

Changes to Mortgage Interest Supplement

Frequently Asked Questions

1. What is the most recent change to the eligibility criteria for Mortgage Interest Supplement?

From 18 June 2012, to become eligible for mortgage interest supplement (MIS) you must have agreed and complied with an alternative repayment arrangement with your mortgage lender for a cumulative period of 12 months before the application.

2. I am already in receipt of MIS. Does this affect me?

No, the new rule only applies to applications for MIS received on or after 18 June 2012

3. Who be affected by this change?

The following people will be affected by this change:

- People who apply for MIS on or after 18 June 2012 – even if they had previously received this payment
- People whose mortgage repayment difficulties are resolved within 12 months

4. What should I do next if I am refused MIS because of this recent change in eligibility criteria?

You should contact your mortgage lender to negotiate an 'alternative repayment arrangement'. You can re-apply after you have agreed and complied with an alternative repayment arrangement for 12 months.

5. Will my lender be willing to change the repayment arrangements on my mortgage?

Your lender must discuss your mortgage repayment difficulties with you. This is a legal obligation on lenders under the Code of Conduct on Mortgage Arrears.

6. What is the Code of Conduct on Mortgage Arrears (CCMA)?

The Code of Conduct on Mortgage Arrears is issued by the Central Bank. Lenders are legally required to follow specific steps in their dealings with borrowers who are in arrears or in danger of falling into mortgage arrears. Under the Code, lenders must explore all options for alternative repayment arrangements when reaching agreement with the lender.

A copy of the Code of Conduct on Mortgage Arrears, which includes the Mortgage Arrears Resolution Process can be found [here](#).

7. What is an alternative repayment arrangement?

Under the Code of Conduct on Mortgage Arrears, an alternative repayment arrangement includes:

- an interest-only arrangement for a specified period;
- an arrangement to pay interest and part of the normal capital element for a specified period;

- deferring payment of all or part of the instalment repayment for a period;
- extending the term of the mortgage;
- changing the type of the mortgage, except in the case of tracker mortgages
- capitalising the arrears and interest and
- any voluntary scheme to which the lender has signed up such as the Deferred Interest Scheme.

8. What happens if I cannot agree an alternative repayment arrangement with my lender?

The lender is obliged to have an internal appeals mechanism which you can use if you are not satisfied with the process.

MIS will not be paid until such time as you have complied with an alternative repayment arrangement with your mortgage lender for a cumulative period of 12 months

9. When will MIS provide assistance?

MIS may be available after you have availed of an alternative repayment arrangement for 12 months from your lender. You must then also satisfy all other conditions of the scheme to qualify for payment.

10. When does the 12 month period start?

The 12 month period begins from the month you entered into the alternative repayment arrangement with your lender.

11. Does the 12 month period start from the date I first contact my lender?

No, you must have availed of an alternative repayment arrangement for 12 months from your lender before your application can be considered.

12. Can multiple periods of alternative repayment arrangements be combined to satisfy the 12 month period?

Yes. If you have entered into several alternative payment arrangements over a period of time with your lender then you can combine the number of months spent under each arrangement to satisfy this condition.

13. If I am out of work for a short period of time will I be entitled to MIS?

No. It is important that you engage with your lender as soon as any mortgage repayment difficulties arise.

14. How can I show that the 12 months rule has been satisfied?

You should ask your lender to provide documentary evidence confirming that the 12 months rule has been satisfied.

15. What happens if I do not engage with my lender?

If you do not engage with your lender then MIS will not be payable.

16. What if the lender is not covered by the Code of Conduct on Mortgage Arrears - such as a Local Authority or Credit Union?

The new condition applies to all MIS applications received on or after 18 June 2012 - regardless of lender.

If the lender is a local authority or a credit union, documentary evidence must be provided to establish whether you have entered into and complied with an alternative repayment arrangement for a cumulative period of not less than 12 months.

17. Why has this new rule been introduced?

It is important that borrowers who are experiencing difficulties with their mortgage obligations engage with their lender as soon as the difficulty arises. In this way they can work together to put in place a solution for both parties.

