

**RESIDENTIAL MORTGAGE ARREARS, RESTRUCTURES and REPOSSESSIONS  
STATISTICS**

Particulars	Quarter Ended Sept 2011		
	Number	Balance <i>(Note 1)</i> ‘000 €	Arrears <i>(Note 3)</i> ‘000 €
<b>Outstanding:</b>			
Total residential mortgage loan accounts outstanding - at end of quarter <i>(Note 2)</i>	773,420	114,412,371	
<b>Arrears: <i>(Note 3)</i></b>			
Total mortgage arrears cases outstanding – at end of quarter <i>which are:</i>			
- In arrears 91 to 180 days	16,599	3,058,984	81,009
- In arrears over 180 days	46,371	9,310,970	993,932
Total mortgage arrears cases outstanding – at end of quarter <i>where:</i>			
- Formal demand has been issued (but where Court proceedings have not been issued) <i>(Note 4)</i>	7,962	1,740,020	175,067
- Court proceedings have been issued to enforce debt/security on a mortgage <i>(Note 5)</i>	3,083	717,670	121,151
<b>Court proceedings:</b>			
Cases where legal proceedings have been issued to enforce the debt/security on a mortgage – during the quarter <i>(Note 6)</i>	89	27,280	5,275
Court proceedings concluded for the following reasons – during the quarter <i>(Note 7)</i>	125	32,506	4,703
<i>of which:</i>			
Orders for Possession/Sale obtained: <i>(Note 8)</i>			
- To enforce the debt/security on a mortgage	68	19,429	3,242
- To perfect title because property voluntarily surrendered	2	683	127
- Because the property has been abandoned	6	1,731	446
No order for Possession/Sale obtained as:			
- Property voluntarily surrendered	17	3,668	309
- Concluded by abandonment	14	2,850	233
- The terms and/or conditions of the mortgage are renegotiated, i.e. a new arrangement made <i>(Note 9)</i>	13	3,280	128
- Settled on other terms	5	1,045	218

<b>Repossessions:</b>			
Residential properties in possession - at the beginning of quarter ( <i>Note 10</i> )	809		
Residential properties repossessed on foot of an Order during this quarter	43		
Residential properties voluntarily surrendered/abandoned during this quarter	119		
Residential properties disposed of during this quarter	87		
Residential properties in possession – at end of quarter ( <i>Note 10</i> )	884		
<b>Restructured mortgages:</b>			
Total residential mortgage loan accounts outstanding that are classified as restructured - at end of quarter ( <i>Note 11</i> )	69,735	12,228,308	240,428
<i>Of which:</i>			
- Not in arrears	36,376	5,926,189	
Restructure by type:			
- Interest Only	24,845	4,672,483	72,611
- Reduced Payment (less than interest only)	10,312	2,190,989	73,288
- Reduced Payment (greater than interest only)	10,016	1,695,069	22,901
- Arrears Capitalisation	9,324	1,655,143	36,760
- Term Extensions	8,804	954,007	8,857
- Hybrid	3,587	573,031	20,506
- Payment Moratorium	2,818	483,467	5,309
- Other	29	4,119	196

## **EXPLANATORY NOTES**

### **1. Balance:**

Includes the value of the outstanding mortgage including arrears, accrued interest, and any unpaid customer fees and charges. Includes legal costs, where added to the balance outstanding.

### **2. Residential Mortgage Loan Account:**

Means an account which records loans to individuals for house or apartment purchase, renovation, improvement or own construction of housing fully or completely secured by a mortgage on the residential property which is or will be occupied by the borrower as his/her principal private residence. “Top up” of existing mortgages and re-mortgages should also be recorded in this category. Mortgages secured on properties located in the State only should be included.

### **3. Arrears:**

Section 3(a) of the Code of Conduct on Mortgage Arrears states “*a mortgage arrears problem arises as soon as the borrower fails to make a mortgage repayment by the due date*”.

Includes cases where only partial payments are made.

Excludes:

- cases where the value of the property has been realised but an amount remains outstanding on which the lender is seeking repayment.
- any costs, fees or charges, e.g., legal costs, which have not been added to the amount outstanding.

### **4. Formal demand:**

Includes the issuance of a formal demand, by the lender, the lender’s solicitor, or by some other party acting on behalf of the lender, for either the full amount due on foot of the mortgage or for possession of the property. Does not include cases where an application has been made to a Court to begin repossession proceedings or where Court proceedings are currently ongoing.

### **5. Court proceedings have been issued:**

Means that a formal application has been made to a Court to begin repossession proceedings or that Court proceedings are currently ongoing. Includes:

- cases where an application has been made to Court but a Court date has not yet been received;
- cases where Court proceedings have issued but have not been served;
- cases which have been adjourned for a specific period, e.g., 12 months.

It does not include the issuing of the formal demand letter.

### **6. Court proceedings have been issued during the quarter:**

Means that a formal application has been made to a Court to begin repossession proceedings during the quarter. Includes:

- cases where an application has been made to Court but a Court date has not yet been received;
- cases where Court proceedings have issued but have not been served.

It does not include the issuing of the formal demand letter.

### **7. Cases where Court proceedings have been concluded:**

Includes cases where an Order for Possession/Sale has been obtained or Court proceedings have concluded because:

- proceedings have been struck out;

- settlement agreement has been entered on the record;
- proceedings have been adjourned generally (i.e., proceedings may have been settled, but the settlement remains a matter of agreement between the parties, and does not form part of the Court record; the lender will be able to recommence proceedings if the borrower does not comply with the agreement);
- proceedings have been dismissed;
- judgement has been entered in favour of the lender, including an Order for Possession/Sale.

Excludes:

- cases where the value of the property has been realised but an amount remains outstanding on which the lender is seeking repayment.
- cases under appeal.

**8. Orders for Possession/Sale obtained:**

Means an Order for Possession/Sale that has been granted by a Court as a result of legal proceedings to enforce the mortgage (including with agreement of the borrower). Includes Orders obtained with a stay of execution.

**9. Terms and/or conditions of mortgage renegotiated:**

Includes cases where an agreement has been effected and the proceedings have been concluded, as set out in note 7.

**10. Residential properties in possession:**

Means the lender has formally repossessed the property.

**11. Restructured mortgages:**

Means the repayment terms of the mortgage contract have been renegotiated in order to make payment terms more manageable for borrowers. Lenders will typically employ ‘standard forbearance’ techniques when restructuring mortgages and these techniques have the common characteristic of rescheduling principal or interest repayments, rather than reducing them. These forbearance techniques include a switch to an interest only mortgage; a reduction in the payment amount; a temporary deferral of payment; extending the term of the mortgage; and capitalising arrears amounts and related interest. The data collected on restructures relate solely to those principal dwelling house mortgages restructured due to financial distress.

The data at the end of the quarter is the total stock of restructures to date. Accounts that are restructured but possess arrears greater than 90 days will have already been included in the over 90 days arrears section of this return. It must be noted that the number of restructured accounts possessing arrears at the end of the quarter *does not* indicate the level of mortgages that have slipped

back into arrears after initial restructuring. In other words, restructured accounts that are in arrears are comprised of loans that had arrears both prior to restructuring (but are now performing according to the new arrangement), and those loans that have slipped back into arrears post restructuring. Furthermore, the quarterly increase in the total stock of restructures is not due exclusively to *new* restructures that took place in the quarter, as some restructuring arrangements that were in place at the end of the previous quarter will have expired by the end of the current quarter. Therefore, those accounts whose arrangements have expired at some point in the current quarter are not included in the overall stock of restructures at the end of this quarter.