

# Money Matters

 Ulster Bank

Ulster Bank's no nonsense  
guide to: **Managing Debt**

# Money Matters – contents

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# Understanding debt

## 1. Know your options

Anyone can get into difficulty managing their debt. Even small changes in your circumstances can put huge pressure on your finances and these can quickly result in missed loan repayments and mortgage arrears. However, there are solutions. With our help, taking control of your debt and getting back on track could be easier than you think.

It is why we have produced this guide so you can see just how many helpful services are available to you if you are trying to stay on top of your finances.

Whether your debt is with us, or another bank or mortgage provider, you'll find helpful and practical solutions. So have a look and see for yourself the steps you can take should you find yourself having difficulty managing debt.

**But remember the most important thing is to talk to us if you feel debt is becoming a problem so we can give you as much help as possible.**

If you are an Ulster Bank customer and are struggling with your finances, pick up the phone or call into your local Ulster Bank branch straightaway. Our staff will be happy to help you take the first steps to managing your debt and it could lead to a new repayment schedule being organised. The number of your local branch can be found on [www.ulsterbank.com](http://www.ulsterbank.com) or in the phonebook.

For Ulster Bank mortgage arrears related queries, please call us on **0345 301 6910**. If you have a query in relation to Ulster Bank personal debt, overdrafts or loans, please call **0345 6023112**.

### How to cut through the jargon

To know exactly where you stand financially, it's important to have a clear understanding of the terminology involved. We have listed the most common terms you will come across when dealing with us or other banks, below.

### Arrears

This is where a repayment has not been paid in full, on the agreed date as per your original contract repayments.

### Mortgage lender

This is the credit institution that you take out your mortgage with.

### Repayment mortgage

A repayment mortgage is one where you pay off the loan amount (capital) and interest at the same time.

### Term

This refers to the length of your loan or mortgage. It's normally stated in months or years.

### Credit history

This is the track record of your repayments on loans/mortgages/credit facilities you currently have or had in the past. This is held by credit reference agencies who use the information they get from lenders to build up each borrower's credit history.

### Moratorium

A moratorium is a temporary arrangement between the customer and the bank to defer repayments and suspend collections activity for an agreed period of time. A moratorium may sometimes be referred to as a repayment break and may be considered by the bank for a variety of reasons. For example, it could work as part of a solution to help customers experiencing financial difficulties to get back on their feet.

### Ulster Bank Limited

References to Ulster Bank and Ulster Bank Group in this booklet relate to Ulster Bank Ltd.

## 2. What can you do about problem debt?

Being in financial difficulty can leave you in a constant state of worry making it easy to panic and ignore the situation. The longer you are struggling, the more debt mounts, so it is better to act swiftly. If you find yourself falling behind with loan or mortgage repayments, talk to us or your lender as soon as possible. By making us aware of your financial situation, we can explore all your options and look at working out a solution with you.

Here are some additional steps you should take if you find yourself in financial difficulty:

- work out a personal budget and stick to it.
- make sure you're claiming all benefits and tax credits you're entitled to. Contact your local Social Security Agency or local Citizens' Advice Bureau for advice on what your individual entitlements are.
- tackle your priority debts first, for example your mortgage and secured loans.
- see if you can work out a repayment timetable that suits everyone.
- get free independent money advice from agencies such as the Citizens' Advice Bureau by visiting [www.citizensadvice.co.uk](http://www.citizensadvice.co.uk) and their advice guide at [www.adviceguide.org.uk](http://www.adviceguide.org.uk)

Finally, here are some things you should never do if you find yourself in difficulty:

- never ignore missed repayments, they won't go away.
- don't ignore correspondence from your financial institution.
- don't avoid calls from your financial institution, as talking to your bank is the first step to helping you get the situation under control.

## 3. How do you get into financial difficulty?

A number of factors can lead to arrears. Here are some examples of circumstances that can effect your ability to pay your bills.

### **Job loss**

These days, many people are losing their jobs or are having their hours reduced. If you've lost your job, or if your partner has lost theirs, it will have an immediate and extreme effect on your finances. If you have savings, you may be able to put these towards meeting your repayments while you look for a new job. If you don't, it can be stressful trying to make ends meet.

