



## Bank of Ireland to raise fixed interest rates by 0.25% for new and existing business mortgages

### Key Messages

- The **new fixed rates will apply** to all new Private Dwelling Home and Buy to Let mortgages and will come into effect on **26 July 2023**
- **No changes are being made to variable rate mortgages**
- **New Business Fixed Rates: increase of 0.25%**
  - All new applications will be subject to the new fixed rates from 26 July 2023 onwards
  - Applications that are already credit approved and are drawn down by 24 August 2023 can still avail of the previous rates. Note: **All required documents must be submitted by 17 August 2023** and each must be satisfactory to us
  - We have provided suggested wording for you detailing these changes and ask that you make contact with your pipeline customers as soon as possible to ensure your customers are fully aware of the changes announced.
- **Existing Mortgage Fixed Rates: increase of 0.25%**
  - Fixed rate offers issued to existing mortgage customers will reflect new pricing from 26 July 2023
  - Existing mortgage customers with valid outstanding fixed rate offers issued before 26 July 2023, can still avail of the previous rates if their offer (Mortgage Form Authorisation) is returned before expiry
- As is the case with all rate matters, this approach will continue to be kept under review. Any change in the future will be clearly communicated at that time.

### Key dates

**Announcement:** 26 July

**All required Documents in:** 17 August

**Drawdown on or before:** 24 August

### New Business Fixed Rates: increase of 0.25%

The **new rates will apply** to all new **Private Dwelling Home and Buy to Let** fixed rate-mortgages and will come into effect immediately on **26 July 2023**.

**Customers who have already been approved** for a new mortgage with The Mortgage Store (TMS), with a valid letter of offer or credit approval letter, **provide all required documents to TMS by 17 August 2023** and who **draw down on or before 24 August 2023**, will be able to avail of the previous rates outlined in the below table.

- **Any drawdown that occurs after 24 August 2023 will draw down on the new rates.** In order to draw down by 24 August 2023, **all required documents must be submitted and must be satisfactory to us by 17 August 2023**
- **The rate applied to staged drawdowns is determined when the first drawdown happens;** all subsequent drawdowns on the same account will be at the same rate as the initial drawdown (~ if the first drawdown is on or before 24 August 2023 the previous rates will apply. See FAQ document for treatment of self build split mortgage accounts).



## Update – Mortgage Store Rate announcement

### New Business Fixed Rates: increase of 0.25% (continued)

#### Rome applications – Pipeline cases awaiting further assessment

Once the rate change is announced on 26 July, the old product rates will be removed from ROME immediately. Any in flight applications with a previous rate selected on Rome will receive an error message asking you to choose a new rate. For applications submitted to us on Rome but not submitted to credit for further assessment, the new rates will apply. (As stated above, **Customers who have been approved** and received a valid letter of offer or credit approval letter.)

### Existing Mortgage Fixed Rates: increase of 0.25%

The new rates will apply to all new Private Dwelling Home and Buy to Let existing mortgage customers looking to fix their rate from **26 July 2023 onwards**.

**All new Mortgage Form of Authorisation (MFAs) issued to Rollers or Hoppers\* from 26 July will reflect the new rates.**

- However, any **rollers or hoppers with valid 'in flight' Mortgage Form of Authorisation (MFAs)**, issued before 26 July 2023, can still **avail of the previous rates if the MFA is returned to BOI before it expires**
- **MFAs returned after they have expired will not be processed** - if the form is received after the expiry date, then a new MFA will have to be issued

All existing mortgages can opt into a fixed rate (from either a fixed, variable or tracker rate), however customers that chose to break out of fixed rate early may have to reimburse the bank for any funding loss the bank may face.

Any new lending to existing mortgage customers (Movers / Equity Release) is deemed new business and new business rates will be applied.

*\*Rollers refer to existing mortgage customers whose current fixed rate contract is coming to an end*

*\*Hoppers refer to existing mortgage customers who chose to change their current mortgage rate (which includes customers breaking out of existing fixed rates early or customers hopping from variable or tracker rates)*



## Update – Mortgage Store Rate announcement

### FAQ's

#### **Am I eligible to drawdown on the (lower) existing fixed rate if I have not drawn down my new mortgage?**

If a customer has already been approved for a new mortgage and if they draw down on or before 24 August 2023, they will be able to avail of the previous (lower) rate outlined in the below table.

For clarity, customers with a valid offer letter or credit approved House Hunter AIP or Property Specific AIP qualify for this cutover period - a customer who only has a first step AIP does not qualify.

In order to draw down by 24 August 2023, **all required documents must be submitted by 17 August 2023** and be satisfactory to us.

Any customer that draws down after 24 August 2023 will draw down on the new (higher) rates.

#### **Will we be communicating with customers in our pipeline?**

No, all pipeline customers must be contacted by you with all the relevant information. We have provided suggested wording for you to send to your pipeline customers.

#### **My loan can be drawn down in stages. If I make the first drawdown on or before 24 August 2023, what rate will I get?**

The (lower) existing fixed rate will apply if the first drawdown is made on or before 24 August 2023 – all subsequent drawdowns on the same account will be at the same rate as the initial drawdown.

If the first draw down is made after 24 August 2023, the new (higher) fixed rate will apply.

