Variable interest rates as the name suggests, can vary over the life of your mortgage, however, they also offer the most flexibility in terms of repayment.

This lets you increase your repayments, use a lump sum to pay off all or part of your mortgage, or even pay off your mortgage without paying any fixed rate breakage fees. But keep in mind that because variable rates can rise and fall, your mortgage repayments can go up or down during the term of your loan.

At permanent tsb, our variable rates (known as Managed Variable Rates (MVRs)) are based on your LTV. This means that the interest rate is related to the amount of your mortgage compared to the value of your home. We'll base this on the professional valuation that you give us of your new home. Changes in the LTV of your mortgage during its term won't impact on the rate. The higher your LTV, the higher the MVR applying to your loan. The MVRs are neither based on the European Central Bank (ECB) rate nor any other index or reference rate and may be varied at the lender's discretion.

WARNING: THE COST OF YOUR MONTHLY REPAYMENTS MAY INCREASE.



Some Costs Associated with a Mortgage

Auctioneer's Fees

These are only payable when you are selling a property, however you will want to agree these with your auctioneer when requesting they sell your property.

Stamp Duty

This is a tax charged by the government on the purchase of a property. To learn more about stamp duty visit www.revenue.ie. Stamp duty is not payable on the sale of a property.

Legal Fees

You will need a solicitor to act on your behalf when buying your new home. You will also need one if you are selling a property. There's no set fee for handling the purchase or sale of a property, so check out the professional fees and property registration fees applicable with yours.

The Law Society of Ireland (www.lawsociety.ie) is a useful resource if you need a solicitor.

Property Valuation

You will require a valuation of the property as part of your application, with further information on this on page 16 of this brochure.

Surveyor's Report

When buying your new home, an independent surveyor can carry out a structural survey and reveal any structural problems with the building. They can also give a rough estimate of how much renovation work and/or repairs will cost you.

Life Assurance

As part of any home mortgage, you must have a life assurance policy with a cover appropriate to the amount and type of your mortgage. In the event of your death this will cover the outstanding mortgage in full.

Ask in branch about our mortgage protection plans or visit permanenttsb.ie for further information. This policy can be obtained from a provider other than permanent tsb.

The cost of life assurance will depend on the customer's individual assessment and circumstances.

Home Insurance

Insurance covers rebuilding costs and can also include the replacement of home contents (depending on the level of cover chosen and the type of property being bought). In an apartment, a block policy should be organised by the property management company, although we can help you with Contents Only insurance to protect all of your belongings in your apartment.

We offer a home insurance premium reduction to new customers. Talk to us today or visit permanenttsb.ie for more information. This policy can be obtained from a provider other than permanent tsb.

The cost of home insurance will depend on the customer's individual assessment and circumstances.

Local Property Tax

Local Property Tax (LPT) is charged on all residential properties in the state. It's administered and managed by the Revenue, is based on a property's current market value, and is subject to change.

The Revenue (www.revenue.ie) has lots of information on LPT (including the different charges according to the property value), some really useful FAQs and an online calculator.

Don't forget about...

Even when you get that new set of keys, you should still factor in the additional money you'll need to pay for some obvious yet easily overlooked necessities, such as connection fees (for electricity, gas, phone, TV or broadband), moving expenses, decorating, furnishings, appliances and even curtains.

Six Steps to Completing the Purchase of Your Property

So you've found the home you want, you've agreed a price with the seller, and now you want to keep going. And we want to help you get there.

Finalise your mortgage application

Now it's time to focus on the finer details of the mortgage.

Make an appointment with your permanent tsb Mortgage Consultant, visit permanenttsb.ie and request a call back, or contact one of our Mortgage Consultants on 1890 500 150 – they'll answer any outstanding questions, agree your repayment options and finalise the details.

We need the following documents as part of your application:

If you are an employee:

- » Three months' up to date personal current account statements (only needed if your main current account is not with permanent tsb)
- » Completed salary certificate for each applicant
- » Two of your last three payslips and your current P60

If you are self-employed you will also need:

- » Two years' up to date audited or certified accounts
- » Confirmation that your tax affairs are up to date and in order
- » Three months up to date bank statements from your main business current account (only needed if your main current account is not with permanent tsb)

We also need you to provide proof of name and proof of your address.
Please note applicants must be aged 18 years or over.

Photo Identification

You'll need to bring the original of any of these three:

- » Your current valid passport or
- » Your current valid Irish, UK or European driving licence (with photo) or
- » Your EU National Identity Card (EU country)

Proof of Address

You can use any of the following:

- » A utility bill in your name (dated within the last six months)
- » A bank or building society statement in your name issued in the last six months
- » Your Determination of Tax Credits notification for the current year
- » Your original household/health or motor insurance documents (if less than 12 months old)

Note:
If you can't provide any of these pieces of identification, please ask us in branch.