### **Reduction in working hours**

A reduction in working hours, sometimes to two or three day week, is also becoming commonplace. In some situations, it is possible to supplement your income with Social Security payments. To find out more, contact your local Social Security Agency office.

### **Reduction in salary**

Many companies have been forced to cut employees' salaries in an effort to reduce their operating costs. This can have an immediate effect on your monthly budgeting efforts. By using the Budget Plan, which you'll find further on in this booklet, to analyse your outgoings against your reduced income, you can start identifying areas where you can cut back on non-essential spending.

### **Redundancy**

If you've been made redundant and have received a lump sum, you should work out how to make the best use of the money until you're working again.

### **Relationship breakdown**

When one partner leaves, the other can be left to face paying a mortgage or loan(s) on their own. In this situation, it's very easy to end up in arrears.

However, it's important to remember that both partners, because they took on the mortgage together, are 'jointly liable', so they must both pay back the loan, regardless of who lives in the property.

#### **In the event of death**

When in financial difficulty, people sometimes stop paying their life assurance policy. This is not a good idea as, if you die and don't have life assurance, your debts can be passed on to your relatives. Therefore, it's best to keep up-to-date on your life cover payments.

If you are in severe financial difficulty, there are less expensive policies available which offer less cover but would still pay off the majority of your capital. Before changing your life assurance policy, seek independent advice.

Remember, it's vital to be accurate with your life assurance application and to be careful not to leave out any 'material facts'. For example, if you put down that you are a 'non smoker', when your medical records show that you are a smoker, it could result in a future claim being rejected.

#### **Illness**

If you or a member of your family becomes ill, the cost of treatment can be very expensive and have a major impact on your life and your finances. It's why having adequate health insurance is so important. Some life assurance policies include critical illness cover which may pay a benefit to you in the event of you or your spouse/dependants contracting a serious illness. Check the terms of your policy to see what you are entitled to.

#### **Other ways debt can pile up**

Debt can mount for a number of different reasons. You may simply be having problems managing your finances and keeping enough money in your accounts to meet your payments; you may have taken on more debt than you're able for or the extra expense that comes with having a new baby could be putting a strain on your ability to meet your expenses. Whatever your reason for being unable to pay your debts, it's important not to ignore the situation or pretend it's not happening. As you'll see in the next section, there are many things you can do to effectively manage debt.

## How to manage debt

### 4. What are the danger signs of debt

Below is a list of financial warning signs. If some of the following statements sound familiar, you could soon find yourself facing a debt problem:

- you pay for your weekly groceries by credit card or cheque
- you borrow from friends or family without knowing when you'll be able to pay them back
- you borrow money to pay off other debts
- you're not sure how much you owe
- you only pay the minimum amount due on your credit card(s) every month
- you're paying late payment fees on credit or store cards
- you regularly pay referral fees due to being overdrawn
- you have used up all of your savings
- your monthly income is not sufficient to cover your monthly outgoings i.e. credit card, overdraft, utility bills

# How to get in control of debt

## 5. What can you do to control your debt?

If you find yourself in financial difficulty for whatever reason, these tips could be of help:

- Watch what you spend and work on ways to make your money go further by planning a budget.
- Ensure you're getting all of your benefit entitlements. Contact your local Social Security Agency and let them know where you stand.
- If you have an income protection insurance policy, check to see if you can make a claim. This may provide a regular income for the duration of your illness, injury, disability or until you return to work or retire.
- You may also be able to claim on other protection policies. For example, mortgage repayment protection insurance could be applicable in the case of redundancy.

### Planning a budget

Planning and sticking to a budget can be tough but it really can make a difference as you work towards clearing your arrears. If you know how much money is coming in and going out, you'll know exactly how much you need to meet your bills. It's essential to keep your figures as accurate as possible, so make sure you take all your outgoings into account.

Use the template budget plan below to help work out your income and outgoings. Put all figures in monthly amounts. Here's a handy little tip to help you work out the monthly amounts:

- For weekly payments, multiply by 52 and divide by 12
- For quarterly payments, multiply by 4 and divide by 12
- For yearly payments, divide by 12.