#### **My loan is for a self-build and has split mortgage accounts, if I make the first drawdown on one account before 24 August but do not draw on the second account, what rate will I get on the second account?**

If the second account draws before the letter of offer expires, you should raise an exception request for the second account to be moved back to the previous (lower) rate applied to the first account that was drawn before 24 August 2023. If the second account is not drawn before their letter of offer expires, a new letter of offer must be requested and this new letter of offer would be issued on prevailing rates (in line with BAU for non-split-mortgages that expire). Please refer to your Relationship Manager for guidance.

#### **Can I avail of the (lower) existing rates if I draw down after 24 August 2023?**

No, to avail of the previous fixed rates you must hold a valid letter of offer or credit approval, provide all required documents by 17 August 2023 **and** you must draw down on or before 24 August 2023. If you have an offer letter or AIP that quotes a previous (lower) fixed rate, and you do not complete drawdown before 24 August 2023, the new fixed rates will apply.

#### **Can I complete a change in proposal (CIP)?**

Customers can complete CIPs. However, asking for such a change will delay drawdown as BOI may need to send the customer a new offer letter and new documents may need to be provided. That means the customer will risk missing the 24 August cut-off date for the drawdown, resulting in the mortgage being on the (higher) new fixed rate.



## Update – Mortgage Store Rate announcement

### FAQ's continued

#### CIP (Change in proposal) continued..

Customers who request a CIP between 26 July and 22 August, and who had credit approval prior to 26 July, will be issued a new offer letter setting out the previous (lower) fixed rates. However, the customer must submit all required documents by 17 August and drawdown by 24 August in order to avail of that rate. After 24 August, the new (higher) fixed rates will apply, even if the customer received a new offer letter that quotes the previous (lower) rates during the above period.

#### My offer letter sets out the lower fixed rate, how can BOI charge me a higher fixed rate if I draw down my mortgage later than 24 August 2023?

The customers offer letter sets out the fixed rate that would apply if they drew down their mortgage on the date set out on page 1 of the offer letter. However, Clause 2.4 of this offer letter makes clear that we do not guarantee that this rate will be available on the actual date the customer draws down their mortgage. That rate may differ from the fixed interest rate shown on page 1 of the offer letter if BOI change the fixed rates before the customer draws down.

#### Will BOI keep their mortgage fixed rates unchanged in future?

BOI keeps all mortgage rates under continuous review, including fixed rates. BOI cannot guarantee that fixed rates will remain the same for the period of your mortgage. BOI may change fixed rates in future (if so, BOI will publish the new rates).

#### Why choose Bank of Ireland?

**Bank of Ireland continues to provide a clear and competitive offering to our mortgage customers:**

- ✓ **3% Cashback:** Customers can still avail of our Cashback offer up until 31 December 2023
- ✓ **Mortgage Saver:** The Mortgage Saver bonus is available for First Time Buyers
- ✓ **Flexibility:** Customers can overpay up to 10% of their usual fixed monthly repayment
- ✓ **Flexi-Fix:** A number of Mortgage Flexi options (Payment Breaks, etc) are available to customers choosing fixed-rate products
- ✓ **Twin option:** Customers can choose part variable, part fixed - to balance certainty with flexibility
- ✓ **Portability:** Customers can carry their fixed rate to their new mortgage when they move home
- ✓ **Certainty and stability:** Fixed-rate mortgage products provide repayment certainty to customers as well as to the Bank by mitigating exposure to interest rate fluctuations.



Update – Mortgage Store Rate announcement

BOI New Business Fixed Rates	Previous rates		New Rates	
	Standard Rates	Green Rates	Standard Rates	Green Rates
Private Dwelling Home				
Standard Rates (with cashback for new business)				
1 year	4.40%	4.10%	4.65%	4.35%
2 years	4.40%	4.10%	4.65%	4.35%
3 years	4.50%	4.20%	4.75%	4.45%
5 years	4.50%	4.20%	4.75%	4.45%
10 year LTV <80%	4.80%	4.50%	5.05%	4.75%
10 year LTV >80%	5.00%	4.70%	5.25%	4.95%
High Value Rates (no cashback)				
4 years	3.70%	3.40%	3.95%	3.65%
5 years	4.00%	3.70%	4.25%	3.95%
7 years	4.05%	3.75%	4.30%	4.00%
Buy to Let (investor)				
2 Year Fixed LTV <50%	6.25%	5.95%	6.50%	6.20%
2 Year Fixed LTV 50-75%	6.49%	6.19%	6.74%	6.44%
5 Year Fixed LTV <50%	6.40%	6.10%	6.65%	6.35%
5 Year Fixed LTV 50-75%	6.60%	6.30%	6.85%	6.55%

BOI Existing Mortgage Fixed Rates	Previous rates	New Rates
	Standard Rates	Standard Rates
Private Dwelling Home		
1 year	3.90%	4.15%
2 years	3.90%	4.15%
3 years	4.00%	4.25%
5 years	4.00%	4.25%
10 year LTV <80%	4.30%	4.55%
10 year LTV >80%	4.50%	4.75%
Buy to Let (investor)		
2 Year Fixed LTV <50%	5.75%	6.00%
2 Year Fixed LTV 50-75%	5.99%	6.24%
5 Year Fixed LTV <50%	5.90%	6.15%
5 Year Fixed LTV 50-75%	6.10%	6.35%

*\*Note: rates available on existing mortgages excludes any new lending to existing mortgage customers (i.e. Movers / Equity Releases)*