New Mortgage to Rent Pilot
Scheme 2017

Request for
Expressions of Interest

26th October 2017
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1 OVERVIEW

The purpose of this call for Expressions of Interest is to invite parties from the private sector (“Participants”) to express their interest in participating in a new Mortgage to Rent pilot scheme (the “Pilot Scheme”) being managed and administered by the Housing Agency on behalf of the Minister for Housing, Planning and Local Government (the “Minister”). The National Development Finance Agency (the “NDFA”) is providing financial advice to the Minister in respect of the Scheme. This document gives the background to the Pilot Scheme and outlines the steps involved in seeking to participate in the Pilot Scheme. It is envisaged that the Pilot Scheme will involve Participants each entering into the Pilot Scheme in respect of a minimum of fifty (50) properties per Participant.

The Housing Agency reserves the right to update or alter any information contained in this call for Expressions of Interest at any time.

2 BACKGROUND TO THE PILOT SCHEME

Rebuilding Ireland, the Irish Government’s Action Plan for Housing and Homelessness, published in 2016 recognises that the existing Mortgage to Rent scheme (the “Existing Scheme”) is a good one – people in unsustainable mortgage situations get certainty around their long-term housing and can stay in their home and community of their choice. However, it also acknowledges that the rate of uptake on the Existing Scheme has been low and, that notwithstanding this, that Mortgage to Rent (“MTR”) should be a solution for a greater number of households. An early action (Action 1.21) set out in Rebuilding Ireland is to carry out a review of the Existing Scheme as follows:

“We will examine how the Mortgage to Rent scheme can be improved to facilitate more households, and explore alternative models for the purchase of units, including long-term leasing arrangements”

A Review of the Mortgage to Rent Scheme was published by the Minister for Housing, Planning and Local Government on 8 February 2017 (the “Review”)1.

The Review recommended a number of changes to the Existing Scheme to make the process quicker, more transparent, easier to navigate for borrowers and ultimately, more accessible to more households in mortgage distress. Arising from the findings and conclusions contained in the Review, a number of changes to the eligibility criteria and changes relating to the application process for the Existing Scheme took effect on

27 March 2017. Other changes, primarily relating to improving knowledge and understanding of the Existing Scheme will be rolled out throughout 2017.

In summary, the changes put forward in the Review are as follows:

(a) Eligibility – more households are now eligible for the Existing Scheme in terms of both the suitability of the property size to the household, as well as the value of the property itself;

(b) Processing and administration of the Existing Scheme – the process will be quicker, easier and more accessible to households in mortgage distress, as well as the other participants, including the lenders, local authorities and Approved Housing Bodies;

(c) Knowledge and understanding of the Existing Scheme - borrowers will become more familiar with the scheme and how they can access and benefit from it. A range of state agencies will be facilitated to assist and guide borrowers, who could benefit from the Existing Scheme.

Details of the current eligibility criteria (the “Eligibility Criteria”) are set out in Annex 1.

The Review also concluded that the current financial model of the Existing Scheme may not be capable of delivering the scale of successful cases that could benefit from MTR over time. The Review recommends that alternative funding options, including the off-balance sheet potential of private institutional investment, be explored.

The Pilot Scheme is intended to progress an alternative option to the Existing Scheme. Following the review of submissions from interested parties in the Pilot Scheme, the Housing Agency will advise the Department of its recommendations for the roll out of the Pilot Scheme. Following the completion of the Pilot Scheme and depending on its success and the availability of funding, a wider MTR scheme modelled on the Pilot Scheme, may be considered.

One of the key considerations for the Pilot Scheme is that the lease arrangement between the Participant and the relevant Local Authority is categorised as off the Irish Government’s balance sheet under Eurostat rules.
3 HOW THE PILOT SCHEME IS INTENDED TO OPERATE

3.1 Overview

Under the Pilot Scheme it is proposed that a Participant will purchase a property or properties from lenders ("Lenders") subsequent to their voluntary surrender by borrowers that fulfil the Eligibility Criteria. The Participant simultaneously enters into a long-term lease arrangement (the “Lease”) with the Local Authority in whose area the property/properties are situate for a defined term at an agreed rent. The Participant then becomes the ‘Lessor’ under the Lease and the Local Authority becomes the ‘Lessee’. The Lessee then sub-leases the property to the previous borrower under a tenancy agreement, (the “Tenancy Agreement”), who becomes a ‘Social Housing Tenant’. Prior to entering into the Lease, the Participant and the Local Authority / Local Authorities will enter into an agreement for lease (the “Agreement to Lease”) whereby both parties agree that they will enter into the Lease in respect of the property/properties concerned on completion of the sale of the property/properties by the Lender to the Participant.

Annex 2 contains an overview of certain key features of the proposed form of Lease and Tenancy Agreement.

It is envisaged that once a Participant has qualified for participation in the Pilot Scheme, the form of Lease and Tenancy Agreement will then be shared with that Participant.

The property in question will have to meet certain minimum statutory requirements, such as the Housing (Standards for Rented Houses) Regulations (S.I. 17/2017) and be in compliance with all applicable building control and planning legislation and any applicable guidance or codes of practice.

