



Mortgage to Rent

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Mortgage to Rent

- Government Initiative to keep people in homes
- Households that have unsustainable mortgages
- Borrower surrenders to the lender, who sells to the Approved Housing Body (AHB), who in turn rent to the borrower who becomes their tenant
- Tenant pays an income based differential rent
- Tenant can buy back after 5 years

Mortgage to Rent

- Multiple Stakeholders
- 12 Lenders are participating including high street banks, subprime lenders and other mortgage companies
- 9 Approved Housing Bodies (AHB) involved
- Two new AHBs recently joined scheme

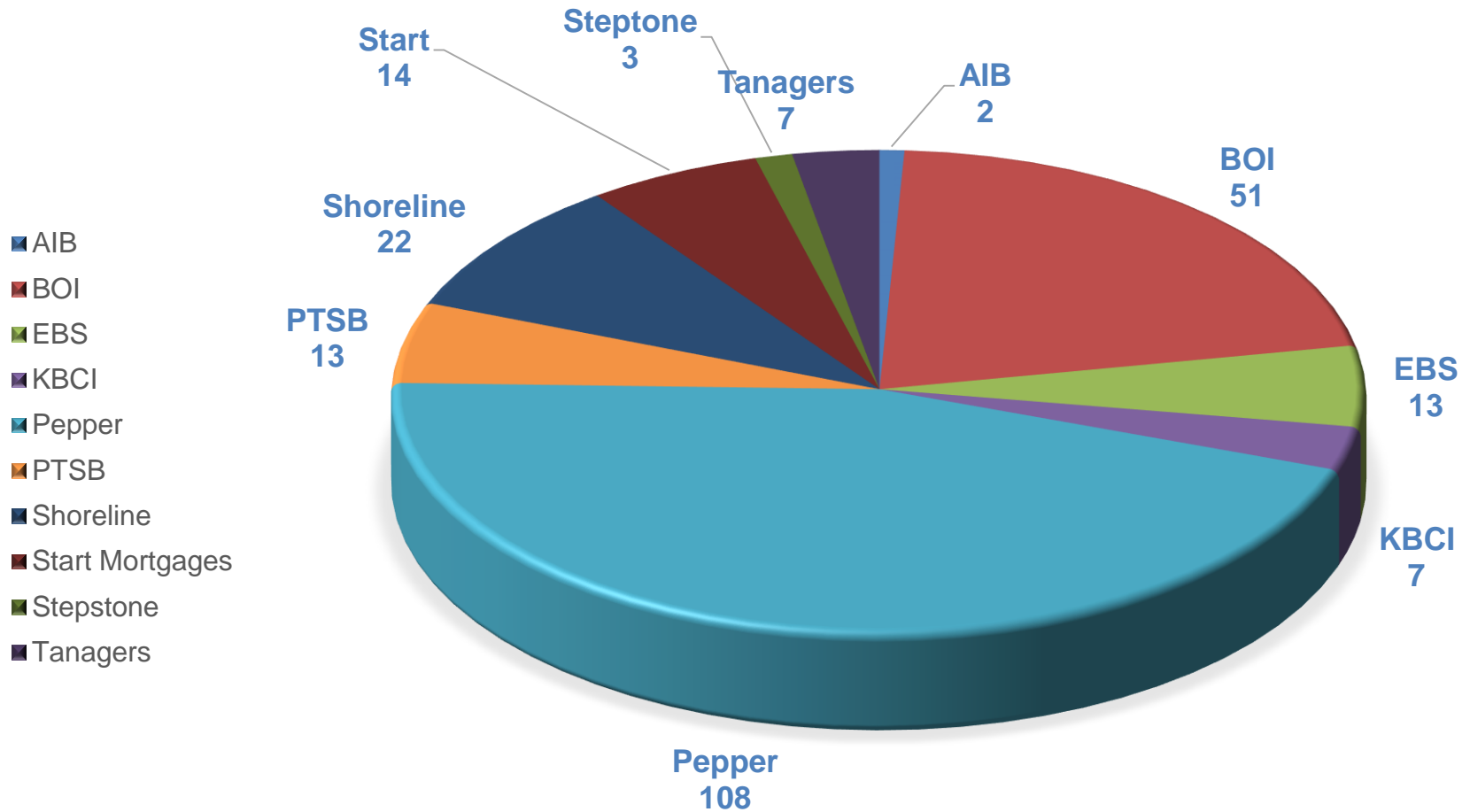
Mortgage to Rent

- 3,676 cases have been submitted to date.
- 240 have been completed
- In addition 147 cases are Under Offer with 226 offers are accepted in principle and a further 71 cases are Sale Agreed
- 598 are actively being progressed
- 2841 were ineligible or terminated during process

