



MORTGAGE SWITCHING GUIDE

The bank of **you**

Drop in or call your Mortgage
Broker to find out more

 Pop in or call a HUB  1800 51 52 53  [kbc.ie](https://www.kbc.ie)

Switching Your Mortgage

If you own your own home and have a mortgage with another Bank you may be able to Switch to KBC. You can use our switching calculator <https://www.kbc.ie/our-products/mortgages/bank-switchers> to see what savings you can make.

Here are some key checks to assess if you are eligible to switch:

- ✓ Do you have a Private Dwelling Home (PDH) mortgage for a property in the Republic of Ireland?
- ✓ Have you been keeping payments up to date on your mortgage over the past 12 months with your current mortgage provided?
- ✓ Is your Loan to Value (LTV) less than 90%. Your LTV is the current outstanding balance on your mortgage as a percentage of your current property value.
- ✓ The maximum term available for Switcher customers is 30 years.
- ✓ If you would like to discuss your options contact one of our mortgage agents online, over the phone or in one of our hubs.

Here is how to how to switch your mortgage in 4 easy steps with KBC

1. **Submit your Application**
2. **Valuing your home**
3. **Your Loan Offer & Legal Process**
4. **Drawdown your Mortgage**



- We always recommend you seek independent financial advice when making any changes to your mortgage.
- You can find useful information on switching on the Competition and Consumer Protection Commissions website, <https://www.cccpc.ie/consumers/money/mortgages/switching-lenders-or-mortgage>.
- Please note if you are availing of a tracker mortgage rate on your current mortgage, you will not be able to retain this rate by switching to KBC. You will be moved onto a corresponding KBC market rate associated with your loan-to-value (LTV) on your home.
- The cost involved in the Switching process consist of a valuation fee of approximately €150.00 that you pay directly to the appointed valuer and your legal fees to be paid to your chosen solicitor.
- If you are successful in switching your mortgage to KBC, you are entitled to receive €3,000 which you may use towards covering these costs. Further information on this incentive will be outlined in the 'Drawdown of your Mortgage' section below.

Step 1 - Mortgage Application

- If you would like to discuss your options or potential interest savings you can drop in or call a hub, call our dedicated mortgage agents on **1800 51 52 53** or speak with your financial advisor.
- You will need to know the details of your current mortgage such as current amount outstanding, term remaining and your rate to make an assessment of potential savings. It is possible to apply for additional funds above your current mortgage balance as part of the switching process subject to credit approval and within the 90% LTV.
- Where you are completing a mortgage application form and have gathered all your documents as outlined in our mortgage checklist please forward all the documentation to your mortgage agent for review. It may be useful to review your application checklist at this stage and tick off items to ensure everything has been provided.

Over the Phone Mortgage Application

- You can now complete your mortgage application over the phone, call us on **1800 51 52 53** or call any of our hubs and one of our agents will take you through the process including any documentation that will be required from you in order to progress your application.
- Then just send in the supporting documentation as advised by our agents for review. This checklist can be found on our mortgage application form on <https://www.kbc.ie/our-products/mortgages/bank-switchers>

Paper Based Mortgage Application

- Alternatively you can find our mortgage application form online on <https://www.kbc.ie/our-products/mortgages/bank-switchers>
- The application form includes a mortgage checklist which lets you know what information we will require to complete your application. It is important to provide us with all the documentation in the checklist when submitting your application.

Step 2 - Mortgage Assessment

- When we receive all the required documents as outlined in our Mortgage Checklist your mortgage agent will carry out a review to ensure we have all the information necessary for a complete application. Within 3 business days we will let you know if we have everything we need to send your application for assessment.
- You will receive a decision on your application within 10 business days in the form of an Approval in Principle (AIP) or an explanation as to why at present we can't approve your application. Should we require any further information or documentation we will get in touch.
- Your AIP is valid for 6 months from date of issue.

Here is how...

$$\frac{\text{LTV Percentage (\%)} \times \text{Outstanding Mortgage Balance}}{\text{Up-To-Date Property Value}} = \text{x100}$$

If you have a €250,000 mortgage balance and a property value of €325,000 you will have a LTV Percentage (%) of 77%. This would put your mortgage in the 60-80% LTV Band.