3.2 Steps in the Pilot Scheme Process

3.2.1 Set out below is a broad outline of how the Pilot Scheme will operate in practice. This procedure will be set out in a protocol document as part of the Pilot Scheme (the “Scheme Protocol”):

(a) In accordance with the requirements of the Code of Conduct on Mortgage Arrears (CCMA), following the determination by the Lender that a borrower’s mortgage is unsustainable, the Lender indicates to the borrower that MTR may be a long-term option for them in meeting their housing needs.

(b) The Participant engages with the Lender. This step must have been undertaken prior to the submission of an Expression of Interest.
(c) Lender engages with the borrower and seeks borrower’s consent to be considered for the Pilot Scheme. This step must have been commenced prior to the submission of an Expression of Interest.

(d) Borrower applies to his/her Local Authority to be assessed for Social Housing Support (SHS).

(e) Following consent and subject to qualification of the borrower for SHS the Participant submits the case to the Housing Agency on the prescribed form including details of the Market Rent. The Market Rent must be verified by the Participant by means of a rental valuation report from an Independent Valuer. The rental valuation report must be furnished to the Housing Agency by the Participant with its proposed Market Rent for the property and must include three comparable rents in the area for comparable properties.

(f) The Housing Agency coordinates the application for MTR and assessment of the suitability of the property for social housing.

(g) The Housing Agency engages with the relevant Local Authority regarding the suitability of the property and the rent level, which will be notified by the Housing Agency to the Participant. In the event of a disagreement regarding the rent level, the Housing Agency will engage with the Participant and the Local Authority to seek agreement on the appropriate rent level.

(h) The Housing Agency prepares the Agreement for Lease and Lease, based on a standard form, for execution by the Local Authority and Participant.

(i) Included in the Lease appended to the Agreement for Lease is a condition survey of the property commissioned by the Participant. This is required to be furnished by the Participant to the Housing Agency in advance. The purpose of the survey is to determine whether or not the property meets with the statutory requirements for rental to the private sector and, in circumstances where it does not, what works are required in order to bring it up to the requisite standard.

(j) If required, the Participant must re-affirm the on-going availability of committed funding.
(k) The Agreement for Lease and Lease are then executed by the Participant and Local Authority, with the Lease being held in escrow pending the fulfilment of any conditions precedent to the Lease.

(l) The Lender and the Participant agree terms of the purchase of the property and the Lender issues a final letter of offer to the borrower. The terms and conditions of the voluntary surrender of a property by a borrower who is eligible for MTR is a matter solely between the Lender and borrower, as contractual parties to the mortgage agreement and does not in any way involve the Minister or any agency acting on his behalf.

(m) The borrower accepts the offer from the Lender and voluntarily surrenders the property to the Lender.

(n) Lender and the Participant complete the property purchase transaction. The Participant simultaneously executes an option in favour of the borrower, allowing the borrower to re-purchase the property subject to specified conditions.

(o) Upon fulfilment of the conditions precedent to the Lease, the Lease is released from escrow and comes into force.

(p) A Tenancy Agreement is executed between the household and Local Authority.
4 STEPS FOR PARTICIPATING IN THE PILOT

4.1 Expression of Interest Submission Process

4.1.1 Interested parties review Expression of Interest Request and check eligibility to participate

4.1.2 Submit any clarification queries by e-mail no later than the 23rd of November 2017

4.1.3 Complete and submit the Expression of Interest Form together with the signed Declaration and Support Letters by e-mail by no later than 5pm on the 21st December 2017, the Submission Date.

4.2 Submission Requirements

4.2.1 Interested parties must submit:

(a) a signed Declaration contained in Part 2 of Annex 3;

(b) a completed Expression of Interest Form, contained in Annex 4; and

(c) furnish signed copies of the letter(s) of support contained in Annex 5 (the “Support Letters”).

4.3 Minimum Requirements

Participants are required to meet the minimum eligibility requirements contained in Annex 3 (the “Minimum Requirements”) in order to be considered for participation in the Pilot Scheme. Participants are required to self-declare that they meet the Minimum Requirements.
4.4 Assessment Criteria and Evaluation

4.4.1 Only those parties that meet the Minimum Requirements referred to above will have their submissions evaluated.

4.4.2 Participants are required to complete in full the Expression of Interest Form.

4.4.3 Participants will be required to submit Support Letters based on one or more of the models set out in **Annex 5** these include:

(a) a Funder Support Letter in respect of new or existing facilities available for the Pilot Scheme and/or Principal Bank Support Letter; and

(b) Letter of Undertaking from Mortgage Holding Bank.

4.4.4 If changes are proposed to the form of the Funder Support Letter or Letter of Undertaking from Mortgage Holding Bank, they must be submitted to the Housing Agency no later than ten (10) business days prior to the Submission Date through the clarification process referred to at paragraph 4.6. The Housing Agency will respond to any request within 5 business days of receipt of the request.

