



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

## Key Messages

- The **new Variable Rates** will **apply** to all new Private Dwelling Home and Buy to Let mortgages and will come into effect on **27 October 2023**
- **No changes are being made to Fixed Rate mortgages**
- **New Business Variable Rates: increase of 0.25%**
  - These changes are effective immediately, regardless of the customers stage in the application journey (~**no cutover period**)
  - The increase applies to all new Private Dwelling Home and Buy to Let Variable Rates
  - 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
  - As noted, no changes to Fixed rate mortgages, however the customers APRC may have changed please see rate table “Fixed Rates” on page 5 of this communication.
- **Existing Mortgage Variable Rates: increase of 0.25%**
  - All **existing Variable Rate** mortgage loans will be subject to the new (higher) Variable Rates effective from **8 December 2023**
  - Any customer on a Variable Rate on 27 October will receive a rate change notice and letter with all the relevant information in coming days. These customers will **be notified 30 days in advance** of rate change
  - Any **customer who Rolls or Hops to a Variable Rate** will be subject to the new (higher) Variable Rates from **27 October 2023** onwards
- As always, BOI keeps all mortgage rates under continuous review. Any change in the future will be clearly communicated at that time

## Key dates

- Announcement: 27<sup>th</sup> October 2023**
- New Business on variable rate: Effective immediately 27<sup>th</sup> October 2023**
- Existing mortgages on variable rate: Effective date 8<sup>th</sup>December 2023**
- Rollers / Hoppers to variable rate : Effective immediately 27<sup>th</sup> October 2023**

## New Business Variable Rates: increase of 0.25% - effective 27 October 2023

### New Business Variable Rates

The **new rates will apply** to all new **Private Dwelling Home and Buy to Let** variable rate-mortgages and will come into effect immediately on **27 October 2023**. There is **no cutover period** like we have for Fixed Rate increases.

As noted, no changes to Fixed rate mortgages, however the customers APRC may have changed.

Variable Interest Rates	Previous Rates	New Rates
<b>Private Dwelling Home</b>		
Loan to Value up to 60%	3.90%	<b>4.15%</b>
Loan to value 61-80%	4.20%	<b>4.45%</b>
Loan to Value over 80%	4.50%	<b>4.75%</b>
<b>Buy to Let (investor)</b>		
Loan to Value <50%	4.60%	<b>4.85%</b>
Loan to value 50-75%	4.80%	<b>5.05%</b>

Please refer to your Broker Relationship Manager if you have any further queries



## Update – Mortgage Store Rate announcement

### Existing Mortgages on Variable Rates: increase of 0.25% effective 8 December

All existing Variable Rate mortgage loans will be subject to the new (higher) Variable Rates effective from 8 December 2023.

This impacts all Variable Rate segments (Private Dwelling Homes and Buy to Let) and all Variable rate products

### Rollers\* & Hoppers\* onto Variable Rates : increase of 0.25% effective 27 October

All new Mortgage Form of Authorisation (MFAs) issued to Rollers\* or Hoppers\* from 27 October will reflect the new (higher) Variable Rates.

### Any customers who Roll or Hop to a Variable Rate from 27 October 2023 will be subject to the new (higher) Variable Rates:

- There will be some “cutover” existing customers who will Roll or Hop onto a Variable Rate after announcement date (27 October 2023), but who received their MFA before the announcement
- Because of this, the old (lower) Variable Rate shown in their MFA was correct at the time, but did not reflect the Variable Rate increase
- However, the MFA calls out that Variable Rates can vary at the Lenders discretion (upwards or downwards). As such, the new (higher) Variable Rates will be applied to the customers mortgage account once their rate change is processed.

Any new lending to existing mortgage customers (Movers / Equity Release) is deemed new business and the new (higher) Variable Rate will be applied from 27 October onwards.

## Existing Mortgages Variable Rates

	Previous SVR	New SVR
<b>Private Dwelling Home</b>		
<b><u>BOI SVR Rates</u></b>		
Loan to Value up to 60%	3.90%	4.15%
Loan to value 61-80%	4.20%	4.45%
Loan to Value over 80%	4.50%	4.75%
<b><u>KBC SVR Rates</u></b>		
Standard Variable	4.25%	4.50%
Loan to Value up to 60%	3.20%	3.45%
Loan to Value 61% - 80%	3.25%	3.50%
Loan to Value over 80%	3.50%	3.75%
<b><u>Buy to Let (investor)</u></b>		
<b><u>BOI</u></b>		
Loan to Value <50%	4.60%	4.85%
Loan to value 50-75%	4.80%	5.05%
<b><u>KBC</u></b>		
BTL Variable	5.15%	5.40%

### Note:

This table outlines our Standard Variable Rates only

There are other – primarily legacy - variable rate products on our portfolio, which are not quoted in this table. These products will also be subject to the +0.25% increase