### My Budget Plan

Monthly Income:	Now	Future
Your income after tax		
Your Partner's income after tax		
Child Maintenance		
Family Income Support		
Benefits (e.g. Child/unemployment/lone parents)		
Rental Income		
Savings Income/Share Dividends		
Other Income		
<b>Total income</b>	<b>£</b>	<b>£</b>

Monthly Outgoings:	Now	Future
Mortgage or rent		
Utility bills (rates, gas, electricity)		
Loan and credit card repayments		
Food or household shopping		
Childcare		
Insurance (Life, home, medical, etc.)		
Medicines and medical expenses		
Home maintenance and household goods		
Other expenditure (mobile phone, broadband, satellite TV)		
*Emergency Fund		
<b>Total outgoings</b>	<b>£</b>	<b>£</b>

\*Emergency Fund should allow for irregular bills, such as home heating, quarterly direct debits, car breakdown and so on.

Summary	Now	Future
Total income		
Less total bills		
<b>What's left for saving or spending</b>	<b>£</b>	<b>£</b>

Non-essential spending	Now	Future
Regular Savings		
Lunch, coffee or papers		
Travel, expenses and petrol		
Clothes		
Socialising or hobbies		
Children – pocket money or trips		
Ad hoc spending (birthdays, holidays and so on)		
Emergency Fund**		
<b>Total non-essential spending</b>	<b>£</b>	<b>£</b>

\*\*Emergency Fund should allow for any additional personal incidentals.

Notes/Calculations

### Maximise your income

Once you've worked out a budget, you can look at different ways of increasing your household income as follows:

- Claim all Tax Credits you're entitled to, for example:
  - child tax credit
  - working tax credit
  - incapacity benefit
- Claim all the state benefits or allowances you're entitled to, for example:
  - jobseeker's allowance
  - child benefit
  - carers allowance
- Claim tax relieve on any expenses you're entitled to, for example:
  - support for mortgage interest (SMI)

You'll find a comprehensive guide to what you're entitled to at [www.dsdni.gov.uk](http://www.dsdni.gov.uk) and [www.nidirect.gov.uk](http://www.nidirect.gov.uk).

### How to reduce your spending

To reduce the amount you spend, start by taking an objective look at your outgoings to see what you can do without. Most of what you spend can be put into one of the following categories:

**Priority Responsibilities****For example:**

- Mortgage
- Rent
- Essential utility bills (Gas, Electricity etc.)
- Insurance and Protection
- Standard everyday spending costs (as outlined below)

**Occasional Costs****For example:**

- Car Maintenance
- Birthdays
- Christmas

Once you've filled out your budget sheet, highlight any areas that aren't essential to see where you can cut back on your spending.

**Other ways to reduce your spending:**

Here are some additional tips to help you cut down on your monthly spend.

**Keep a 'spend diary'**

There are some things you have to pay: your mortgage, loan repayments, rent and bills. By cutting down on non-essential items like nights out, magazines and takeouts, you can save significantly. Keep a spend diary and you'll probably find you buy a lot of things you just don't need.

**Shop around**

The best way to get more from your money is to shop around. Compare the best costs for your phone and internet connection at [www.uswitch.com](http://www.uswitch.com). Also, make a point of shopping around for your everyday groceries and see how much you can save.

**Everyday Spending Costs****For example:**

- Food
- Clothing
- Petrol
- Children and associated expenses

**Secondary Responsibilities****For example:**

- Personal Loan
- Overdraft
- Credit Cards
- Store cards

**Discretionary Spending****For example:**

- Golf subscriptions
- Gym subscriptions
- Holidays and gifts

**Bank online**

Banking online\* is a great way of getting on top of your spending. For example, with Ulster Bank's online banking service Anytime Banking, your balances and statements are updated in real time. It means you can keep an accurate check on your balance and your outgoings. You can also pay your bills anytime you wish, which will help you to budget more effectively.

\*Terms and conditions apply. To sign up for Internet Banking you need to have an Ulster Bank Personal account or Credit Card held in Northern Ireland and be aged 16 or over.

