

80/20 DEFERRED PAYMENT INITIATIVE PARTICIPATION FORM

To be completed and attached to standard mortgage application and sent to your chosen mortgage Bank

PURCHASER DETAILS

Full Name Full Name
(joint applicant)

Present Address

Address 1

Address 2

Town/City

County/Postal Code

PROPERTY DETAILS

Property Name

Property Address (provided by sales agent)

Address 1

Address 2

Town/City

County/Postal Code

Property Description

Property Type			Type of Building		
House <input type="checkbox"/>	Townhouse <input type="checkbox"/>	Other <input type="checkbox"/>	Detached <input type="checkbox"/>	Semi-detached <input type="checkbox"/>	
Other, please specify <input type="text"/>			Terraced <input type="checkbox"/>	End Terrace <input type="checkbox"/>	

Vendor (not sales agent)

Sale Price Agreed
€

Deferred Amount (20%)
€

I acknowledge that the information I am supplying will be used for the purpose of providing me with the mortgage product which I have requested. In order to facilitate my participation in the Deferred Payment Initiative, I consent to (a) the use by NAMA and the Mortgage Provider of my personal data; and (b) the sharing of all relevant information including personal data between the Mortgage Provider and NAMA. This consent does not limit any other consent for use of personal data I have given or may in future give NAMA or the Mortgage Provider.

Purchaser Signature

Purchaser Signature (joint)

Lender Reference Number



KEY FEATURES

- The Initiative offers the home buyer 20% protection from the risk of further house price declines for the first 5 years of the mortgage.
- The home buyer must obtain mortgage approval for the full mortgage amount (up to a maximum 90% of the purchase price) from an approved mortgage provider.
- Home buyers will pay 80% of the property's value upfront. The remaining amount (up to 20% of the property's value) will be paid in 5 years by the mortgage provider (on behalf of the home buyer) directly to NAMA. This will be calculated based on an independent assessment of the property's value at that point.
- Three mortgage providers have already been approved for participation in the pilot: **Bank of Ireland, EBS (a subsidiary of Allied Irish Bank) and Permanent TSB.**
- The pilot initiative will be limited to residential properties located close to existing urban areas.
- NAMA does not own the properties and is not itself issuing the mortgages.

80/20 Deferred Payment Initiative

NAMA has launched a Deferred Payment Initiative (the 'Initiative') on a pilot basis. The Initiative is aimed at potential owner-occupiers who are interested in purchasing residential property but are concerned at the risk of further price declines.

80/20 Deferred Payment Initiative

AVAILABLE PROPERTIES

- A list of housing developments that include properties participating in the Initiative is available on the NAMA website (www.nama.ie).
- All properties to be included in the pilot of the Initiative have been pre-approved by NAMA and are located in Cork and the greater Dublin area.
- **NAMA is not selling the properties directly under the Initiative. The properties included are limited to those being sold by NAMA borrowers.**
- Subject to review, the Initiative may be rolled out to further properties on a phased basis.
- Sales transactions are undertaken in the normal manner, with contracts for sale exchanged between the home buyer and the vendor.
- The contract for sale will include an annex detailing the rights and obligations of the home buyer, the vendor and NAMA with regard to the Initiative.

MORTGAGE STRUCTURE

- The mortgages used to buy the properties will be provided by existing mortgage providers: Bank of Ireland, EBS and Permanent TSB.
- The mortgage provider will require home buyers to part-fund their purchase with a deposit of at least 10% of the value of the property.
- The mortgage will be provided in two instalments. The first instalment together with the home buyer deposit, equating to 80% of the purchase price, will be paid at the date of purchase.
- The second instalment, equating to 20% of the purchase price, will be paid in five years by the mortgage provider (on behalf of the home buyer) subject to the value of the property at that point.

- If the value of the property has fallen after five years, the deferred 20% payment will be reduced or cancelled depending on the level of reduction, e.g. a 15% fall would reduce the deferred payment to 5% of the purchase price.
- The value of the property after five years will be determined by an independent valuer, selected by the buyer from a panel of independent valuers appointed by NAMA.
- Mortgage approval will be assessed on the total mortgage amount (first and second instalments) and monthly repayments to be based on the total mortgage amount.
- Standard mortgage terms will apply. The only difference in this Initiative is that the home buyer authorises the mortgage provider to pay the second instalment to NAMA subject to future valuations.
- The specific monthly payments will be determined by the mortgage provider based on the individual characteristics of the home buyer's loan, as with standard mortgages.

