

Personal Loans – Early Settlement FAQs

Can I pay my loan off early?

You can repay all or part of your loan at any time. We may charge up to 58 days interest on the amount you repay early. If you wish to do this, you should call us on 0345 600 2703.

What's an Early Settlement?

Your Bank of Ireland UK Loan is regulated by the Consumer Credit Act 1974 (CCA). This gives you protection and rights when taking out a Bank of Ireland UK Loan. It gives you the right to repay part or all of your loan at any time.

What is the difference between a Partial and Full Early Settlement?

Partial Early Settlement – this is where you make a payment over and above your normal monthly repayment. There's no limit to the number of early settlements you can make during the term of your loan. There's also no minimum or maximum amount you can pay. You can do this to reduce your monthly payments or to reduce the number of months you have left to pay. If you don't tell us what to do with a partial early settlement, we'll reduce the number of months you have left to pay.

Full Early Settlement – this is where you pay the full amount you owe to us and clear your loan before the end of the original agreed term.

In both cases, you may be entitled to a rebate.

What's a rebate?

Before you take out a loan with us, we'll calculate the total amount of interest you need to pay. This is based on the fixed rate, the amount borrowed, and the term of your agreement.

The interest is added onto the amount you're borrowing, and the total is then divided by the number of months you have chosen to repay your loan. This is your monthly repayment amount.

If you make an Early Settlement, you'll be entitled to get some of this interest back, and this is known as a rebate.

When calculating your rebate, we use a formula as prescribed by the Consumer Credit (Early Settlement) Regulations 2004.

It takes into consideration the following information:

- Your monthly repayment
- How long you have left to pay on your loan,
- The settlement date.

If you have been in arrears (behind with your payments) or have taken a COVID 19 payment break at any time during your loan period, this will affect your rebate calculation. However, you will still be able to settle your loan early and be entitled to a rebate of interest you have not yet had to pay.

What is the settlement date?

The settlement date determines how much the rebate will be, and how much you owe us. The settlement date we use is:

- 28 days from the date you notify us.
- Plus an additional deferment of 30 days.

This means that when we calculate your rebate, we'll use a date 58 days from the date you notify us.

How do I request an Early Settlement?

You can request a Partial or Full Early Settlement by contacting us on 0345 600 2703.

You'll have 28 days from the day after you contact us to make your payment. If you don't make the payment within this time, you'll need to contact us again so we can give you a new quote.

Some points to note:

- If you want to make a Partial Early Settlement, you can choose to reduce the number of months you have left to pay on your loan or your monthly repayment amount. If you ask us, we can tell you how both options would affect you to help you decide. If you don't tell us which option you want to take, we will reduce the number of months you have left to pay. This means your monthly repayment would stay the same.
- If you want to make a Full Early Settlement, we will tell you how much you need to pay us to clear your loan completely. We will also send this information to you in writing.
- If you have any arrears on your agreement, or if you took out a COVID 19 payment break with us, these will be cleared first. The remaining amount will be used to calculate the settlement of your loan.

How long does it take to process an Early Settlement?

Partial Early Settlement

If you choose to reduce the term of your loan, we'll tell you the new end date for your loan when you notify us.

If you choose to reduce your monthly repayment, your first reduced amount will be 58 days from the date you notify us. For example:

Date of Notification	Normal monthly payment date	1 st Reduced payment date
1 st October	15 th Each month	15 th December

Full Early Settlement

We'll close your loan within 2 days of receipt of your payment. Once this has been completed, we'll send you confirmation in writing.

Do I need to cancel my Direct Debit when I make a full Early Settlement?

We'll cancel your Direct Debit once your loan has been settled. If you want to cancel it with your bank, you should wait until we've confirmed your loan agreement is closed. If we receive any payments after your loan has closed, we'll return these to your bank.

Can I make an advance payment?

No, we can't accept payments before your monthly direct debit is due to cover future payments. You must make your monthly payment by direct debit. Any payment received before your payment due date is treated as an early settlement, unless you are in arrears. If you are struggling to keep up with your repayments or want to change your payment date, we are here to help. Please call us on 0345 600 2703 and we'll talk through the options available to you.