**Save your energy**

Making small changes can mean big savings on your energy bills. For instance, if you lower your thermostat by 1°C, you could save up to 10% on your heating bill. Also, by switching off anything you're not using: lights, computers, TVs and so on – and you'll soon see a difference in your bills. For more handy tips on saving money and energy, visit [www.energysavingtrust.org.uk](http://www.energysavingtrust.org.uk)

**TV subscriptions**

Dedicated movie and sports channels can really add up, so if you only watch movies now and then, it may be cheaper to rent a DVD instead.

**Travel smarter**

Instead of driving to work, you might find it's cheaper to use public transport. Visit [www.translink.co.uk](http://www.translink.co.uk)

If you live near work, consider cycling or walking. It's a healthy option and it costs nothing, so your finances will be healthier too!

**Downsize**

If you have to drive, look at trading in your car for a model with cheaper tax, insurance and running costs. Making small changes like these in the short term can help you get back in the driving seat.

### Compare your insurance

By comparing quotes across providers, you may be able to save substantially on your insurance costs. Just make sure you have adequate cover for your circumstances before you switch. For example, you should have sufficient home and contents insurance to safeguard you against everyday accidents and more serious problems like fire or theft. On the other hand, if your circumstances have changed, a review of your existing policy may result in your needing less cover. You'll find cost comparisons online at **[www.moneysupermarket.com](http://www.moneysupermarket.com)**.

Also, check to see if you can pay your insurance premiums in monthly instalments, rather than as a lump sum, as it could make budgeting easier for you.

## 6. Talk to us

### Getting into difficulty with debt? Then get in touch.

If you are struggling with your finances, pick up the phone or call into your local Ulster Bank branch straight away. Our staff will be happy to help you take the first steps to managing your debt and it could lead to a new repayment schedule being organised. The number of your local branch can be found on **[www.ulsterbank.co.uk](http://www.ulsterbank.co.uk)** or in the phonebook.

For Ulster Bank mortgage arrears related queries, please call us on **0345 301 6910**. If you have a query in relation to Ulster Bank personal debt, overdrafts or loans, please call **0345 602 3112**.

Our website **[www.ulsterbank.co.uk/managingdebt](http://www.ulsterbank.co.uk/managingdebt)** provides examples of how we can help.

But that's not all we can do. Overleaf is a list of other ways Ulster Bank can help you control your debt.

# How can we help you?

## 7. How can we help you?

If you are having difficulty managing your debt or paying your mortgage, we are here to help. Ulster Bank has introduced a financial assessment, that is designed to evaluate your financial situation and give you a helping hand when you need it most. Here is how it works.

Specially trained Ulster Bank staff carry out a financial review. They will take account of your current financial situation while helping you to figure out a suitable solution to managing your debt especially if you are struggling to meet your mortgage repayments. This step-by-step process assesses your current financial situation by considering:

- a) your personal circumstances
- b) the level of your debt
- c) the financial information you provide
- d) your current ability to make repayments
- e) your previous payment history

You may be asked to provide further documentation to support the information provided in the financial review.

Our staff will take you through the repayment options available and help you to work out the best way to manage your debt and meet your mortgage repayments. Options include:

- **Extending your loan term\***  
If you are struggling to meet your mortgage payments, it may be possible to extend the term of your loan. This means you will pay less each month but you will pay more interest over the course of the loan.
- **Interest only payment on a temporary basis\***  
A temporary move to interest only payments will allow you to pay only the interest and not the capital element of your mortgage for a period of time. However, at the end of the temporary payment period, you will still owe the outstanding capital balance.
- **Reduced payments on a temporary basis\***  
It may be possible to pay a reduced repayment amount on your mortgage for a specified period of time in order to ease the burden during your financial difficulties. However, your normal monthly repayment at the end of this arrangement will be greater than it is now.
- **Postponement of monthly repayments for a defined period of time\***  
If you have a temporary shortfall in income, postponing all or part of your monthly mortgage repayment for a defined period of time may also be an option. However, your normal monthly repayment at the end of this arrangement will be greater than it is now.
- **Changing the type of your mortgage\***  
Moving to a different type of mortgage may be an option if it reduces your monthly mortgage repayments and associated assurance payments. However, your normal monthly payment at the end of this arrangement will be greater than it is now.

