



FIRSTCHOICE

Financial Services

About First Choice Financial Services Ltd

- ▶ First Choice Financial Services Limited was incorporated in 2000. Head office in Limerick but service clients nationwide.
- ▶ 14 Staff, 5 Staff in Debt Management & Banking Consultancy
- ▶ Over 100 Years combined experience
- ▶ All Qualified Financial Advisers (QFA), Accredited Product Advisers (APA) for Debt Management and a Personal Insolvency Practitioner (PIP)
- ▶ Insiders View of Bank Relationship Management
- ▶ Thorough Knowledge of Regulatory Codes: Code of Conduct of Mortgage Arrears (CCMA), Consumer Protections Code (CPC) & Small Medium Enterprises (SME)
- ▶ Broad Legal, Security and Asset Knowledge

First Choice Financial Services Ltd.
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Your first choice for

- Life & Serious Illness Cover
- Retirement Planning
- Moving House or Re-Mortgaging
- Investments
- Banking Advice & Consultancy
- Professional Mediation



About Debt Management Services

1 of only 54 Regulated Debt Management Companies in the Country

▶ Debt and Finance Specialists:

- ▶ Debt Management – Write downs, Settlements, Disputes, Code Breaches
- ▶ New Finance Proposals
- ▶ Credit Review Office
- ▶ Microfinance Ireland

▶ Financial Services Specialists:

- ▶ Retirement planning, advice and investments
- ▶ Life Cover, Income Protection
- ▶ Mortgage Broker
- ▶ Deposit Brokers
- ▶ Health Insurance

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The Debt Management Process

- ▶ **Initial Meeting, Terms of Engagement & Information Request**
- ▶ **Documentation Review: - Offer letters, agreements, correspondence**
 - ▶ **Identifying weaknesses to leverage results**
- ▶ **Statement of Advice: Scope of appointment determines approach.**
 - ▶ **Overall Understanding of Net Worth to provide options & solutions**
 - ▶ **General Asset Planning/ Protection Advice**
 - ▶ **Quality of information supplied is key to deliver best outcome**
- ▶ **Report to Bank – Delivering recommendations/ rationale**
- ▶ **Negotiate out and assist in delivering completion if necessary**

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Achievements to date

- **Managed/ Managing over 280 different clients many with multiple Banking Relationships**
- **Appointed advisers on c. €180m of Debt (as at 10/2015)**
- **90% Success Rate – i.e. Agreement between Bank and Borrower reached**
- **Expanded Debt / Finance Management Team to 5 Highly Experienced and Qualified Personnel**
- **Outside of Financial Assessment and Affordability we understand Bank Policy and Regulatory Codes - we are ex bankers**
- **Experts in Personal & Consumer debt and understanding affordability analysis**
- **Case by Case analysis but developed significant portfolio of experience to rely upon**

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Case Study 1: Private Home Unaffordable Mortgage – KBC

- Separated Couple – secured debt of €186k secured against PDH valued at c. €90k
- Arrears accruing with Mrs X seeking to remain in situ in family home. Contractual repayments amounted to €1,076 per month. Husband now living elsewhere
- Combined net income of €3,100 p.m. Unsecured debt between both parties of c. €30k
- Selling asset would result in large residual where Borrower would still have accommodation (rental) costs and minimal disposable income towards repaying this debt

Negotiated Outcome:

- Loan A (60%) - €114,000 @ 4.58% over 34 years 1 month = €535.15 per month
- Loan B (40%) - €76,000 (remaining balance) “parked” @ 0% for the same term
- This provides the Borrower with a life residency in the property, loan runs to 70 years old
- After negotiating with secured creditors come to arrangement with unsecured for 5 years reduced repayments.
- Mr. X needs to remain party to the loan and asset and sign up all documentation. A legal agreement between them dealt with ownership and liability

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Case Study 2 – High Value Multi Banked Client. NAMA & UB/ Cerberus

