

Bank of Ireland COVID-19 Three-Month Mortgage Payment Break (“payment break”)

Frequently Asked Questions

1. How do I apply for a payment break on my mortgage?

To request a payment break you can go to boi.com/paymentbreak, text “mortgage” to 50365, or call our Customer Relationship Team on 01 611 3333 (lines open 9am to 5:30pm, Monday to Friday).

2. Am I eligible for a payment break on my mortgage?

The payment break is available to holders of both Private Dwelling Home and Buy-to-Let mortgages who meet the following criteria. ***(If you need assistance and feel you don't meet these criteria we may still be able to help you – please call us on [01 6113333](tel:016113333).)***

Payment Break criteria

You can apply for a payment break if you are an existing mortgage customer with us and meet the following criteria:

- This is a precautionary¹ request (no income reduction has occurred but a safety net is required) or reflects a temporary reduction in your income which has occurred as a result of the current health crisis and you are not in financial difficulty and/or were not concerned about your ability to meet your repayments prior to COVID-19.
- You are not in a forbearance arrangement with the Bank or, if you are, you have met all the terms and conditions for a minimum of 12 months.
- You were not in arrears prior to March 2020 on any mortgage account or other BOI loan

1. Customers considering a “pre-emptive” payment break due to potential impact of Covid-19: Note: Please see the impact on your mortgage, below. Your balance will be higher at the end of the 3-month period, your subsequent repayments will increase and you will pay more interest, so you should only apply for a payment break when you are satisfied you need one.

3. Will the application of a payment break mean I end up paying more interest?

Yes, while no capital or interest repayments are made during the payment break, interest continues to accrue on the outstanding balance for that period. This means the balance owing will be higher after the payment break ends. In addition, the maturity date doesn't change which means the repayments after the payment break will be higher in order to repay the mortgage within its original term.

See below for worked examples showing the implications of a payment break.

If you feel confident you can afford to make some mortgage repayments during the payment break period or afterwards, you should consider doing so. Making any payment will help reduce the total amount of interest you pay over the term of the loan.

4. What impact will a payment break have on my mortgage balance?

Here are some worked examples based on a mortgage with €100,000 owing, on a rate of 3.0%, and remaining terms between 10 and 30 years.

These are **illustrative examples** based on a fixed rate of 3% for three years rolling to a variable rate of 4.2% for the remainder of the loan. (At the end of the fixed rate period, customers can choose another rate option that may provide them with savings.)

Term Remaining	10 Years	15 Years	20 Years	25 Years	30 Years
Mortgage Balance	€100,000	€100,000	€100,000	€100,000	€100,000
Current Interest rate 3% (fixed 3 years)	3%	3%	3%	3%	3%
Current Repayments	€965	€690	€554	€474	€421
Next 3 months Repayments	€0	€0	€0	€0	€0
Future repayments (post Break)	€994	€705	€564	€481	€427
Monthly Repayment Difference	€29	€15	€10	€7	€6
Projected Balance in 3 months (no break)	€97,848	€98,675	€99,084	€99,324	€99,484
Revised Balance in 3 months (after the payment break)	€100,756	€100,756	€100,756	€100,756	€100,756
Difference in balances	€2,908	€2,081	€1,672	€1,432	€1,272
Total Amount Repayable (Current)	€119,173	€131,101	€143,831	€157,294	€171,445
New amount repayable	€119,727	€131,745	€144,563	€158,109	€172,347
Difference	€554	€644	€732	€815	€902

- The Covid-19 payment break means there will be no direct debit payments from your current account to your mortgage for 3 months.
- We will continue to apply interest to your mortgage during the payment break period. In the 20 year example above, interest at 3.0% continues to be applied to the account, resulting in a mortgage balance at the end of 3 months of €100,756. Without the payment break the mortgage balance would have been €99,084 (which is €1,672 lower).
- At the end of the break period, your direct debit payment from your current account will automatically resume.
- As the mortgage balance will have increased over the payment break, your monthly instalment at the end of the break will be higher. In this 20 year example, the monthly instalment required to pay the mortgage off over the remainder of the 20 years is €564 (€10 a month higher than before).
- Note that when the entire 20-year mortgage term is considered, in this example the total amount repayable, originally €143,831, will increase by €732 to €144,563.

