

Information Booklet

What is mortgage switching and how do you do it?

Switching your mortgage or a Switcher Mortgage are different names for the same thing – it's just the process of changing your mortgage provider – moving banks. You may be familiar with switching electricity or gas providers; well this is the same principle – to save you money by getting the best deal for you!

By changing your mortgage provider, you are passing the financing of your mortgage to a new lender. This is also known as re-financing or re-mortgaging. i.e. a new mortgage provider takes over your existing mortgage borrowing from your current mortgage provider. By doing this you can pay less interest on your loan, so your monthly repayments go down or you could reduce the term of your loan – the length of your mortgage – by paying the same amount each month.

What is the Cost to you?

The great thing is not only that you can pay less interest on your mortgage, but that doddl do not charge a fee either. We are paid by whichever bank you choose and as we are paid the same commission by all lenders. The commission we are paid is the same regardless of lender. What's more, your new lender will pay a cash contribution to you that should cover any legal or valuation fees under either a switcher package or cashback incentive.

What is doddl?

doddl is a free and impartial mortgage broker. We are regulated by the Central Bank of Ireland.

We are free because we do not charge you for our service, there is no cost to you, no arrangement fee, no hidden fees. We get paid by the bank you choose to take your mortgage with and the payment to us is the same regardless of lender, this is important as it means we have no product or producer bias in providing our free service to you.

We hold agencies with all the mortgage banks in Ireland, what this means is that we can offer you, our customer, choice with regard to your mortgage options. Our job is to work with you to understand your requirements and to secure a mortgage that suits your personal circumstances. Our mortgage advisors are qualified professionals. We do the research, we know what rates are on offer, what flexible options are available from which lender and when it makes sense for you to switch your mortgage and save.

It is our job to work with you so that you understand what fixed and variable rates means, what mortgage term to choose, what cashback is, what your loan to value is and how this affects your rate, how you can finance your home improvements or release equity in your property and any other queries you may have. Your dedicated mortgage advisor will guide you through the process from enquiry to completion.

Our aim is to reinvent the mortgage market so that mortgage holders regularly review their mortgage terms and understand if they can save money by choosing a lower interest rate. Your

mortgage is likely to be your largest financial commitment, allow us to help you choose a product that best suits your circumstances and saves you money.

What's the catch and why don't I hear about everyone Switching?

Well, the Central Bank of Ireland and the Competition and Consumer Protection Commission (CCPC) are actively encouraging customers to review their mortgage options. You might also see on your mortgage statements that Banks now have to advise you of when better interest rates are available to you. Worth having a look at the CCPC website section at the following [link](#)

So, how do I go about Switching?

In order to Switch you need to check out our mortgage saving calculator to see if you can save by switching your mortgage. You will then need to speak to one of our qualified mortgage advisors who will discuss mortgage options with you and help you to establish what product is best for your particular circumstances. Our secure customer portal will allow you to upload documentation that will be needed for application and to allow you to check the progress of your application.

At doddl we will guide you through every stage of the process.

Am I Eligible to Switch?

If the answer to the following questions are 'Yes' then you are well on your way to being eligible to switch.

- Is your main home (Private Dwelling Home or PDH) in the Republic of Ireland?
- Have you been with your current Mortgage Provider for the past 6 months and kept up with repayments each month?
- Is the loan left on your mortgage less than 90% of the property value i.e. is your Loan to Value (LTV) 90% or less. An example would be if your home is worth €200,000 then your mortgage remaining must be €180,000 or less in order for you to switch your mortgage.
- Please note in almost all cases it will be not be advisable to Switch if you hold a Tracker Mortgage.

What is the best Lender and interest rate for me?

To work out this you need to know some information on your current mortgage deal

- Amount remaining on your current mortgage (current mortgage balance)
- How long left on your current mortgage (mortgage term remaining)
- What is your current mortgage interest rate
- What is your current monthly mortgage repayment
- Is your current interest rate fixed or variable

Once you have this information you can then compare what alternative mortgage options are available to you. To do this you can use the [doddl.ie](https://www.doddl.ie) mortgage saving calculator or call one of our advisors to understand how much you could save by switching your mortgage.

What documents do I need to provide to apply?

Each lender has different requirements relating to documentation but in general you will need to provide proof of identification and information relating to what you earn and your repayment capacity.

Once you speak with our mortgage advisors they will outline documents required for application and will send you through a link to our secure customer platform. You can then login to access your individual account. Your dedicated mortgage advisor will have set up your file so that you can see clearly documentation required for application and can upload documents needed for application.

