



Mount Street Mortgage Servicing Limited

**Information Booklet for Micro, Small & Medium
Enterprises Experiencing Financial Difficulty**

We are here to assist you to find a resolution.

At Mount Street Mortgage Servicing Limited ('Mount Street'), we understand that there are many factors that might affect your financial situation. If you're worried that your business won't be able to meet the next repayment or if your business is behind with its repayments, we recommend that you contact us so we can consider and make you aware of options available to you. It is in your best interests to engage with us so we can start working with your business to find a resolution today.

Please note that Mount Street is servicing your loan on behalf of your Creditor i.e. the company to whom your loan is owed. From time to time processes outlined in this booklet will require Mount Street to engage with your Creditor or will refer to steps Mount Street will take on behalf of your Creditor.

Relevant Regulation

The Central Bank (Supervision and Enforcement) Acts 2013 (Section 48) (Lending to Small and Medium-sized Enterprises) Regulations 2015 ('the SME Regulations') became law on 1st July 2016 and replaced the conduct for business lending to Small and Medium Enterprises ('CCSME'). The SME Regulations provide protection for SMEs when they are either applying for or have credit facilities and also for guarantors of SME credit.

You can read the SME Regulations in full here:

<http://www.irishstatutebook.ie/eli/2015/si/585/made/en/print>

The SME Regulations include the steps we must take when dealing with Micro, Small and Medium-sized Enterprises ('SMEs') in or facing financial difficulties. A borrower is classified as being in financial difficulties where:

- a) the borrower's credit facility agreement or alternative arrangement is in arrears for three consecutive months; or
- b) in the case of an overdraft credit facility, where the approved limit on the facility is exceeded by the borrower for 90 consecutive days; or
- c) the borrower has been deemed to be in financial difficulties, following an assessment carried out by Link.

This booklet outlines the steps we will take when dealing with SMEs in financial difficulties and the support available to you. We recommend that you read this information booklet carefully and contact us as soon as possible if you are in or facing financial difficulties.

1. Communication

Communicating with us is the most important step for you and your business. If your business is already in arrears, or you are worried that it may soon be, please contact your designated Mount Street Case Manager. Alternatively, you can contact our main desk or email us at the details below:

For Ireland: Call: + 353 (1) 669 2632 /33 (Mon-Fri 9am to 5.30pm excluding bank holidays)

For UK Call: + 44 (0) 20 7659 7000 (Mon-Fri 9am to 5.30pm excluding bank holidays)

Email: info@mountstreetlp.com

If you have your account details to hand when contacting us that will assist dealing with the matter as efficiently as possible.

Contact details, and a copy of this booklet, are also available on our website at:

www.mountstreetllp.com

Once you get in touch, your Case Manager can work with you to explore the different options available to your business to address your arrears. It is important that you engage fully and co-operate with us throughout this process. Failure to engage may result in you being classified as 'not co-operating' as discussed later in this information booklet.

Mount Street will appoint a designated contact point to your case and advise you of their contact details should you enter financial difficulties.

2. Financial Information – Understanding your Finances

Once you have contacted us, your designated Mount Street Case Manager may recommend that you arrange to meet with us to discuss the circumstances specific to your business. Prior to the meeting you may be requested to provide certain business information to allow us to assess your financial position.

The information we will require will depend on the nature of your business and whether you are an individual, partnership, or an unincorporated or incorporated body. The type of information required will typically include the following:

1. Financial information, including:

- Most recent audited/certified accounts as appropriate
- Current management accounts
- Up to date list of debtors/creditors
- Financial and cashflow projections for the next 12 months and underlying assumptions

2. Tax information, including:

- Tax Clearance Certificate (where appropriate)
- Other details related to your current tax position

3. Details of the security held over your loan(s)

4. Current Account statements

This list is not exhaustive and, depending on the type and size of your business, other information may be necessary e.g. a Business Plan or Statement of Affairs.