- **Prior to proceeding with a mortgage under the 80/20 Deferred Payment Initiative, it is important that each prospective buyer engage directly with their mortgage provider in relation to the key aspects of the mortgage.**

EXAMPLE

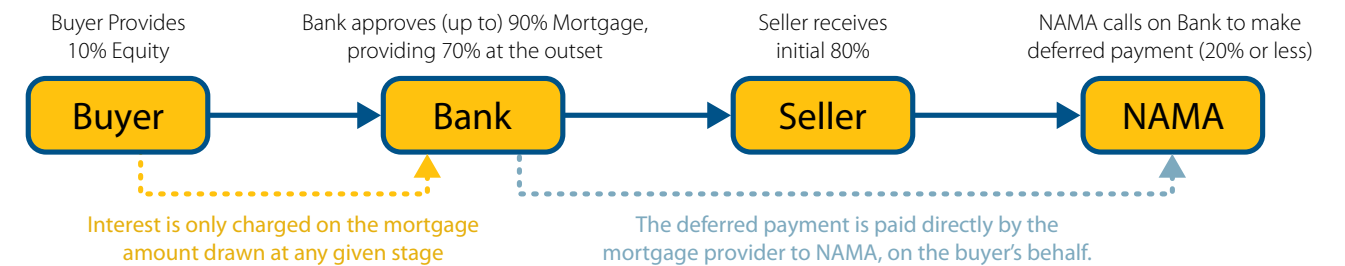
The example outlined below assumes that the buyer will contribute 10% deposit on a property purchase of €200,000.

Today	Original Agreement (€)
Property Purchase Price	200,000
<i>Financed by:</i>	
80% 10% Buyer Deposit	20,000
70% Mortgage (1st Instalment)	140,000
20% Deferred Mortgage	40,000

Year 5	Value Unchanged (€)	Value falls by 20% (€)	Value falls by 10% (€)	Value rises by 5% (€)
Final Property Valuation	200,000	160,000	180,000	210,000
Change in Value	0	- 40,000	- 20,000	+ 10,000
<i>Financed by:</i>				
Existing Buyer Deposit	20,000	20,000	20,000	20,000
Existing Mortgage (1st Instalment)	140,000	140,000	140,000	140,000
Deferred Mortgage (2nd Instalment)*	40,000	0	20,000	40,000
Cost to Buyer	200,000	160,000	180,000	200,000

* due at year 5

STRUCTURE OVERVIEW



Notes:

- The Bank commits at the outset to make the deferred payment mortgage in Year Five subject only to the amount of the revised property valuation.
- The Buyer to make annuity payments based on repayment of the full 90% mortgage over the agreed term, although only 70% has been drawn down, which will help the buyer reduce the principal amount over the first five years at a quicker rate than would otherwise be the case.

NEXT STEPS

- **Mortgage Enquiries:** NAMA is not providing the mortgage finance in respect of the Initiative. For further information in relation to the availability and terms of mortgage finance under the Initiative, a prospective home buyer should contact their **local branch of Bank of Ireland, EBS or Permanent TSB.**
- To avail of the Initiative on an approved property, the prospective buyer must attach the *NAMA Deferred Payment Initiative Participation Form* (last page of this brochure) to their standard mortgage application with Bank of Ireland, EBS or Permanent TSB.
- **Sales/Property Enquiries:** All queries in relation to the sale status of a particular property, or any other matter relating to the facts of a specific property, should be dealt with by the sales agent. The sales agent details will be published on the NAMA website for each development included in the Initiative.
- Each prospective home buyer should consult their solicitor regarding the contract for sale under the Initiative and their mortgage loan.
- **General Queries:** For further information in relation to the Initiative, including a selection of Frequently Asked Questions and contact details for participating banks, please visit the NAMA website (www.nama.ie). Queries can also be raised directly with NAMA at info@nama.ie or through your local bank branch of Bank of Ireland, EBS or Permanent TSB.