4.4.5 The Housing Agency will evaluate the submissions on the following basis:

<table>
<thead>
<tr>
<th>Submission Requirement</th>
<th>Basis of Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Funder Support Letter in respect of the Project (either Model Certificate A or B or C in Annex 5)</td>
<td>Pass/Fail</td>
</tr>
<tr>
<td>Letter of Undertaking from Mortgage Holding Bank (Model Certificate D in Annex 5)</td>
<td>Pass/Fail</td>
</tr>
<tr>
<td>Evidence to the satisfaction of the Housing Agency of the availability of a minimum of fifty (50) borrowers that following review by the Lender are viewed as eligible to participate in the Pilot Scheme by virtue of having met the Eligibility Criteria (referred to in Annex 1).</td>
<td>Pass/Fail</td>
</tr>
<tr>
<td>Submission Requirement</td>
<td>Basis of Assessment</td>
</tr>
<tr>
<td>------------------------</td>
<td>---------------------</td>
</tr>
<tr>
<td>Expression of Interest Form</td>
<td><strong>Pass/Fail</strong></td>
</tr>
<tr>
<td>The Participant has demonstrated their understanding of the process and their capability to participate in, and implement the Pilot Scheme.</td>
<td>This section will attract 100 marks. In order to pass this criterion, a Participant must achieve a minimum of 50 marks across questions (1), (2) and (3) in Section 3.1 of the Expressions of Interest form in Annex 4, with 10 of these marks attributable to the response for Question (2).</td>
</tr>
</tbody>
</table>

### 4.5 Deadline for Receipt of Expressions of Interest

Submissions should be returned via email to claire.feeney@housingagency.ie and referenced Pilot Mortgage to Rent Scheme by no later than 5pm on 21st December 2017. It is the sole responsibility of the Participant to ensure its submission is received by the stated deadline.

### 4.6 Queries

Queries seeking clarification on any aspect of the Pilot Scheme may be submitted by e-mail to claire.feeney@housingagency.ie by no later than 23rd November 2017. Responses to all clarifications queries will be shared with all parties. Where a Participant believes a query and/or response relates to a confidential aspect of its submission, the Participant must mark such query confidential. In these circumstances, the Housing Agency will determine in its absolute discretion the appropriate course of action.

### 4.7 Complete Submission

4.7.1 Incomplete submissions may be rejected.

4.7.2 If, in the opinion of the Housing Agency, any submission deviates to a substantial degree from the requirements detailed in this call for Expressions of Interest the submission may be rejected.
4.7.3 Each Participant will be deemed to have satisfied itself prior to making its submission as to the completeness and sufficiency of its submission in compliance with the requirements of this call for Expressions of Interest.

4.8 Late Submissions

Parties are fully responsible for the safe and timely delivery of their submission. Submissions received after the stated deadline will not be considered.

4.9 Clarification of Submission

To assist in the examination and comparison of submissions, the Housing Agency may ask Participants to clarify or demonstrate the credibility of their submission either in writing or by interview at a location in Dublin to be advised by Housing Agency. The Housing Agency may request further information at any time and in relation to any element of this call for Expressions of Interest.

4.10 Right to Amend or Terminate the Process

4.10.1 The Housing Agency may at its absolute discretion:

(a) change the basis of or the procedures (including the timetable) relating to this call for Expressions of Interest;

(b) reject any or all of the submissions;

(c) request additional information from any Participant; and/or

(d) abandon the process.

4.11 Participant Costs

Participants shall bear all costs associated with the preparation, submission and clarification of their submission. The Housing Agency will not be responsible and/or liable for any costs, expenses or losses which may be incurred by a Participant in the preparation, submission or clarification of its submission, regardless of the conduct or outcome of the process.

4.12 No Liability

Participants may not rely on anything contained in this document as a representation of fact or promise regarding the future, nor as constituting the basis of a contract or lease that may be concluded, in relation to the Pilot Scheme. No contractual relationship, implied or otherwise, or any
other legal obligation will arise between a Participant and the Housing Agency or the Minister.

4.13 **Confidential Information**

If a Participant considers that any of the information supplied in its submission should not be disclosed because it is confidential, the Participant should, when providing the information, identify that information as “confidential”. The Housing Agency shall not disclose confidential information, save as required by law.

4.14 **Freedom of Information Requirements**

The Housing Agency and the Minister are subject to the Freedom of Information Act 2014 (the “FOI Act”).

Where Participants consider any information they provide to be “commercially sensitive” or “confidential”, they shall mark the information as such. If requested by the Housing Agency, Participants must provide the Housing Agency with the reasons why they consider such information to be commercially sensitive or confidential. Failure to do so may result in such information being released in response to a request pursuant to the FOI Act.

The Housing Agency will use reasonable endeavours to consult with Participants about sensitive information before making decisions on any request received under the FOI Act. In the event that the Housing Agency decides to release particular information relating to a Participant, the Participant will have the option to appeal the Housing Agency’s decision to the Information Commissioner (as referred to in the FOI Act).

If there is a conflict between any agreement between or requirement of the parties and the statutory requirements of the FOI Act, the FOI Act will prevail.