Ulster Bank will not require you to change from an existing tracker mortgage to another type of mortgage unless you wish to do so. For example if you are having difficulty paying your tracker mortgage and the best alternative repayment arrangement for you is a fixed interest period, you will be able to revert to the original mortgage tracker rate at the end of the fixed interest period.

**WARNING: THIS NEW LOAN MAY TAKE LONGER TO PAY OFF THAN YOUR PREVIOUS LOANS. THIS MEANS YOU MAY PAY MORE THAN IF YOU PAID OVER A SHORTER TERM**

\* All options outlined in this section are subject to specific terms and conditions. Every customer's circumstances are different so our Ulster Bank staff will review your situation and then discuss solutions potentially available to you.

- Capitalising your arrears\*

If you are experiencing a short-term cash flow problem, it may be possible to add the arrears balance to the capital value of your mortgage. The arrears balance is then paid over the remaining mortgage term.

**WARNING: THIS NEW LOAN MAY TAKE LONGER TO PAY OFF THAN YOUR PREVIOUS LOANS. THIS MEANS YOU MAY PAY MORE THAN IF YOU PAID OVER A SHORTER TERM**

**YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE.**

\* All options outlined in this section are subject to specific terms and conditions. Every customer's circumstances are different so our Ulster Bank staff will review your situation and then discuss solutions potentially available to you.

#### How can we help?

Our trained advisors will explain any proposed alternative repayment arrangement and provide you with written details. This arrangement will then be reviewed by Ulster Bank within six months. As part of this review, we will contact you to discuss whether there has been any change in your individual circumstances. That way we can determine whether the alternative arrangement is still appropriate for you.

Should you wish to take independent legal and/or financial advice on the alternative repayment proposal, you'll find a list of useful contacts on page 14.

On the next page you'll find an example of how our financial assessment could assist a family to manage their debt and meet their mortgage repayments.

Their monthly budget is as follows:

Income:	
Salary	£2,700
Child Benefit	£332
<b>Total Income:</b>	<b>£3,032</b>
Expenditure:	
Mortgage	£1,500
Car loan	£250
Car tax, insurance and running costs	£300
Home phone	£70
Electric and Fuel	£150
Food and Clothes	£600
Mobile phones	£50
Home and Life Insurance	£150
Health Insurance	£200
Credit Card	£100
<b>Total Outgoings:</b>	<b>£3,370</b>
<b>This results in a monthly shortfall of £338</b>	

Following a financial assessment in their local branch, Ulster Bank agreed to temporarily reduce the monthly mortgage payment to £1,107.50 for six months. This resulted in a monthly excess of £54.50 for the customer.

It's important to remember that the reduced repayment is less than the amount required to cover the monthly mortgage payment. Therefore, the mortgage balance and the interest due will continue to increase until such time as this shortfall is fully repaid.

### Cost of Credit

The following example, estimates the impact an arrangement may have on the total cost of credit on your mortgage.

This illustration is based on a mortgage of £275,000 over a 30 year term. The overall cost for comparison is 4.00% APR. The total cost of credit\*\* for this mortgage is £197,641.14. This example shows a mortgage that was drawn down two years prior to an arrangement being put in place.

**YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE.**

Arrangement	Term	Monthly payment prior to the deal	*Monthly repayment during the period of the deal	Monthly payment when the deal ends	As a result of this temporary arrangement, the total cost of credit may increase by
Interest only	12 months	£1,312.89	£883.72	£1,341.70	£3,696.61
Payment reduced by £340	6 months	£1,312.89	£972.89	£1,323.18	£1,344.65
Moratorium	6 months	£1,312.89	£0.00	£1,352.62	£5,192.25
Term extension	5 years	£1,312.89	£1,206.81	£1,206.81	£36,872.90

\* Flexible payment options may appear cheaper in the short term but could be more expensive over the life of the mortgage and are subject to approval.

\*\* The total cost of credit is the total amount repayable less the amount of the original mortgage value. For illustration purposes it is calculated using a variable interest rate and is therefore subject to change. Rates and repayments are correct as of the 16th March 2011.

## 8. What will we do for you?

Should your account go into arrears, we will contact you to establish why you have missed your repayment.

Depending on your circumstances, one of our trained advisors will meet with you to carry out a financial review. The advisor will take account of your current financial situation while working with you to provide a suitable solution to manage your debt.