KBC rates are quoted excluding the 0.20% current account discount, which customers will continue to maintain for the life for their mortgage with BOI

*\*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*



## Update – Mortgage Store Rate announcement

### FAQs

#### **My mortgage application is on a Variable Rate – am I impacted?**

**Yes** – the rate change will **take effect immediately for all new Variable Rate mortgage** loans that draw on or after 27 October 2023. This includes both Private Dwelling Homes and Buy to Let mortgages. These changes are effective immediately, regardless of the customers stage in the application journey (~**no cutover period**)

#### **Why is my Variable Rate changing?**

Variable Rates are influenced by market rates and can go up or down over time. These changes are made at the Lenders discretion, depending on a number of factors which are outlined in our Variable Rate Policy Statement (made by us under the Central Bank of Ireland's Consumer Protection Code). You can read our Variable Mortgage Interest Rate Policy Statement on our website at [bankofireland.com/mortgages](https://bankofireland.com/mortgages).

#### **My mortgage application is for a Fixed Rate – am I impacted?**

**No** – there is no change to Fixed Rate pricing.

However, the customers APRC's (Annual Percentage Rate of Charge) may have changed, as the calculation assumes that customers will roll onto one of BOI's standard variable rates at the end of the customers fixed period. This is based on a standard set out in consumer protection legislation.

#### **Will BOI 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.

#### **Customers at Pre-Approval Status at rate Go Live date**

The new Variable Rates and repayment amounts will automatically update in ROME. However, any auto-generated documentation (such as first step AIP) will not automatically update. Please refer to your Relationship Manager for further guidance.

#### **Customers at Approval status at rate Go Live date**

While the Variable Rate change will take effect immediately, no amended loan offer will need to issue (which is in line with the treatment for all rate increases).

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

BOI keeps all mortgage rates – both Fixed and Variable - under continuous review

BOI cannot guarantee that mortgage rates will remain the same for the period of your mortgage – these rates may change in the future (if so, BOI will publish the new rates)

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

**Yes** - 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.



## Update – Mortgage Store Rate announcement

### FAQs Continued

#### **My offer letter sets out the lower variable rate, how can BOI charge me a higher variable rate?**

The customers offer letter sets out the 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 interest rate shown on page 1 of the offer letter if BOI change the rates before the customer draws down.

#### **My variable rate loan can be drawn down in stages. What rate will I get on future drawdowns?**

Variable Rates are influenced by market rates and can go up or down over time. The prevailing Variable Rate will be applied to any existing mortgage lending you have, as well as to any future drawdowns.

### Why choose Bank of Ireland?

- ✓ **3% Cashback:** Customers can still avail of our Cashback offer up until 31 December 2024
- ✓ **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

New Variable Rates

	Previous Rates		New Rates	
	Rates	APRC	Rates	APRC
Private Dwelling Home				
Loan to Value up to 60%	3.90%	4.00%	4.15%	4.30%
Loan to value 61-80%	4.20%	4.30%	4.45%	4.60%
Loan to Value over 80%	4.50%	4.60%	4.75%	4.90%
Buy to Let (investor)				
Loan to Value <50%	4.60%	4.90%	4.85%	5.20%
Loan to value 50-75%	4.80%	5.10%	5.05%	5.40%

Fixed Rates unchanged - but some APRC's impacted

	Non Green Rates	Non Green Previous APRC	Non Green New APRC	Green Rates	Green Previous APRC	Green New APRC
Private Dwelling House						
Standard Rates (with cashback)						
1 Year	4.65%	4.80%	4.80%	4.35%	4.50%	4.50%
2 Years	4.65%	4.80%	4.80%	4.35%	4.50%	4.50%
3 Years	4.75%	4.90%	4.90%	4.45%	4.60%	4.60%
5 Years	4.75%	4.90%	4.90%	4.45%	4.60%	4.60%
10 Year LTV <80%	5.05%	5.20%	5.20%	4.75%	4.90%	4.90%
10 Year LTV >80%	5.25%	5.40%	5.40%	4.95%	5.10%	5.10%
High value rates (no cashback)						
4 Years	3.95%	4.10%	4.20%	3.65%	3.90%	4.10%
5 Years	4.25%	4.40%	4.40%	3.95%	4.10%	4.20%
7 Years	4.30%	4.40%	4.40%	4.00%	4.10%	4.20%
Buy to Let (investor)						
2 Year Fixed LTV <50%	6.50%	6.90%	6.90%	6.20%	6.60%	6.60%
2 Year Fixed LTV 50% - 75%	6.74%	7.20%	7.20%	6.44%	6.90%	6.90%
5 Year Fixed LTV <50%	6.65%	7.10%	7.10%	6.35%	6.80%	6.80%
5 Year Fixed LTV 50% - 75%	6.85%	7.30%	7.30%	6.55%	7.00%	7.00%