4.15 **Canvassing**

4.15.1 If any Participant (or a person associated with a Participant), in connection with this call for Expressions of Interest, either:

(a) canvasses or offers any inducement, fee or reward to any employee, servant or agent of the Housing Agency or its professional advisors; or

(b) does anything which would constitute a breach of the Prevention of Corruption Acts 1889 to 2010 or the Registration of Lobbying Act 2015; or
(c) approaches any employee, servant or agent of the Housing Agency or the Minister or his professional advisors, including for the purposes of soliciting information about this call for Expressions of Interest;

that Participant may be eliminated from the process, without prejudice to any other civil remedies available to the Housing Agency and without prejudice to any criminal liability which such conduct may attract.

4.16 Conflicts of Interest

Any actual or potential conflicts of interest arising, whether professional or commercial must be fully disclosed in writing to the Housing Agency as part of the process and on an on-going basis throughout the process, as soon as any actual or potential conflict becomes apparent.

In the event of an actual or potential conflict of interest arising, the Housing Agency will, in its absolute discretion, decide on the appropriate course of action, which may involve the exclusion of the relevant Participant from the process. If the Housing Agency determines that no such conflict of interest arises or that the conflict of interest is immaterial, then the Housing Agency may decide to take no action.
GLOSSARY

Business Day – means a day (other than a Saturday or Sunday) on which banks are generally open for business in Ireland.

Code of Conduct on Mortgage Arrears (CCMA) – was formulated by the Central Bank of Ireland and sets out the procedures to be followed by Lender where a borrower is in arrears or financial difficulty and is in danger of going into mortgage arrears (pre-arrears). The CCMA applies to the mortgage lending activities of all regulated entities, except credit unions, operating in the State. The CCMA also applies to credit servicing firms, who manage mortgages on behalf of unregulated entities. Therefore, borrowers whose mortgages are transferred to unregulated entities have the same protection that they had before the mortgage was sold.

Minister for Housing, Planning and Local Government – this is the Minister responsible for the Pilot Scheme. The Minister is responsible for the Department of Housing, Planning and Local Government which funds Local Authorities via the Social Housing Current Expenditure Programme (SHCEP) to lease properties from the private sector to accommodate social housing tenants on a long-term basis subject to the lease arrangement being off the Government balance sheet. Where a household become a social housing tenant under the Pilot Scheme, the ongoing costs of that leasing arrangement are met by the Local Authority under SHCEP. The terms and conditions of the voluntary surrender of a property by a borrower who is eligible for MTR is a matter solely between the Lender and borrower, as contractual parties to the mortgage agreement and does not in any way involve the Minister or any agency acting on his behalf. Likewise, the purchase of the properties by the Participant that have been voluntarily surrendered by borrowers to their Lenders is a matter entirely between the Lender as the seller and the Participant as the purchaser. Neither the Minister nor the Housing Agency have any role, responsibilities or authority in relation to that transaction.

Housing Agency – the Housing Agency manages and administers the Pilot Scheme on behalf of the Minister. The Housing Agency will be the point of contact for the Participant. The Housing Agency also oversees the administration of the Existing Scheme. In respect of the Pilot Scheme it will act as the liaison with the Local Authority and the Participant, managing the process, coordinating the various milestones in the application process, e.g. checking rent levels, the suitability of the property for the Pilot Scheme and preparing the lease agreement for signing.

Independent Valuer - means an independent valuer (being a Member of the Irish Auctioneers and Valuers Institute or of the Society of Chartered Surveyors Ireland or of such body of professional valuers or surveyors as shall for the time being have undertaken in Ireland the functions in the activity of property valuation currently performed by said institute or society), such independent
valuer to be nominated (in the absence of agreement between the parties) upon the application of the Lessee (or if the Lessee fails to make such application within twenty-eight days of being requested in writing so to do by the Lessor then on the application of the Lessor) by either the President of the Law Society of Ireland or the President of the Irish Auctioneers and Valuers Institute or the President of the Society of Chartered Surveyors Ireland at the discretion of the party entitled to make the application PROVIDED HOWEVER that in the event of the President or other officer endowed with the functions of the President of such society or institute as shall be relevant for the purposes aforesaid being unable or unwilling to make the nomination the same may be made by the next senior officer of that society or institute who shall be so able and willing AND PROVIDED FURTHER that should neither of the said societies nor the said institute then be in existence or should there be no officer thereof able and willing to make the nomination within a reasonable time of the application in such behalf the same may be made by the most senior ranking officer (so able and willing) of such body of professional surveyors or valuers as the Lessee shall appoint.

Lender – the Lender is the party to the mortgage agreement with the borrower. In the Pilot Scheme the Lender will be responsible for all interaction / engagement with the borrower and will be required at all times to comply with the requirements of the Code of Conduct on Mortgage Arrears in this regard. The Lender will be responsible for obtaining all relevant consents from the borrower(s) prior to the sharing of any information with a 3rd party. It will be the responsibility of the Lender to ensure that all aspects of the data protection legislation are fully adhered to.

Local Authority – in this document refers to a Housing Authority, as defined in the Housing Acts 1966 to 2015 which has responsibility for the provision of housing services in its functional area.