If you are applying for state support to help with your mortgage, we will endeavour to provide you with the required information within 10 working days of receipt of your request.

Once we have received your written consent, if you require, we can liaise with a third party nominated by you. Similarly, if we appoint a third party to deal with your case we will advise you in writing.

### **What if you are not happy with the mortgage resolution proposed?**

If you are having difficulty paying your mortgage or find yourself in arrears, Ulster Bank will do all it can to find a solution to help you. If you are unhappy with the proposed payment arrangement, or if we feel we are unable to provide you with an alternative solution due to your circumstances, there are a number of other options you have a right to consider.

### **Voluntary Surrender**

Voluntary Surrender is where you hand over the keys of your property to your mortgage provider. It is important to remember that, even if you do hand over the keys, it doesn't mean you are no longer obliged to repay the debt owed to the bank. There are a number of implications:

- The physical return of keys has no legal significance – the amount you owe on the mortgage will still be outstanding.
- Even if you hand back the house keys, the bank may still have to gain a possession order and the process will be similar to that outlined for repossession. Returning your keys does not make this process any faster.
- As with all repossessed properties, if the bank sells the property and the sale amount is less than the mortgage amount owed, you will still be liable for the remaining debt.
- As outlined in Section 10 your credit rating will still be affected even if you have given your house keys to the bank.

### **Voluntary Sale**

Voluntary Sale is where you decide to sell your home to pay off your debt. You should be aware that if your sale price is for less than the amount outstanding on your mortgage, you will still be liable for the remaining debt.

## Other help available

### 9. What other help is available?

Do check to ensure you are claiming any entitlements you might be eligible for with your mortgage, such support for mortgage interest (SMI) or mortgage interest run on.

#### Support for Mortgage Interest

If you are a homeowner and receive certain income-related benefits, you may qualify for help towards your mortgage payments. To qualify, you must be in receipt of the following:

- income support
- income-based jobseeker's allowance
- income-related employment and support allowance
- pension credit

#### Mortgage Interest Run On

If you are returning to work full time, working more hours or earning more money and your benefits are stopping, you may qualify for a further 4 weeks support towards your housing costs. To qualify you must meet the following criteria:

- you have been claiming benefits for a continuous 26 week period
- you expect the work to last for a minimum of 5 weeks
- you have been entitled to help with your housing costs before your work started

Visit [www.nidirect.gov.uk](http://www.nidirect.gov.uk) for further information on both of these.

## Consequences of arrears

### 10. What happens if you don't pay?

Here are some of the possible consequences of not repaying your debts.

- **Your Credit Rating**  
Your credit rating is affected when payments due are missed and this record remains on the Credit Reference Agency for six years. If you end up with a bad credit rating, it may affect your future chances of getting a loan or even a contract mobile phone.
- **Legal Fees**  
If the bank begins legal proceedings you may be liable for legal costs, the amount of which will depend on the circumstances. You may also be liable for any legal costs where you retain your own legal advisors.
- **Public Record**  
If a judgement is issued, your arrears are then a matter of public record and may be published in regional press.
- **Bankruptcy**  
If you're unable to pay your debts, you can declare yourself bankrupt. This is where your assets are transferred to the Official Receiver or a trustee and sold. The results of this sale are then split between your creditors. It's worth remembering that bankruptcy is a court order. If you're made bankrupt in Northern Ireland it can be discharged by the Official Receiver within 12 months.

There are other disadvantages of bankruptcy to consider:

- You can't be a director of a company without permission of the court.
- Refusal of credit facilities.
- You won't be allowed to inherit. Any inheritance must be used to pay your creditors.
- A court could order part of your salary or pension to be deducted to pay your creditors.

- A record of your bankruptcy would be held and can be obtained by contacting the Official Receiver at Department of Enterprise, Trade and Investment (DETI) and would be available upon request.
- Your bankruptcy would be a matter of public record, with new bankruptcy notices being published weekly in the press.
- You won't be able to hold certain positions as an elected representative.
- Repossession  
If your house is repossessed, you'll still be liable for the full amount of the debt, including any shortfall if the sale of the house doesn't clear the mortgage. If your mortgage is for an investment property, you could face a charge on your family home meaning it could only be sold with the lender's permission. Otherwise, a judgement might be made which leaves you responsible for the debt.
- Fees  
We do not apply fees and charges in relation to mortgage arrears. However, where fees are applicable, such as legal fees, we will advise you in writing.