- ▶ Company: €5.5m IBRC/NAMA estimated negative equity €3.9m, backed by PG's. 17 Items of security mix of commercial, residential and sites
- ▶ Company: Ulster Bank €10.0m debt negative equity €9.0m debt sold and Cerberus managing on behalf of new loan owners
- ▶ Personal: Ulster Bank debt €3.1m Vs negative equity of €1.1m, debt sold and Cerberus managing on behalf of new loan owners. UB company and personal position cross secured against a mix of 10 properties in commercial, residential and development sites

Leverage:

- ▶ Certain items of security held between IBRC and Ulster Bank are split i.e. voluntary disposal as one lot / going concern required to maximise value
- ▶ Voluntary disposal will reduce selling costs and maximise sales potential
- ▶ Willingness of Borrowers wife to engage in providing settlement proceeds if settlement can be agreed – no recourse to her

Negotiated outcome:

- ▶ Cerberus agreed voluntary disposal over 12 months with a settlement of €250k Versus residual personal recourse of c.€10m. Personal recourse 'bought out' for a payment of €250k
- ▶ NAMA Voluntary Receivership & Co-operation for "non pursuit"

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Case Study 3 – Asset Sale Restructure & Write Off – AIB

- Married couple 3 dependants. Overburdened with AIB debt on PDH and investment properties. Borrower operates his business from a premises adjoining his PDH
- PDH Debt of €336k Vs value of €265k
- 2 Buy To Lets and residual debt from a commercial premises sale. Debt of €655k Vs est Value €175k
- Personal Net Income of c. €32k p.a.

Negotiated Outcome:

- Affordable Mortgage €200k @ 0.8% Variable @ 27 years repayments €710 a month
- Split Mortgage €125k @0.8% Variable. No repayments with 5% write off at years 5 and 10 if affordable mortgage performs. If Borrower makes 70% of this capital repaid within 5 years remaining 30% written off
- Retains PDH and trading premises to protect income. Sale of other assets on open market and write off residual (c. €480k)

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Case Study 4: Performing Loan, Discounted Settlement - BOS

- Commercial loan €1.4m estimated asset value €650k secured against office premises for trading entity and subtenants
- Bank in receipt of full P&I repayments with c. 14 years remaining
- Debt held in personal names and let to a connected trading entity and 3rd party subtenants
- Rent from third parties €83k p.a. expiring in the coming year rent from connected entity €36k p.a.
- Fit out belonged to trading entity and did not form part of Banks security

Negotiated Outcome:

- Full and Final Settlement for €1,030k (26% discount) with finance arranged to company for €720k which provides a more tax efficient vehicle
- Borrowers had availability of cash to avail of discount from Bank exiting market

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Case Study 5: Dispute Resolution

Strong complaints are usually resolved within the internal complaint procedure, weaker ones usually referred to the FSO and generally get partially upheld.

- ▶ Client signed up to fixed rate on personal mortgage with Ulster Bank for a 3 year period from 2007 leaving a tracker rate and again for a further 3 years from 2010 subsequent to this
- ▶ Fixed Rate documentation signed by the Borrower clearly declined the ability for them to revert back to a tracker rate
- ▶ First Choice were able to demonstrate that the consumers were not clearly made aware of the implications of taking up the fixed rate, moving off the tracker rate, and the removal of the availability of the tracker after the fixed period expired

Negotiated Outcome:

- ▶ From using the Banks internal complaint procedure UB backdated the tracker to the expiry of the first fixed rate term (2010)
- ▶ Estimated savings over the term of the mortgage being over €30k to the clients on a €130k mortgage
- ▶ This dispute happened prior to media exposure on the overcharging and removing trackers from consumers

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Why should professionals refer clients to First Choice?

- Deliver Best Results for Clients
- Safe Hands to manage mutual clients
- Rely on our expertise in Bank Policy, Regulation, Legal, Compliance and Insolvency
- Free up your time (Solicitors and Accountants) to concentrate on your areas of expertise
- Regulated Entity which ensures proposals receive greater respect
- Allow us to get paid for work you cant (or find difficult to) charge for
- Improved cashflow for clients, can afford to pay their creditors (you)

Contact Details:

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