

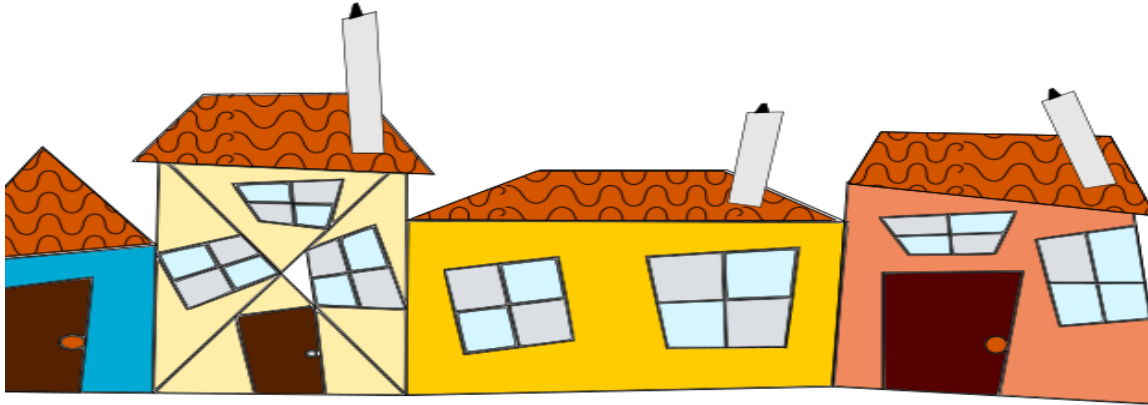
Engaging with Mortgage Arrears

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Citizens Information Board

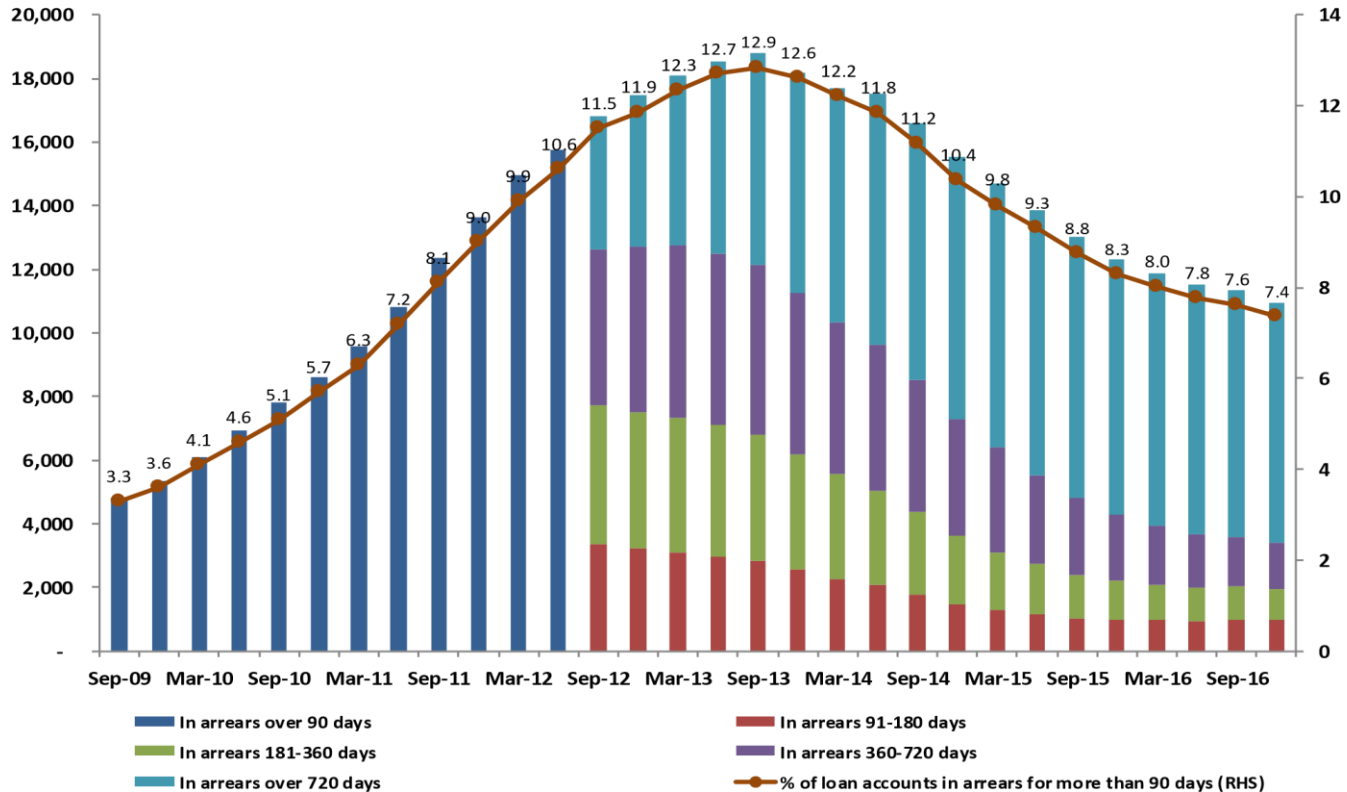
Housing Agency Lecture Series
May 9th 2017