Property valuation

If you get mortgage approval from permanent tsb we will need a property valuation. The valuation needs to be completed by a permanent tsb approved valuer and you can contact us to arrange the valuation.

You must pay a valuation fee, which will be a maximum of €130, which is inclusive of VAT but excludes valuer's travel expenses. Final valuations: Properties incomplete at the time of the original valuation will require, on completion, a final valuation, the fee for which is €65.00 which includes VAT but excludes travel expenses. In the event that permanent tsb declines your loan application the valuer's fee will be refunded.

Letter of Approval (this refers to the Credit Agreement)

If you meet all of our lending conditions and we receive a satisfactory property valuation, we'll send you a Letter of Approval. Read through this with your solicitor, sign your acceptance and then return it to us. The loan offer lasts for six months, so if there's a delay in completing the sale, please make sure you keep in touch with us; that way, we can all proceed with minimal fuss.

Also, keep in mind that the rates may change from the time you apply to the actual day you draw down the loan cheque.

Exchange of contracts

Once you have your Letter of Approval and provided all the information requested, you know that you've got the financial backing to sign the contract for the purchase of your new home.

The seller's solicitor will draw up a contract, which your solicitor will examine.

Read the contracts fully. Your solicitor will also go through the legal documentation to make absolutely sure you're happy with the contract. After that, simply make sure you've provided anything outstanding on the loan offer conditions and you'll be one step closer to your new home. At this stage, your solicitor will make the relevant legal searches (e.g, deeds of ownership) to confirm the property details.

Home Insurance and Life Assurance

One of the requirements for your mortgage approval is to arrange insurance for your new home.

We offer a whole range of flexible Home Insurance and Life Assurance products to suit your needs, and taking out a policy couldn't be easier, so please feel free to ask your Mortgage Consultant and they'll help arrange your cover. You can also visit permanenttsb.ie for further information, or to request a call back to discuss your options. This policy can be obtained from a provider other than permanent tsb.

Completing payment

The last step of all is to arrange a date and time for completion. This will be when your solicitor pays the seller the rest of the money you owe them, in the form of a cheque from us.

Once completion takes place, your solicitor will arrange a time for you to collect the keys – and you're in.



How to Buy Your Home

Make an offer

Buying a newly built home is actually quite straightforward. You'll first need to make an offer to the company who's selling it. Assuming they accept, you'll then need to pay a booking deposit to the estate agent. After that, you can arrange your valuations and surveys.

Buying an older home can be more complicated, as you may be competing against other buyers. There are three accepted ways to buy an older home; a verbal offer, a sealed bid or an auction.

Choose a solicitor

When choosing your solicitor, it's important you find somebody that will make sure everything keeps going and runs smoothly. Your solicitor will look after all the legal work involved in buying your home and will let you know the likely timeframe involved.

Find a valuer

Once you've decided to go ahead, and before you do anything else, we'll need a property valuation. This is to make sure that the property is worth at least the amount that you hope to borrow. We can help you arrange a valuation, just let us know.

A subsequent valuation will be required if your mortgage issues greater than four months after your valuation was initially completed.



Other Mortgage Options Available to You

Everyone's journey is different, and so whether you want to move, build, or remortgage, we're with you all the way.

Self-Build Mortgage

- » If you've found the perfect site and want to design your new home from the ground up, a Self-Build mortgage is what you'll need.
- » Applying for a Self-Build mortgage is almost exactly the same as applying for a normal mortgage. We'll ask you for a few bits of additional information, but other than that, the process is identical.
- » We'll also work with you throughout the build to sort out any extra requirements you might have, such as structuring staged payments to builders.

Switcher Mortgage

- » Your mortgage should, first and foremost suit you. So if you've decided to start making the move to a permanent tsb mortgage, we want to help you take that step.
- » Call in to your local branch for a chat or phone us on 1890 500 150 to set up a meeting, or to discuss further with one of our Mortgage Consultants. We'll get the ball rolling for you and outline the process involved.

Mortgage Top Up

- » If you already have a mortgage with us, you may be eligible for a Mortgage Top Up. The great thing about a Mortgage Top Up is that the repayments are at mortgage loan rates, which are typically lower than personal loan rates.

How does it work?

- » The amount you can borrow is based on the equity (or value) in your home. This starts from €25,000 up to 85% of the current market value of your property today, less the amount you owe.

For example:

- » Your property today is worth €250,000
- » 80% of the property value is €200,000
- » You have €100,000 left on the mortgage
- » The equity release you could possibly borrow is €100,000 (i.e. €200,000 - €100,000)

In order to avail of the maximum LTV of 85%, you must have your mortgage with us for a minimum of two years with a good repayment history, and not be seeking to refinance any short-term debt.