### **Individual Voluntary Arrangements (IVA)**

As an alternative to bankruptcy you may wish to consider Individual Voluntary Arrangements (IVAs). This is a legally binding agreement to clear a percentage of your debts over a set period of time, usually five years. After this period, any remaining debt is written off. It can be done through either monthly instalments, lump sum payments or a combination of both. IVAs can only be undertaken by a qualified Insolvency Practitioner. This will mean that you will appear on the Individual Voluntary Arrangements (IVAs) Register, which is maintained by the Northern Ireland Court Service and available for public access.

## **11. What would repossession actually mean?**

Repossession is where you lose your property when you can't pay your mortgage. For Ulster Bank, this is a last resort as we will always try to work with you to find an alternative repayment solution. However, repossession can happen if you don't engage with us, if we are unable to agree an alternative payment proposal, or if you don't comply with the terms of an alternative payment proposal. With repossession, your home is usually sold via an estate agent and the sales proceeds are used to pay your debt. Repossessions take several months to complete and will end with you losing your home.

### **What is the repossession process?**

Whether your mortgage is with us or another lending institution, the procedure is generally as follows:

#### **1. Court choice**

Cases for the repossession of houses will be taken in the High Court.

#### **2. Letter before action**

Before any action is taken, you'll receive a letter of demand from your bank advising you of your outstanding debt and that legal action will be taken if it is not paid within a certain time.

#### **3. Issue of Proceedings**

Once judgement is obtained in the form of a possession order a 'notice of intent' must be issued. If the master is satisfied that you have been in regular contact throughout the process then this will be sent to you by post from the Enforcement of Judgements Office, otherwise you will be served personally. However, if for some reason they are unable to serve personally, an order for substituted service will be served.

#### 4. Enter appearance

If proceedings are served upon you, you will need to appear in court at the time and day scheduled in the Issue of Proceedings. If you don't, the hearing will go ahead regardless.

#### 5. Enter a defence

Once you enter an appearance you then file a defence. You may wish to get your own legal representation at this stage (if not before).

#### 6. Court date/hearing

If you are unsuccessful at the hearing in your defence of the action, an order for possession may be granted. Alternatively, the judge may enforce a payment agreement between you and your lender.

## Useful Contacts

### 12. Useful Contacts

It can be hard to know where to turn when you're in financial difficulty but we want you to be aware of all the options. So here's a list of agencies that can offer you help and guidance in relation to controlling your debt. Remember to make the most of the assistance available as early as possible.

#### Ulster Bank Branches

As mentioned earlier, the first step in managing debt is to talk to us. If you find yourself falling behind in payments to an Ulster Bank loan, contact your local Ulster Bank branch as soon as possible. You can find your local contact numbers in the phone book or by visiting [www.ulsterbank.co.uk](http://www.ulsterbank.co.uk)

#### Collections and Recoveries

If you are having difficulty meeting your repayments or are already in arrears, you can get in touch to discuss your situation. By talking to our qualified team, we can work out a solution together that will help you to resolve your debt as well as look at ways to manage your money. Phone: **0345 301 6910** for mortgage assistance or **0345 602 3112** for personal loan / overdraft assistance; or visit our website [www.ulsterbank.co.uk/managingdebt](http://www.ulsterbank.co.uk/managingdebt)

#### Citizens' Advice Bureau

Helps people resolve their legal, money and other problems by providing free information and advice, and by influencing policy makers.

[www.citizensadvice.org.uk](http://www.citizensadvice.org.uk) and [www.adviceguide.org.uk](http://www.adviceguide.org.uk)

**Money Advice Service**

Provide clear money advice, information and interactive money planners to help you.

**Telephone:** 0300 500 5000 (Mon to Fri 8am to 8pm & Sat 9am to 1pm)

**[www.moneyadviceservice.org.uk](http://www.moneyadviceservice.org.uk)**

**Debt Action NI**

Offer a free, confidential, independent and non-judgemental debt advice service.