Market Rent – is defined as a rent that a willing tenant not already in occupation would give and a willing Landlord would take for a dwelling, having regard to other terms of the tenancy and the letting values of dwellings of a similar size, type and character to the dwelling and situated in a comparable area to that in which it is situated.

Mortgage Arrears Resolution Process (MARP) – is a framework set out in the CCMA which lenders are required to apply where arrears have arisen on a mortgage account and remain outstanding for 31 calendar days from the date the arrears arose, an alternative repayment arrangement put in place breaks down, the term of an alternative repayment arrangement expires or there is a pre-arrears case.

Open Market Value – is an opinion of the best price at which the sale of a property would have been completed if it were to be sold on the open market on a given date assuming reasonable conditions.
**Participant** – a Participant will be responsible for the provision of all required information to the Housing Agency including the property and household details and a valuation for the market rent with comparable rents for comparable properties. The Participant, as the Lessor of the property and pursuant to the Lease with the Local Authority, will be responsible for the management and maintenance of the property once the voluntary surrender/sale of the property has been completed.

**Social Housing Support** – is housing or rent based assistance provided by a Local Authority or an Approved Housing Body, through a number of different schemes, to people who cannot afford housing from their own resources. Such schemes include the Rental Accommodation Scheme, the Housing Assistance Payment among others and the Social Housing Current Expenditure Programme

**Submission Date** – means 5pm on the 21st December 2017
ANNEX 1

Current Borrower Eligibility Criteria

The borrower eligibility criteria for the Pilot Scheme will be the same as for the Existing Scheme and an outline of these criteria are set out below:

**Mortgage**

1. A borrower must be unable to make the repayments on his/her mortgage loan and his/her lender must have determined that this situation is unlikely to change in the future.
2. A borrower must be engaging with his/her lender to try to find a solution to his/her mortgage situation.
3. A borrower must have completed the Mortgage Arrears Resolution Process (MARP) with his/her Lender.

**Property**

1. The property must be in negative equity; however, a property that may have a marginal positive equity may be considered for inclusion in the scheme where that equity is no more than 10% of the Open Market Value to a maximum of €15,000.
2. The borrower must not own any other property.
3. The property must suit the needs of the household i.e. not be over or under-accommodated, in accordance with Local Authority guidelines plus two bedrooms.
4. The property must be of a value no more than €365,000 for a house and €310,000 for an apartment or townhouse in the areas of Dublin, Kildare, Meath, Wicklow, Louth, Cork and Galway, and €280,000 for a house and €215,000 for an apartment or townhouse in the rest of the country.

**Household**

1. The household must be eligible for Social Housing Support in the local authority in whose area the house is located.
2. The net household income must not exceed €25,000*, €30,000* or €35,000* a year, depending on what part of the country the property is situated in (net household income is the household income after taxes
and social insurance (PRSI) have been deducted). (*Additional allowances for children).^2

3. The borrower cannot have capital assets worth in excess of €20,000.

4. The borrower must have a long-term right to remain in Ireland.

ANNEX 2

Overview of Proposed Key Features of Lease and Tenancy Agreement

Lease

The main features of the Lease (on a per property basis) are as follows:

1. A condition survey of the property will be appended to the Lease. Where the condition survey identifies works necessary to the property to ensure compliance with the statutory requirements and standards for the letting of residential properties in the private sector, these must be completed within 3 months of the date of commencement of the Lease. If following inspection of the property, it is found that the works delineated in the condition survey have not been carried out, the Lessee may procure the completion of same and set off the cost for doing so from the next rental payment due to the Lessor.

2. The Lessor has responsibility for the management and maintenance of the property, including all repairs both structural and otherwise.

3. Suitably qualified and experienced staff, with sufficient resources to deliver attentive, effective and efficient property management services will be provided by the Lessor.

4. The Lessor has responsibility for all taxes (including VAT), assessments, charges, impositions and outgoings other than utility bills in respect of the property.

5. The Lessor has responsibility for insuring the property against loss or damage by fire, lightning, explosion, storm, flood, burst pipes, subsidence, riots or civil commotion, malicious damage and accidental damage, impact and such other risks (if any) as the Lessor, at the Lessor’s reasonable discretion, may from time to time consider prudent or desirable including employer’s and public liability or any other liabilities that are resulting from the Lessor’s ownership of the property.

6. The Lessee is obliged to pay the rent to the Lessor in accordance with the terms of the lease.

7. Rent will be linked to the Market Rent, (reviewable in accordance with paragraph 10 below), at a rate of 95%.

8. The rent payable will be subject to specified performance requirements in accordance with the Lease. Penalties may be applied where the Lessor fails to provide the management services in accordance with the terms of the Lease.
9. In the ordinary course, the term of the Lease will be up to 25 years. In certain instances, where it is determined at the outset by the Lessee that the long-term housing need in the area of the property is uncertain, the term will expire after 25 years or, if earlier, the date that the current tenant vacates the property.

10. Rent review will be based on the Harmonised Index of Consumer Prices (“HICP”). The rent shall be subject to review on the expiration of three years from the commencement date of the Lease and every three years thereafter. Alternatively, a fixed rent for the duration of the lease is agreed, this rent will be at the appropriate percentage of the Market Rent at the time of signing of the lease.