The information you provide should be up-to-date, comprehensive, and should demonstrate an in-depth knowledge of your business, the environment in which your business operates and the reason for the financial difficulty.

The required information will be requested from you by your Case Manager. Mount Street recommends that you seek independent advice from a Financial advisor or accountant. With your consent they are also welcome to attend any meetings with your Case Manager.

3. Assessment

Your Case Manager will examine the information provided by you to assess your situation and determine whether any alternative arrangement options are available to your business.

The criteria used to assess your financial difficulties may include:

- Your repayment history and future repayment capacity
- The viability of your business
- The total indebtedness of all relevant parties
- Any other relevant information

We will communicate to you in writing details of the outcome of our assessment based on the information provided by you within 15 working days of receiving all the required information.

If we are unable to make a decision within 15 working days, we will write to you explaining the reasons for the delay and confirm when the assessment will now be completed.

In order for us to help you develop a solution for your business it is important throughout the assessment process that you:

- Keep us informed of any developments that will impact your business or your financial situation
- Always make honest and full disclosures
- Consider any third party recommendations

4. Resolution

Having completed our assessment, Mount Street will then determine whether a particular alternative arrangement option would be appropriate.

It is important that you are fully aware of the implications of any alternative arrangement before you commit to it, and we recommend you seek independent legal/financial advice prior to acceptance of the alternative arrangement that may be offered to you.

It is also important that you adhere to the terms of the agreed arrangement and advise us immediately of any change to your financial situation.

Where we decline a request for an alternative arrangement, we will advise you of the reason for the decline and where possible we will continue to make every effort to work with you to put a solution in place for your business.

Appeals

You have the right to appeal our decision where:

- You are unhappy with the term or condition attached to an alternative arrangement offered by Mount Street, or
- Mount Street have declined to offer you an alternative arrangement, or
- You have been classified as 'not co-operating'.

You must submit your appeal in writing within 20 business days of receipt of our decision.

All appeal letters should be sent to:

Mount Street Mortgage Servicing Limited
Customer Appeals Board
16 Fitzwilliam Place
Dublin 2

Your appeal will be independently reviewed by the Appeals Board, consisting of 3 senior Mount Street personnel who were not previously involved in the original decision that you are appealing. This will ensure that a fresh perspective will be obtained on your request.

Mount Street will provide a written response on the outcome of the appeal to you and/or your nominated adviser within 15 working days of the receipt of your appeal.

If we are unable to adjudicate on your appeal within 15 business days of receipt, we will write to you explaining the reason for the delay and how long it will now take to reach a decision.

Complaints

We aim to treat all of our customers in a fair and professional manner, but if you have any complaints about our service or our treatment of your case under the SME Regulations, please let us know. We will investigate your complaint fully and seek to ensure that any issues are remedied so that they do not happen again.

You can make a complaint directly to your Case Manager or by phoning us on + 353 (1) 669 2632 /33 (Ireland) or 020 7659 7000 (UK) or writing to:

Mount Street Mortgage Servicing Limited
Customer Complaints Board
16 Fitzwilliam Place
Dublin 2

You can also email us at info@mountstreetllp.com.

We will acknowledge receipt of your complaint in writing within 5 business days of receiving it. We will also provide you with the name and contact details of the person who will be your point of contact during the complaints process. We will then write to you every 20 business days to update you on the status of your complaint, and will endeavor to resolve your complaint within 40 business days of receipt. If we are unable to resolve your complaint within this timeframe, we will write to you to inform you of the anticipated timeframe within which we hope to resolve your complaint.

Mount Street will make every effort to agree a fair and reasonable resolution with you, and we will write to you with a final response within 5 business days of the completion of our investigation to advise you of the outcome.

Micro and small enterprises may have the right to refer to the Financial Services Ombudsman if you are unhappy with Mount Street's final response to your complaint, with our conduct during this process or if we have been unable to resolve your complaint within 40 days.