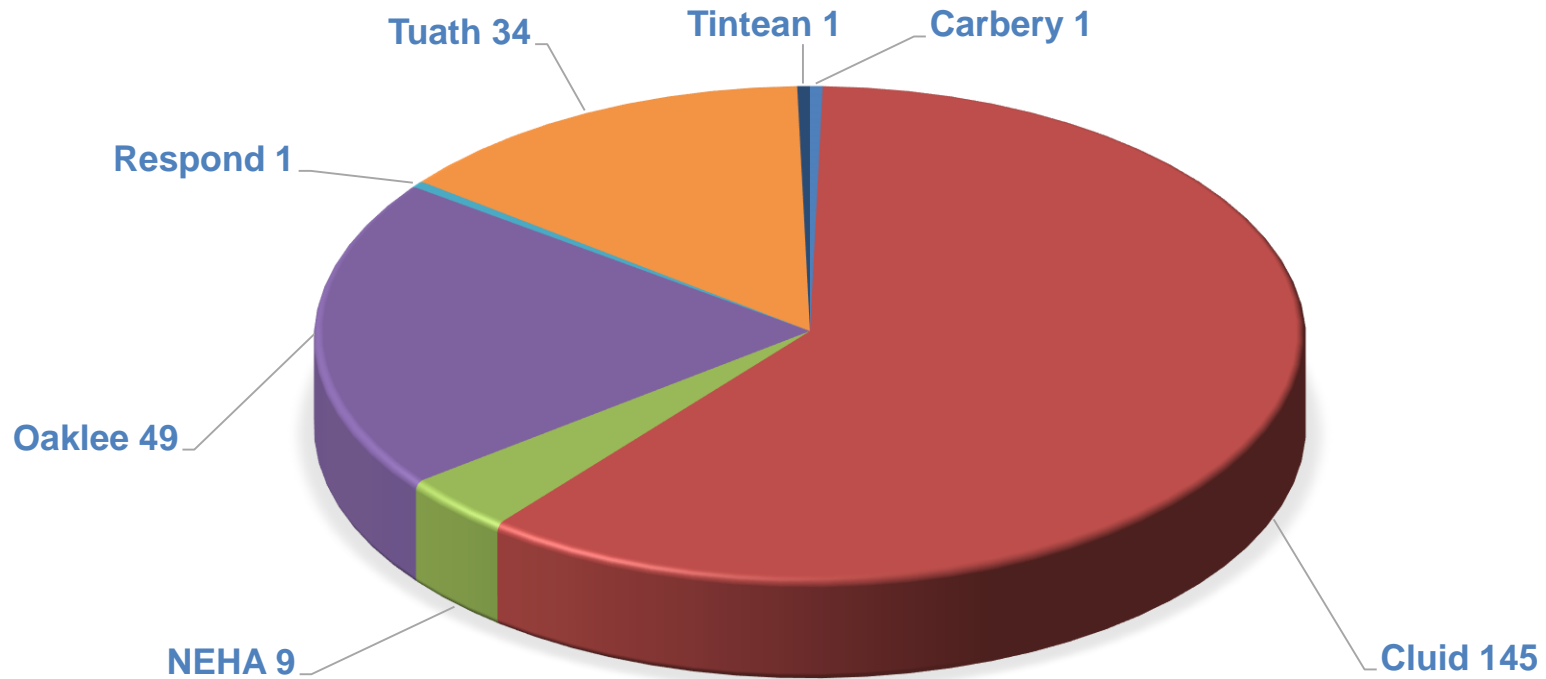
MTR – Activity to date

- 30% completed cases in Dublin
- 25% in immediately surrounding counties
- One AHB accounts for 145 cases
- Non-bank entity highest number of completed cases (108); other non-bank 46
- Cases take average 12 – 18 months