11. The borrower will have the right to buy back the property under MTR after 5 years at the Open Market Value at the time of the buyback purchase. Where the borrower exercises this option, the Lease will terminate on the date of the buyback transaction.

12. The Lease contains a restriction on the Lessor assigning, transferring or assuring the property during the term of the Lease without the prior consent of the Lessee, not to be unreasonably withheld or delayed.

13. The Lease also contains a restriction on the Lessee assigning its interest in the Lease without the prior written consent of the Lessor, save where the assignment is to facilitate a reorganisation of the business and/or structure of the Lessee.

**Tenancy Agreement**

1. A Tenancy Agreement will be executed between the Local Authority and a tenant.

2. The tenant will pay a rent to the Local Authority, which will be calculated by the Local Authority. Local Authority rents are based on a system called ‘differential rents’. This means that the rent amount will depend on the total household income, with low-income households paying a lower proportion of income in rent; if the household income increases so will the rent payment. Each Local Authority operates its own rent scheme.

3. The Tenancy Agreement will not be within the remit of the Residential Tenancies Board as the Residential Tenancies Acts 2004 – 2015 do not apply to tenancies between a Local Authority and a social housing tenant.
Minimum Requirements

A Participant must meet all of the Minimum Requirements for its tender to be eligible for evaluation.

1. Declaration of Eligibility

To be considered for selection a Participant must comply with the eligibility requirements set out below:

1.1. A Participant who has been the subject of a conviction by final judgment for one or more of the reasons listed below shall be excluded from further consideration:

(a) Participation in or membership of a criminal organisation; or
(b) Corruption; or
(c) Fraud; or
(d) Money laundering; or
(e) Terrorist financing.

1.2. A Participant shall be excluded from further consideration who is subject to bankruptcy or insolvency procedure or process, as follows:

(a) the Participant is bankrupt or the subject of a bankruptcy petition; or
(b) the Participant, being a body corporate, is being wound up or the subject of proceedings for compulsory winding up; or
(c) the Participant’s affairs are being administered by a court; or
(d) the Participant is the subject of proceedings in which it is sought to have the Participant’s affairs so administered; or
(e) the Participant has entered into an arrangement with creditors; or
(f) the Participant has suspended business activities; or
(g) the Participant is, in the opinion of the Housing Agency, in any situation analogous to any of those mentioned in subparagraphs (i) to (vi) under a law of the State, another member state of the
European Union or a third country relating to bankruptcy or insolvency of a kind specified in subparagraphs (i) to (vi).

1.3. A Participant may be excluded from further consideration:

(a) who has been found guilty of professional misconduct by a competent authority that is authorised by law to hear and determine allegations of professional misconduct against persons that include the Participant; or

(b) who has committed grave professional misconduct provable by means that the Housing Agency can demonstrate; or

(c) who has not fulfilled an obligation to pay a social security contribution as required by a law of the country or territory:

(i) where the Participant ordinarily resides or carries on business; or

(ii) in Ireland; or

(d) who has not fulfilled an obligation to pay a tax or levy imposed by or under a law of the country or territory:

(iii) where the Participant ordinarily resides or carries on business; or

(iv) in Ireland; or

(e) who has provided a statement or information to the Housing Agency knowing it to be false or misleading, or has failed to provide to the Housing Agency a statement or information that is reasonably required by Housing Agency.

1.4. Each Participant must provide details in its Declaration of Eligibility where any of the paragraphs of this section 1.3 applies to it.
Part 2

Declaration of Eligibility

The following declaration must be completed and signed by the authorised representative of the Participant and submitted along with the submission.

Declaration

I …………………………………………….[Name]

of …………………………………………….[Participant’s name]

hereby declare that none of the grounds for exclusion listed in the Declaration of Eligibility of the call for Expressions of Interest for the Pilot Scheme applies.

And

That none of the grounds detailed in clause 1.3 of Annex 3 applies save in respect of:

[provide full details to include any pending or threatened litigation or any other legal proceedings or regulatory investigations pending or threatened into the affairs of the Participant]

I declare that I have taken all reasonable measures to confirm that this information is true and accurate as of this date.

For and on behalf of the Participant:

Signed: …………………………………………………………………………

Print name: ………………………………………………………………………

Capacity …………………………………………………………………………

Date ……………………………………………………………………………
<table>
<thead>
<tr>
<th>Section 1: Participant Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participant Name:</td>
</tr>
<tr>
<td>Contact Name:</td>
</tr>
<tr>
<td>Address:</td>
</tr>
<tr>
<td>Direct Telephone No:</td>
</tr>
<tr>
<td>Contact Email Address:</td>
</tr>
<tr>
<td>Tax Clearance Certificate Number and Expiry Date*:</td>
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</table>