Other Important Information

Confidentiality Agreements

Mount Street may require that you sign a Confidentiality Agreement when we make an alternative arrangement or other resolution proposal to you. Such an agreement requires you to keep details related to your alternative arrangement or other resolution option confidential.

You must not disclose this information to anyone except to your advisors, agents, employees and/or directors and you must ensure that they also keep the information confidential.

Your Credit Rating

Mount Street may provide data about the performance of your loan to the Irish Credit Bureau or any other credit reference agency or credit register, where permitted by contract or required by law. This could impact your credit rating and your ability to access credit in the future.

Fees and Charges

Please note that surcharge interest may be charged in addition to existing interest due in accordance with the terms and conditions of the credit facility agreement where an account has fallen into arrears. To avoid surcharge interest being applied you should ensure that all repayments on your facility are made when due.

'Not Co-operating'

A borrower can be deemed to be not co-operating under the following circumstances:

- (a) Where you have failed to make a full and truthful disclosure to us regarding the information that we require to enable us to assess your financial situation within the timeframe we have specified; or
- (b) Where we have issued you with a warning letter in accordance with the SME Regulations and you have not carried out the action(s) within the timeframe specified in the letter.

The consequences of being deemed not co-operating may include:

- We may refuse to consider an alternative arrangement
- Legal action may commence for the repossession of any secured property or recovery of monies owed
- Where security is realised, you will remain liable for any outstanding debt
- Fees, charges and surcharge interest may be applied to your loan account
- The guarantor in place (if any) may be pursued for any remaining debt following the exhaustion of the recovery attempts as outlined above.

Third Party Advisors

You may engage a third party adviser to act on your behalf and/or accompany you to any meeting or discussion which occurs whether these discussions are held face-to-face or over the phone.

Glossary

'Alternative Repayment Arrangement' is an agreement to discharge the borrower's debt obligations that is entered into in order to address arrears or financial difficulties and which is an amendment to the terms and conditions of the existing credit facility/loan agreement.

'Arrears' arise where a borrower has not made a full repayment, or only make a partial repayment on a credit facility as per the terms of the credit facility or an alternative repayment arrangement by the scheduled payment date or where the approved limit on an overdraft has been exceeded for 30 consecutive days.

'Borrower' for the purpose of this booklet means a micro, small or medium-sized enterprise in the Republic of Ireland that has a credit facility agreement that is serviced by Mount Street.

'Creditor' refers to the company to which your loan is owed and for whom Mount Street is servicing your loan on behalf of.

'Financial Difficulties' arise where:

- a) the borrower's credit facility agreement or alternative arrangement is in arrears for three consecutive months; or
- b) in the case of an overdraft credit facility, where the approved limit on the facility is exceeded by the borrower for 90 consecutive days; or
- c) the borrower has been deemed to be in financial difficulties, following an assessment carried out by Mount Street.

'Micro, Small and Medium-Sized Enterprise' means an enterprise which employs fewer than 250 persons and which has either or both of the following:

- (a) an annual turnover not exceeding €50 million;
- (b) an annual balance sheet total not exceeding €43 million.

'Micro and Small Enterprises' means an enterprise which employs fewer than 50 persons and which has either or both of the following:

- (a) an annual turnover which does not exceed €10 million;
- (b) an annual balance sheet total which does not exceed €10 million.

Useful Links

Central Bank of Ireland - www.centralbank.ie

Chambers Ireland - www.chambers.ie

Financial Services Ombudsman - www.financialombudsman.ie

Irish Business and Employers Confederation (IBEC) - www.ibec.ie

Irish Credit Bureau - www.icb.ie

Insolvency Service of Ireland - www.isi.gov.ie

Irish Small and Medium Enterprises Association (ISME) - www.isme.ie

Office of the Revenue Commissioners - www.revenue.ie

Small Firms Association - www.sfa.ie

Social Finance Foundation - www.sff.ie