Mortgage to Rent – By Lender

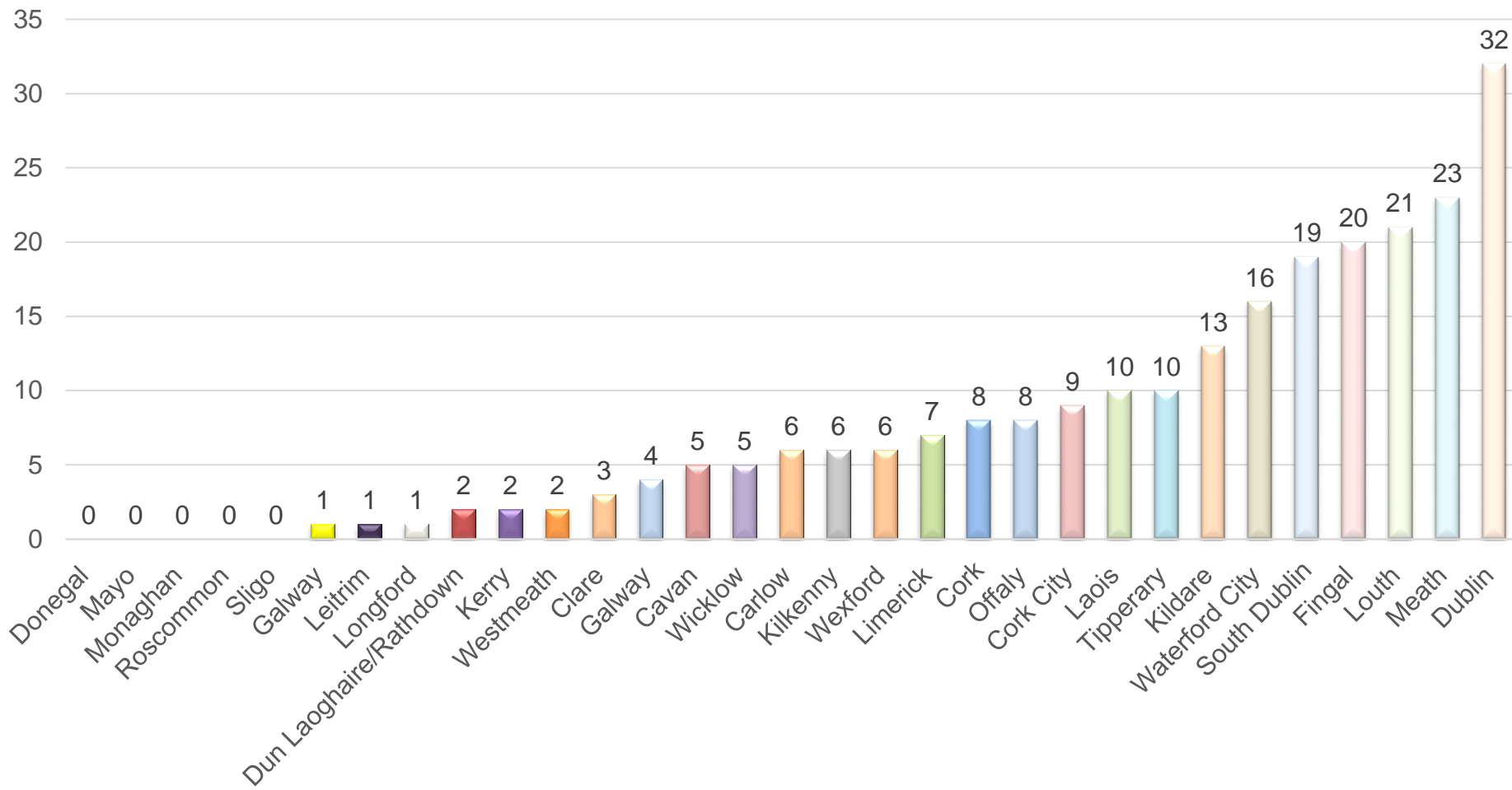


Mortgage to Rent – By AHB



■ Carbery ■ Clúid ■ NEHA ■ Oaklee ■ Respond! ■ Túath ■ Tintean

Mortgage to Rent – By LA



Models of MTR

Three models of MTR

- Local Authority MTR – own loans
- Approved Housing Body MTR
 - Review of scheme completed
- Private Equity Firm MTR

Mortgage to Rent Criteria

- Must qualify for Social Housing Support including income
- Valuation level allowable under the scheme
- Suitable accommodation for household
- Must not own another property
- Negative equity - Limited Positive Equity
- Right to remain

How does the borrower enter Mortgage to Rent ?



- Lender discusses Mortgage to Rent as an option with borrower
- Mortgage is deemed unsustainable
- The lender provides the borrower with Unsustainable Letter, MTR Application Form, Social Housing Support Application Form and contact person within Local Authority
- Lender also issues Letter of Consent to share information to borrower
- The Property Questionnaire is also issued to the borrower

Engagement prior to submission

- Borrower applies for SHS to the LA
- Application should be sent to Contact Person within LA
- Completed application forms will be processed by LA within 20 working days
- LA will write to Borrower providing them with a Housing Reference Number
- Borrower notifies lender and provides the lender with the Housing Reference No

Review of MTR

- Conducted at end 2016
- Input from many stakeholders
- Published in February 2017
- Two aspects to recommendations
 - Procedural Changes
 - Widening of the criteria

Outcome of Review

- Procedural change
 - Stakeholder protocol
- Eligibility Criteria
 - Increase in valuation threshold
 - Appropriateness of accommodation

Private Equity Firm MTR

- Long term lease
- Equity firm responsible for management and maintenance
- Pilots (Minimum 200 cases before end of budgetary process 2017)

Next Step – Expression of Interest

Going Forward

- More borrowers eligible
- Speedier process
- More transparent for the borrower
- Communication protocol will ensure standardisation of approach and terminology
- Additional AHBs will offer better options
- Private Companies will allow for greater coverage including current tenant only leases



Thank you

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