Home Movers

- » We've also got mortgages for existing customers who have a tracker rate or who may be in negative equity.
- » You might be thinking of trading up or down; whatever your reasons, we want to make sure you don't get held back along the way.

Negative Equity Mortgage

- » Negative Equity occurs when the value of your property is less than the balance outstanding on your mortgage. This means that if the house is sold, the purchase amount will be less than what's required to clear the total mortgage amount.
- » The Negative Equity Mortgage allows our existing customers who are in negative equity to sell their current home and transfer the remaining balance owed onto the mortgage on their new property. Therefore, the new property purchased will be in negative equity.
- » With a Negative Equity Mortgage you could trade up or trade down, depending on your situation.



Tracker Portability Mortgage

- » Tracker Portability means you can now move home and keep the Tracker Interest Rate that applies to your primary mortgage, plus an additional 1%.
- » As you're aware, your Tracker Interest Rate is made up of the European Central Bank (ECB) rate plus a margin. For Tracker Portability, the Tracker Interest Rate that will be transferred will not include any adjustments that have been applied to the margin since the current tracker rate product was set up on the primary mortgage. The maximum term you can avail of is the current term remaining of the primary mortgage (this will be rounded up to the nearest year).
- » The ECB rate may be increased or decreased from time to time by the European Central Bank (ECB). We will apply all increases or decreases within one month of the date announced by the ECB as the effective date.
- » This is available to two types of existing permanent tsb mortgage customers:
 1. Customers on Home Loan Tracker Interest Rates in Positive Equity who are trading up or trading down.
 2. Customers on Home Loan Tracker Interest Rates in Negative Equity who are trading up or trading down.
- » You can also apply for a Tracker Portability Mortgage if you've moved to a rented property while looking to purchase a new home, and you're actively trying to sell your existing home.

The ECB rate is available at the following webpage:
www.ecb.europa.eu/stats/monetary/rates/html/index.en.html



Important Information

permanent tsb p.l.c. is regulated by the Central Bank of Ireland. Home Insurance options are arranged by permanent tsb p.l.c and underwritten by Allianz p.l.c. permanent tsb is appointed as a Single Agency Intermediary of Allianz p.l.c. for Home Insurance. Allianz p.l.c. (trading as Allianz) is regulated by the Central Bank of Ireland.

permanent tsb plc. is tied to Irish Life Assurance plc, for life and pensions products.

Irish Life Assurance p.l.c. is regulated by the Central Bank of Ireland.

permanent tsb has appointed Irish Life Financial Services Limited (ILFS) to provide the financial advice process. Irish Life Financial Services Limited is regulated by the Central Bank of Ireland.

Fraud & Financial Crime

Learn how to keep your money safe and sound.

Just log on to permanenttsb.ie/fraudandfinancialcrime for more information.

If you have had a problem with any product of facility we provide, please let us know. We want to put it right as quickly as we can.

Simply contact your permanent tsb branch or the area concerned.

Or, you can write to our Customer Relations Department at:
Customer Relations Department,
permanent tsb,
Churchyard Lane,
Douglas,
Cork.

To help improve our service to you, we may monitor or record calls.

All information in this booklet is correct as at 07/06/2017.

The following warning applies to variable rate loans:

Mortgage Loans

Lending criteria, terms & conditions will apply. Mortgage approval is subject to assessment of suitability and affordability. Applicants must be aged 18 or over. Security is required and credit agreement will be secured by a mortgage or by a right related to residential immovable property. Life and Home Insurance are also required. For First Time Buyers, a maximum Loan to Value (LTV) of 90% will apply to a property's purchase price. For Second Time Buyers a maximum LTV of 80% will apply. The maximum LTV for customers who hold their current mortgage with another bank but wish to switch their mortgage to permanent tsb while also releasing equity is 85%. Maximum loan amount will typically not exceed 3.5 times an individual's gross annual income. The monthly repayment on a 20 year mortgage with Loan to Value (LTV) variable borrowing rate of 4.20% for a loan greater than 80% on mortgage of €100,000 is €616.57 for 240 months. Total amount repayable is €148,316.80. If the APRC does not vary during the term of the mortgage, the total cost of credit, i.e total amount repayable less the total amount of credit would be €47,976.80. If interest rates increase by 1% an additional €54.48 would be payable per month. For this example, Annual Percentage Rate of Charge (APRC) of 4.32% applies and consists of variable borrowing rate of 4.20%, valuation fee of €130, Property Registration Authority (PRA) fee of €175, and security vacate fee of €35. Information correct as of 07/06/2017 but is subject to change.