<table>
<thead>
<tr>
<th>Section 2: Participant Profile</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participant type:</td>
</tr>
<tr>
<td>Tick box</td>
</tr>
<tr>
<td>Investment bank</td>
</tr>
<tr>
<td>Private equity fund</td>
</tr>
<tr>
<td>Pension fund</td>
</tr>
<tr>
<td>Insurance company</td>
</tr>
<tr>
<td>Partnership</td>
</tr>
<tr>
<td>Sovereign wealth fund</td>
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<tr>
<td>Limited company</td>
</tr>
<tr>
<td>Developer</td>
</tr>
<tr>
<td>QIF</td>
</tr>
<tr>
<td>Other – specify below</td>
</tr>
<tr>
<td>Bank</td>
</tr>
<tr>
<td>REIT</td>
</tr>
<tr>
<td>Special Purpose Vehicle</td>
</tr>
<tr>
<td>Individual</td>
</tr>
<tr>
<td>DAC</td>
</tr>
<tr>
<td>Brief Participant profile including details of Participant’s current activities:</td>
</tr>
<tr>
<td>-----------------------------------------------------------------------------</td>
</tr>
</tbody>
</table>

| Participant team members: |
| (If the Participant is working in conjunction with other parties please detail the names of those parties): |

| Financial advisors: |
| (If applicable specify the name of your financial and/or corporate advisors) |
Section 3: Proposals for Scheme  
Total marks available: 100

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>(1) Marks available: 40</strong></td>
<td></td>
</tr>
<tr>
<td>Please give details of how you propose to implement the Pilot Scheme, ensuring that you address such issues as, but not exclusive to, stakeholder engagement, communication planning, MTR protocol implementation, understanding of the MTR process and resources to be assigned to the Pilot Scheme:</td>
<td></td>
</tr>
</tbody>
</table>

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>(2) Marks available: 20</strong> (a minimum of 10 marks must be achieved)</td>
<td></td>
</tr>
<tr>
<td>In light of the regulatory regime applicable to data protection, please give details of your understanding of your responsibilities in relation to your interaction, if any, with the households – and identify how you see this responsibility being divided between you and the Lender:</td>
<td></td>
</tr>
</tbody>
</table>
### Section 3: Proposals for Scheme

Total marks available: 100

<table>
<thead>
<tr>
<th>(3) Marks available: 40</th>
</tr>
</thead>
<tbody>
<tr>
<td>Please give details of the structure you intend putting in place to undertake the management and maintenance obligations associated with each property including stakeholder engagement:</td>
</tr>
</tbody>
</table>

### Section 4: Other information

| If you wish to include any other information with your submission please do so as an appendix to this form. |

____________________
Participant name BLOCK CAPITALS

____________________
Participant signature

____________________
Position held

DATE:
ANNEX 5

Funder & Mortgage Holding Bank Support Letters (Model Certificates)

1. Funder Support Letters

Model Certificate A: Funder support letter (existing facilities)

OR

Model Certificate B: Funder support letter (new facilities)

OR

Model Certificate C: Principal bank support letter

2. Mortgage Holding Bank Support Letter

Model Certificate D: Letter of undertaking from mortgage holding bank
Ms. Claire Feeney,
Housing Agency,
53 Mount Street Upper,
Dublin 2.

Dear Ms. Feeney,

Pilot Mortgage to Rent Scheme – Long Term Leasing Arrangements (the “Pilot Scheme”)

[Bank name] are pleased to provide this letter, in support of [Participant’s Name] submission (the “Submission”) for the Pilot Scheme in response to the Expression of Interest issued by the Housing Agency and the Minister for Housing, Planning and Local Government on 26th October 2017 (“EOI”). Capitalised terms used in this letter have the same meanings as are attributed to them in the EOI.

In support of the [Participant’s] Submission, we confirm the following:

1. we have completed all aspects of our due diligence in support of its Submission (which the [Participant] has confirmed to us complies with the requirements of the EOI), subject only to the items in this letter;

2. we have had a relationship with the [Participant] for [insert years] and provide term facilities of €[•] ([amount in words] Euro);

3. as of the date of this letter, sufficient headroom exists within these term facilities which are available to the [Participant] to fund the Pilot Scheme. Specifically, €[•] ([amount in words] Euro) have been ring-fenced for sole use in respect of the Pilot Scheme;

4. as of the date of this letter the [Participant] is in full compliance with the terms of all banking facilities available to it. Furthermore, there are no impediments to the [Participant] drawing these ring-fenced term facilities to fund the Pilot Scheme.

For the avoidance of any doubt, this letter does not constitute an offer of finance or a legally binding commitment of any kind to provide finance.
This letter is intended for your exclusive use and may not be relied upon or used by any other person. This letter is provided on the condition that the contents will be treated as strictly private and confidential and shall not be disclosed or quoted in whole or in part to any person other than the Housing Agency, the Minister and/or their respective advisers.

Yours sincerely,
MODEL CERTIFICATE B: FUNDER SUPPORT LETTER (NEW DEBT FACILITY(IES))

Ms Claire Feeney,
Housing Agency,
53 Mount Street Upper,
Dublin 2.