Making your Switcher Application

Once you have the appropriate documentation, your doddl mortgage advisor will package and make the application on your behalf.

Once submitted we would expect to hear back from the lender within 3 working days to confirm that they have sufficient information to progress to underwriting your application.

Once they have sufficient information then we would expect to receive a decision within a further 10 working days. If the application is successful it is at this point an Approval in Principle (AIP) is issued. If not further information may be requested. If an AIP is issued then it is valid in most cases for at least 6 months depending on the lender. Please note that a Credit check will be undertaken by the Lender you apply to.

Receiving your AIP and converting to Loan Offer

The AIP will be sent to your mortgage advisor who will contact you to set out next steps.

The main condition that is normally stated before a Loan Offer can issue is the receipt of a satisfactory property valuation. Then, once the Loan Offer is issued other 'Completion' items need to be put in place including Insurance plus a number of legal requirements to be completed by your solicitor – mainly relating to property searches and transfer of title.

Valuing your property

You do not need to complete a valuation until after your mortgage approval is issued. It is important to have a best estimate of value, particularly if you may be close to upper limit 90% loan to value. You can check the property price register or similar properties for sale in your location advertised online. This should give you a good idea as to expected valuation. The cost of a mortgage valuation is generally €150 and currently lenders offer mortgage switcher packages with value of €1,650 to up to

3% cashback. As such the costs of valuation (and legal fee requirement), are recouped from the mortgage switcher package or cashback offer which are paid by the mortgage lender within 40 days of mortgage draw down.

The process of appointing the valuer will depend on the particular lender but your doddl mortgage advisor will advise of the process. It will be this valuation that will impact on the Loan to Value (LTV) and will decide on whether the switch is possible (less than or equal to 90% LTV) or which interest rate is available to you the customer (lower interest rates may be available to lower LTVs e.g. less than or equal to 80%, 60% etc).

Insurance

When switching your mortgage you will need to provide your new mortgage lender with a copy of your home insurance and life cover. If changes need to be made to either policy (e.g. if taking an equity release) then we can provide quotes and assist you with ensuring the requirements of your new mortgage lender are met.

The insurances required are:

- i. Life Cover – There are three types of insurance policy that cover different elements of income and liabilities in the event of death or illness: 1) mortgage protection, 2) term assurance and 3) specified illness – all of which can be taken on a Dual or Joint basis.
- ii. Building or Reinstatement Insurance – this is to cover the cost of rebuilding the property in the event of damage. Your lender will require a suitable buildings insurance policy to be in place prior to mortgage draw down.

Completion and Drawdown of Funds – Legal Items

Once your Loan Offer has issued your solicitor will be sent a legal pack. In general your loan offer will be valid for 4 months to allow you to close out on the mortgage.

You will need to establish the solicitors fees at the outset of engaging your solicitors services. To note again the lenders offer switcher packages or cashback incentives for mortgages payable within 40 days of mortgage draw down. Be aware that if you choose not to complete the Switch then you may incur some or all of the solicitors costs.

The legal process in order to switch your mortgage takes approximately 3-4 weeks to complete.

How long does it take to complete the switch of your mortgage?

The Legal Process is the most lengthy element of the overall Switching process but a process almost totally run by your solicitor apart from one meeting with you to discuss and sign documents. As such there is no major time commitment from your side.

From the time we receive your completed pack of documents to completion it is generally 6 weeks.

Some important items you may want to note before considering switching your mortgage

If currently on a **fixed rate you may have a break penalty** if you break out of the fixed period early. Please check with your current mortgage lender if you would have an early break penalty or discuss with our mortgage experts.

If you are on a **tracker mortgage** it is most likely not going to be advantageous to you to switch your mortgage. As such our general rule is that tracker mortgage customers should not switch to another lender.

If you are **in arrears** you will not be able to switch your mortgage

If you are **in negative equity** you will not be able to switch your mortgage

The Benefits

By visiting our Savings calculator at www.doddl.ie you can see the savings that can be made each year by Switching your mortgage and at doddl we are here to guide you through the process. Contact doddl today to receive a FREE, IMPARTIAL and EXPERT service and to see how much you could save.

Please note the warnings below:

Lending criteria, terms and conditions apply. Over 18's only and Republic of Ireland residents only. Mortgaged property must be in Republic of Ireland. Security, buildings insurance and life cover are required. Maximum loan to value is 90%.

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

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

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

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