Step 3 - Valuing Your Home

- If you receive an Approval in Principle (AIP) with KBC we will require an up to date valuation on your home to progress to Loan offer. This is needed to confirm the Loan-to-Value (LTV) percentage and the rates available to you. LTV is calculated using the current mortgage balance as a percentage of the up to date value on your home:
- Your Mortgage rate is determined based on this LTV, see our available rates at <https://www.kbc.ie/our-products/mortgages/our-mortgage-rates>
- KBC will instruct a valuer from our appointed valuer panel to carry out the assessment of the valuation of your home at a time that suits you.
- The valuation cost of €150.00 is charged by the valuer for their service (together with any additional fees or charges e.g. mileage that may be applied by the valuer) and will be payable by you directly to the valuer. If there is more than one property to be valued the fees will be in respect of each property.
- Your valuation will last for a period of 4 months from the date of valuation report was carried out.

Step 4 - Your Loan offer and the Legal process

- When your valuation has been completed and you have satisfied all the conditions on your AIP you will receive a Letter of Offer as part of our Loan Offer pack, outlining the details of your mortgage including your new mortgage rate, mortgage term and LTV band to which the mortgage relates.
- The Loan Offer document is valid for 4 months from the date of offer. You will receive a full set of KBC's Mortgage Terms and Conditions with the Loan Offer Pack, and any special conditions specifically attributable to your Mortgage.
- In order to switch to KBC you will need to instruct a solicitor to handle the legal side of the transaction. It is the customers responsibility to pay the solicitor fees. You will need to let us know your solicitor details prior to issuing your loan offer.
- A copy of the Loan Offer Pack along with legal paperwork will be sent to your solicitor. Your Solicitor will review this together with the property title and prepare the legal documents. They will explain to you the implications of the various documents and arrange for you to sign all necessary documentation. If you are applying through a Broker, they will also receive a copy of the Loan Offer Pack for review.
- The Loan Offer document should be reviewed along with your solicitor and if you are happy with the mortgage details and the terms & conditions of your mortgage, the letter will need to be signed and returned to KBC.
- A redemption letter from your previous mortgage provider will be requested by KBC through your solicitor. This document is needed to confirm your mortgage balance with them before you can drawdown the loan.
- Your solicitor will provide KBC with an undertaking and Certificate of Title that will confirm that the Property being purchased has good and marketable title. Your solicitor will generally liaise directly with us in respect of this and all other legal items.

Step 5 - Drawdown your mortgage

- Once the signed loan offer is received KBC can begin to organise the drawdown of your mortgage.
- KBC will be liaising with your solicitor during this process. KBC along with your solicitor will arrange for the repayment of your mortgage with your current mortgage provider.
- As part of switching your mortgage you must provide written confirmation to KBC that your life insurance and home insurance policies are in place prior to draw down for the level of your new mortgage. You can retain your current insurance policies, however we advise that you seek independent legal advice in relation to the appropriate level of cover required. Please note that you are responsible for maintaining payments on any life and home insurance policies.
- When all conditions on your loan offer have been satisfied and all legal aspects addressed by your solicitor they will request the funds from KBC.
- A Switcher Bonus of €3,000 is available, to help you cover your costs, if a fully completed PDH application form is submitted to KBC before 30th June 2021. KBC subsequently approve your mortgage application and you draw down the mortgage within the availability period set out in your Loan Offer. The contribution is available to customers switching the mortgage on their principal private residence to KBC from another financial institution. The payment of the contribution will be made by electronic transfer within 30 days of the drawdown of the Loan to the Bank account (KBC or otherwise) from which the monthly mortgage repayment is or will be paid. The Lender reserves the right to amend, modify, cancel, withdraw or change the terms on which this contribution is available at any time at its sole discretion.
- Receiving this incentive does not have any implication on your mortgage repayments or the cost of credit involved with your mortgage. If you choose to not avail of the incentive, there is no other incentive that can be availed of, nor is there any benefit in terms of mortgage repayments or cost of credit. You may wish to seek independent advice prior to availing of the incentive, and this can be discussed with your chosen solicitor or financial advisor.

Acronyms

PDH – Private Dwelling Home

LTV – Loan to Value

AIP – Approval in Principal



VARIABLE RATE WARNING: THE COST OF YOUR MONTHLY REPAYMENTS MAY INCREASE.

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

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.

KBC Bank Ireland plc is regulated by the Central Bank of Ireland.