Dear Ms Feeney,

Pilot Mortgage to Rent Scheme – Long Term Leasing Arrangements (the “Pilot Scheme”)

[Bank name] are pleased to provide this letter, in support of [Participant’s Name] submission (the “Submission”) for the Pilot Scheme in response to the Expression of Interest issued by the Housing Agency and the Minister for Housing, Planning and Local Government on 26th October 2017 ("EOI"). Capitalised terms used in this letter have the same meanings as are attributed to them in the EOI.

In support of the [Participant’s] Submission, we confirm the following:

1. we have completed all aspects of our due diligence sufficient to enable us to approve debt facilities to the [Participant] in support of its Submission (which the [Participant] has confirmed to us complies with the requirements of the EOI), subject only to the items in this letter;

2. we have had a relationship with the [Participant] for [insert years] and we have final credit committee approval to make available term facilities of €[•] ([amount in words] Euro) for sole use in respect in respect of the Pilot Scheme;

3. as of the date of this letter the [Participant] is in full compliance with the terms of all banking facilities available to it.

For the avoidance of any doubt, this letter does not constitute an offer of finance or a legally binding commitment of any kind to provide finance.

This letter is intended for your exclusive use and may not be relied upon or used by any other person. This letter is provided on the condition that the contents will be treated as strictly private and confidential and shall not be disclosed or quoted in whole or in part to any person other than the Housing Agency, the Minister and/or their respective advisers.

Yours sincerely
Ms Claire Feeney,
Housing Agency,
53 Mount Street Upper,
Dublin 2.

Dear Ms Feeney,

Pilot Mortgage to Rent Scheme – Long Term Leasing Arrangements (the “Pilot Scheme”)

[Bank name] are pleased to provide this letter, in support of [Participant’s Name] submission (the “Submission”) for the Pilot Scheme in response to the Expression of Interest issued by the Housing Agency and the Minister for Housing, Planning and Local Government on 26th October 2017 (“EOI”). Capitalised terms used in this letter have the same meanings as are attributed to them in the EOI.

In support of the [Participant’s] Submission, we confirm the following:

1. we are [one of (if applicable)] the principal account bank(s) of [Participant Name] and have had a relationship with the [Participant] for [insert years];

2. as of the date of this letter [Participant Name] has €[•] ([amount in words] Euro) of cash balances available to it which are free and clear of any restrictions; and

3. as of the date of this letter the [Participant] is in full compliance with the terms of all our banking facilities available to it.

This letter is intended for your exclusive use and may not be relied upon or used by any other person. This letter is provided on the condition that the contents will be treated as strictly private and confidential and shall not be disclosed or quoted in whole or in part to any person other than the Housing Agency, the Minister and/or their respective advisers.

Yours sincerely

__________________________

3 To be one of the principal account banks identified in the annual financial statements of the Participant. Where the Participant group consists of more than one member, a letter in respect of each member is required. The Participant may be asked to provide a refresh of the letter(s) in the same or substantially the same terms at a date on or prior to financial close.
Ms Claire Feeney,
Housing Agency,
53 Mount Street Upper,
Dublin 2.

Dear Ms Feeney,

Pilot Mortgage to Rent Scheme – Long Term Leasing Arrangements (the “Pilot Scheme”)

[Bank name] are pleased to provide this letter, in support of [Participant’s Name] submission (the “Submission”) for the Pilot Scheme in response to the Expression of Interest issued by the Housing Agency and the Minister for Housing, Planning and Local Government on 26th October 2017 ("EOI"). Capitalised terms used in this letter have the same meanings as are attributed to them in the EOI.

In conjunction with of the [Participant’s] Submission, we confirm the following:

1. we have completed all aspects of our due diligence sufficient to understand the eligibility criteria applicable to borrowers in respect of the Pilot Scheme as identified in the EOI;

2. we have identified from our loan book [●] borrowers whose cases have been reviewed against the Mortgage to Rent Eligibility Criteria and we are of the view that they are eligible for Mortgage to Rent and participation in the Pilot Scheme;

3. we have entered an agreement in principle with the [Participant] to dispose of [●] eligible mortgages in support of the [Participant’s] Submission in respect of the Project. This agreement in principle is subject to borrower consent and concluding commercial terms with the [Participant].

This letter is intended for your exclusive use and may not be relied upon or used by any other person. This letter is provided on the condition that the contents will be treated as strictly private and confidential and shall not be disclosed or quoted in whole or in part to any person other than the Housing Agency, the Minister and/or their respective advisers.

Yours sincerely
## ANNEX 6

Check List

<table>
<thead>
<tr>
<th>Submission Requirement</th>
<th>Included [✓]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Completed Declaration of Eligibility (Annex 3, Part 2)</td>
<td></td>
</tr>
<tr>
<td>Funder Support Letter (either Model Certificate A, B or C in Annex 5)</td>
<td></td>
</tr>
<tr>
<td>Letter of Undertaking from Mortgage Holding Bank (Model Certificate D in Annex 5)</td>
<td></td>
</tr>
<tr>
<td>Evidence of availability of a minimum of fifty (50) borrowers that meet the Eligibility Criteria</td>
<td></td>
</tr>
<tr>
<td>Completed Expression of Interest Form (Annex 4)</td>
<td></td>
</tr>
</tbody>
</table>