Mortgage Arrears Ireland Central Bank Report Q4:2016



- 77,493 out of a total 736,894 PDH Mortgage Accounts in arrears over 90 days= €11 billion
- 33,500 PDH accounts in arrears over 720 days owing €7.5 billion
- 14,028 Buy to Let Accounts in arrears over 720 days - €4.1 billion

PDH Accounts in Arrears over 90 Days



Money Advice & Budgeting Service

- 25 Years of Experience
- 65 Offices Nationwide
- 17,300 New clients each year
- MABS Helpline receives 20,832 calls in 2016
- FREE & Confidential service
- Experienced, skilled and qualified Money Advice Staff

Dedicated Mortgage Arrears (DMA) Service in MABS

- 30 DMAs nationwide
- Focus on: Late stage mortgage arrears
- By April 2017 over 3,500 caseload
- **15% of cases discharged due to non-engagement**

Court Mentor

- MABS present at all 28 county registrar courts for repossession listings
- Support & Referral
- **75% of Borrowers neither present or represented**

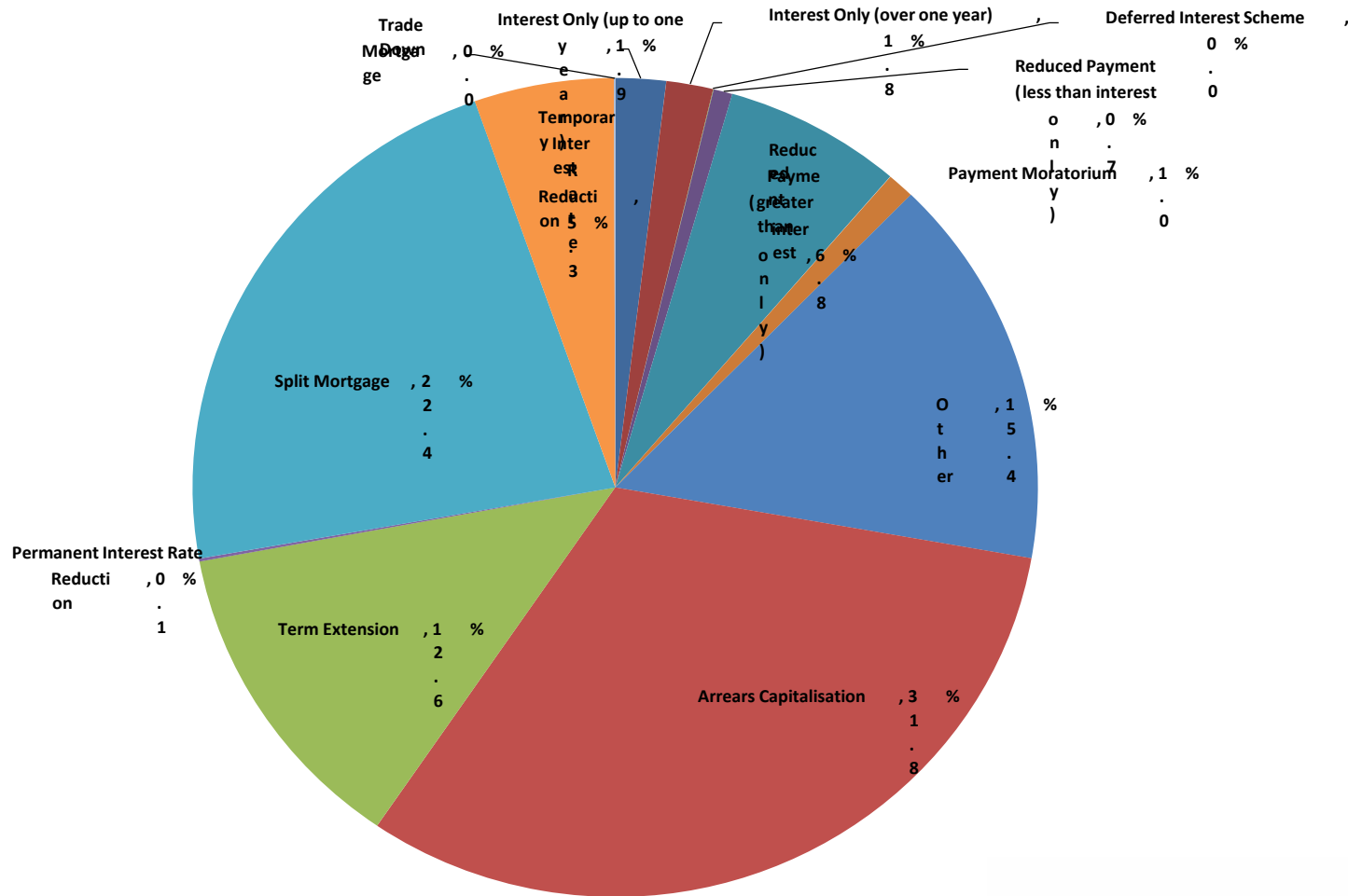
Barriers to Engagement: Borrowers

- Mental Health
- Literacy Issues
- Poor Advice
- Lack of Income to support any solution

Barriers to Engagement: Lenders

- Lender Policy Positions: Almost Blanket Rejection of Write Downs
- Limited Arrangement Options available to clients
- Lack of alternative funding sources to refinance
- Protracted Process

Restructured PDH Mortgages by Restructure Type - Q4 2016*



* Source Central Bank

A Protracted Process!

1. **2nd September 2015** - MARP SFS, supporting documentation and proposal sent into Solicitors by MABS – no response received from Solicitors
2. **10th November 2015** – On follow up with lender they advise that they did not receive SFS from their Solicitors. SFS subsequently sent on again to lender
3. **18th December 2015** – lender raise queries in regard to SFS by way of email
4. **22nd December 2015** – All queries addressed by MABS by way of email
5. **25th January 2016** – lender advise by email that SFS has been sent to Underwriters for decision

A Protracted Process Cont'd

6. **6th April and 28th April 2016**– Standard Letters received from lender – SFS or proposal not addressed
7. **4th May 2016** – Follow up letter sent by us to lender
8. **16th May 2016** – Email received from lender apologising for delay in addressing SFS and promise to follow up
9. **7th July 2016** – Further standard 3 month letter received from lender – SFS or proposal not addressed