5. What are the key points to think about in respect of a mortgage payment break?

- The balance will be higher at the end of the 3-month period than it was at the start of the payment break.
- Your subsequent repayments will increase and you will pay more interest.
- So you should only apply for a payment break when you are satisfied you need it.
- The term of your mortgage will not lengthen as a result; it will have the same maturity date it had before the payment break.

- If you feel confident you can afford to make some mortgage repayments during the payment break period or afterwards, you should consider doing so. Call us on 01 6113333. Making any payment will help reduce the total amount of interest you pay over the term of the loan.
- If you have any doubts about the payment break, we strongly recommend you get independent legal or financial advice.

6. Will my mortgage rate change as a result of applying for a payment break?

No, your mortgage rate will not change due to application of a payment break.

7. How long will it take to put the payment break in place after I apply?

We are dealing with unprecedented demand for payment breaks and requests are being processed as quickly as possible. However, if there is a delay in processing an application and a mortgage payment is taken from your account after your application is submitted, we will backdate the payment break to the date it was submitted and refund that mortgage payment to your account. You don't have to do anything.

8. Will I be told when the payment break has been applied to my mortgage?

Yes. If you apply online you will receive an SMS acknowledgement of your application.

All customers will receive an SMS to confirm when their payment break request has been processed.

Once the payment break has been implemented, we will send you a confirmation letter with full details of their payment break including implications for your mortgage contract.

9. Do I need to have savings in my current or deposit account to be eligible for a payment break?

No the Bank has no rules in place requiring a certain amount of money in a current or savings account to qualify for a payment break.

10. Will a payment break impact my 1% Cashback payment due to me at year 5 of my mortgage?

No, application for a payment break does not affect cashback payments to customers.*

11. If my mortgage account is in joint names, how do I apply for a payment break?

The name and date of birth of each mortgage accountholder is requested in the payment break application – over the phone and online.

12. If I have more than one mortgage, do I have to apply for each payment break separately?

Yes, if you have more than one mortgage account with us you will need to apply separately for a payment break for each account.

13. Can I apply for a payment break if I am on a fixed rate?

Yes, payment breaks are available regardless of the product held or the interest rate. The repayments will be higher at the end of the payment break period to repay the loan by its maturity date but the interest rate will not be impacted.

14. Can I apply for a payment break if I am on a tracker rate?

Yes, payment breaks are available regardless of the product held or the interest rate. The repayments will be higher at the end of the payment break period to repay the loan by its maturity date but the interest rate will not be impacted.

15. What happens to my mortgage during a payment break?

During the payment break you are not required to make any repayments (interest or capital) and we will stop taking direct debits from your current account.

While you will not be required to make payments during the payment break, it is important to note that interest will still be applied to your mortgage. As a result, your mortgage balance will increase by the amount of the interest over the 3-month payment break.

You can make partial or full monthly mortgage payments while the payment break is in place if you are comfortable that you can afford to do this. Call us on 01 6113333. Making any payment will help reduce the total amount of interest you pay over the term of the loan.

16. What happens at the end of a payment break on my mortgage?

At the end of the 3-month break, your mortgage direct debits will automatically resume. Your repayments will be higher to accommodate interest charged during the payment break period and to repay of your mortgage over the existing term.

Before the payment break ends we will write to you telling you that payments will resume, together with details of your increased monthly repayment after the payment break.

[Apply for a COVID-19 Three Month Mortgage payment break](#)

*Additional 1% of your mortgage back in cash after five years is subject to meeting the conditions of the mortgage. Terms and conditions apply.

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



Bank of Ireland Mortgage Bank trading as Bank of Ireland Mortgages is regulated by the Central Bank of Ireland.
Bank of Ireland trading as The Mortgage Store – powered by Bank of Ireland is regulated by the Central Bank of Ireland.
Bank of Ireland is regulated by the Central Bank of Ireland.