WARNING: THE PAYMENT RATES ON THIS HOUSING LOAN MAY BE ADJUSTED BY THE LENDER FROM TIME TO TIME.

WARNING: THE COST OF YOUR MONTHLY REPAYMENTS MAY INCREASE. IF YOU DO NOT KEEP UP YOUR REPAYMENTS, YOU MAY LOSE YOUR HOME.

Mortgage Top Up Loans

Mortgage Top Ups are only available to existing permanent tsb Home loan customers. permanent tsb recommends that customers wishing to apply for a Mortgage Top Up seek independent legal advice. Minimum application amount €25,000. Normally subject to other lending criteria and assessment. Applicants must be aged 18 years or over. Security is required and credit agreement will be secured by a mortgage or by a right related to residential immovable property. Life and Home Insurance are also required. The maximum loan to value for a Mortgage Top Up mortgage is 80% subject to a good permanent tsb mortgage repayment history for 2 years, where the permanent tsb mortgage is in place for less than 2 years and or the applicant wishes to refinance short-term debt a maximum LTV of 80% will apply. Funds cannot be used for business purposes. The monthly repayment on a 20 year Mortgage Top Up variable rate mortgage of €100,000 is €632.64 per month for 240 months. Total amount repayable is €151,833.60. If the APRC does not vary during the term of the mortgage, the total cost of credit, i.e. total amount repayable less the total amount of credit would be €51,833.60. If interest rates increase by 1% an additional €55.24 would be payable per month. For this example, Annual Percentage Rate of Charge (APRC) of 4.63% applies and consists of variable borrowing rate of 4.50%, valuation fee of €130, Property Registration Authority (PRA) fee of €175, and vacate fee of €35.

WARNING: THE PAYMENT RATES ON THIS HOUSING LOAN MAY BE ADJUSTED BY THE LENDER FROM TIME TO TIME.

WARNING: THE COST OF YOUR MONTHLY REPAYMENTS MAY INCREASE. IF YOU DO NOT KEEP UP YOUR REPAYMENTS, YOU MAY LOSE YOUR HOME.

Arrears

Arrears are any element of a mortgage repayment that have not been made and remain outstanding. Interest at the mortgage rate will be applied to the outstanding balance of your loan which includes any payments missed. This may result in increased cost of credit.

WARNING: IF YOU DO NOT KEEP UP YOUR REPAYMENTS YOU MAY LOSE YOUR HOME.

WARNING: IF YOU DO NOT MEET THE REPAYMENTS ON YOUR LOAN, YOUR ACCOUNT WILL GO INTO ARREARS. THIS MAY AFFECT YOUR CREDIT RATING, WHICH MAY LIMIT YOUR ABILITY TO ACCESS CREDIT IN THE FUTURE.

WARNING: YOUR HOME IS AT RISK IF YOU DO NOT KEEP UP PAYMENTS ON A MORTGAGE OR ANY LOAN SECURED ON IT

Fixed Rate Loans

Whenever (i) repayment of a loan in full or in part is made or (ii) with the agreement of permanent tsb, the loan is switched to a variable rate loan or other fixed rate loan, before expiry of the Fixed Rate period (hereinafter called the “Early Termination”), the applicant shall, in addition to all other sums payable as a condition of and at the time of the Early Termination, pay a sum equal to the permanent tsb’s estimate of the loss (if any) arising from the Early Termination. In the calculation of the said loss, permanent tsb shall endeavour to apply in so far as it is fair and practicable.

This is how the fee is calculated;

$$C = (I-S) \times R \times (M-T)/12$$

“C” is the charge to compensate for the loss (if greater than 0).

“I” is the swap/market fixed interest rate for the term of the Fixed Rate Period at the date of its commencement.

“S” is the swap/market interest rate for the remaining fixed period.

“R” is the amount of the Fixed Rate loan balance paid or switched at the date of Early Termination.

“M” is the fixed Rate Period (in months).

“T” is the time expired of the Fixed Rate Period at the date of Early Termination (in months).

Here is a worked example; “I” = 5%, “S” = 3%, “R” = €100,000, “M” = 24 months, “T” = 12 months.

$$C = (5\%-3\%) \times €100,000 \times (24-12) / 12$$

$$\text{So, } C = 2\% \times €100,000 \times 12 / 12$$

$$C = €2,000$$

WARNING: YOU MAY HAVE TO PAY CHARGES IF YOU PAY OFF A FIXED-RATE LOAN EARLY.

Call us on
1890 500 150

or +353 1 215 1338

Drop in to any
permanent tsb branch

We're open Monday to Friday until 5pm

Or visit
permanenttsb.ie