10. **19th July 2016** – Email sent by us to lender again seeking update

A Protracted Process Cont'd

11. **2nd August 2016** – Email response received from lender, again apologising for delay and promising to chase up and revert
12. **13th Sept 2016** – Email sent again to lender as no response received
13. **23rd Sept 2016** – attempted to make contact with lender ASU by telephone as still no response and client extremely worried as case ongoing in court throughout all this time

A Protracted Process Cont'd

- 14. 23rd Sept 2016** – received back advice from ASU by email referring us to letter forwarded to the client from Banks Solicitors dated 19.09. 2016. On obtaining this letter from the client it was found that it only referred to a Court Adjournment and did not in any way address the SFS or proposal
- 15. 26th September 2016** – further email forwarded to ASU advising them of this and again giving a comprehensive overview of the position and outlining the proposal yet again. This correspondence also set out the considerable hardship that the ongoing unaddressed issue was having on this elderly couple

A Protracted Process Cont'd

- 16. 29th September 2016** – Received email from lender advising that a 7 year extension on term and a short-term ARA for 12 months at €250 was agreed. No mention of how court proceedings would be dealt with the interim and long term proposal not addressed
- 17. 6th October 2016** – Standard 3 month letter again received from lender
- 18. 20th October 2016** – Written confirmation received from lender regarding deal as provided by email on 29/09/16
- 19. 26th October 2016** – Letter sent again to lender seeking clarification on how Legal Action would be dealt with in the interim and also asked to advise position regarding long-term proposal

A Protracted Process Cont'd

- 20. 19th October 2016** – Standard letter received from lender advising that client's loan is to be sold to a fund
- 21. 4th November 2016** – email received back from lender advising that legal action would be frozen once customer is in an arrangement and that long term proposal will not be assessed until a new SFS is sent in after the current ARA expires

ABHAILE

FREE MORTGAGE ARREARS SUPPORT

- People still unaware of supports available
- Voucher Scheme
- CIB Communications Campaign