**[www.debtaction-ni.net](http://www.debtaction-ni.net)**

**Court Service**

The Northern Ireland Courts Service can give you detailed information on the courts system and can answer any questions you have.

**[www.courtsni.gov.uk](http://www.courtsni.gov.uk)**

**Northern Ireland Legal Services Commission**

This organisation aims to provide fair and equal access to justice in Northern Ireland in its provision of publicly funded legal services.

**[www.nilsc.org.uk](http://www.nilsc.org.uk)**

**Credit Action**

Offers a range of resources, tools and training to help people manage their money well.

**[www.creditaction.org.uk](http://www.creditaction.org.uk)**

**StepChange Debt Charity**

Offers free confidential advice and support to people worried about debt.

**Telephone:** 0800 138 111 (Mon to Fri 8am to 8pm & Sat 9am to 3pm)

**[www.stepchange.org](http://www.stepchange.org)**

**Christians against poverty**

Is a national debt counselling charity offering a unique in-dept service.

**[www.capuk.org](http://www.capuk.org)**

**The Law Society (Official Solicitor Organisation)**

If you've read through this guide and you think you'll need to find a solicitor, you'll find a link to a directory of solicitors on the Law Society's homepage at

**[www.lawsociety.org.uk](http://www.lawsociety.org.uk)**

**Social Security Agency**

Assesses and pays social security benefits and gives advice and information about these benefits.

**[www.dsdni.gov.uk](http://www.dsdni.gov.uk)**

**Payplan**

Provide free debt advice and free debt solutions for anyone experiencing financial difficulties, whatever your circumstance or situation.

**Telephone:** 0800 280 2816 (Mon–Fri 9am to 8pm)

**[www.payplan.com](http://www.payplan.com)**

## Get in touch

### 13. Get in control of your debt. Get in touch today

We hope you have found this guide helpful. Remember, you shouldn't have to face debt alone. Together we'll try and find a way of making things more manageable.

So if debt is becoming a problem, why wait? To talk to one of our staff members about your finances, don't hesitate to pick up the phone or call into your local Ulster Bank branch today and get the right people behind you.

If its your Ulster Bank mortgage that you are concerned about paying or if you are already in arrears, contact us on **0345 301 6910** and one of our trained advisors will arrange to meet you to see if we can help resolve your debt. For help with your loan debt contact us on **0345 602 3112**. Alternatively visit our website **[www.ulsterbank.co.uk/managingdebt](http://www.ulsterbank.co.uk/managingdebt)**

### 14. Meet with one of our staff members

When you make an appointment to speak with one of our staff members. Please read the checklist overleaf and gather all the relevant information in advance of your meeting. This will ensure you provide a full picture of your situation to our staff member and help us to identify some solutions that are potentially available to you.

#### Checklist for your appointment with us

Please have the following information with you:

1. Telephone Number(s): Mobile/Home/Work:
2. Mortgage Account Number(s)
3. Other Ulster Bank loan account numbers
4. Last 3 months current account statements
5. Last 2 payslips, if your salary is not paid to your current account
6. Letter from your accountant confirming your income if you are self employed and your salary is not paid to your current account

Based on your financial situation we may need to review some of the following items, so it is a good idea to bring them with you:

- Credit Card statements
- Personal loan statements
- If you have recently had a reduction in income – Letter of Confirmation from your employer
- If you have recently become unemployed – P45 and confirmation of any severance payments from your former employer

During the meeting we will also help you to complete a Budget Planner to get an overall idea of your finances. It would therefore be useful if you could bring details of your regular expenditure, examples below.

- Electricity/Fuel
- Food/Clothing
- Home Insurance/Life Assurance/Health Insurance
- Car tax and insurance
- Other loan payments
- Telephone/Broadband
- Club subscriptions
- Childcare
- Other occasional costs
- Credit Card Details – Provider/Limit/Usage/Monthly payments

To find out more:

-  Call into your local branch
-  mortgage debt 0345 301 6910
-  loan debt 0345 602 3112
-  [www.ulsterbank.co.uk/managingdebt](http://www.ulsterbank.co.uk/managingdebt)

 **Ulster Bank**

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Calls may be recorded.

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