



10 March 2020

Mr John McGuinness TD

Dáil Eireann

Leinster House

Kildare Street

Dublin 2

RE: *Vulture Fund Regulation*

Dear Mr McGuinness,

I refer to your dated 11 December 2019 relating to “vulture fund regulation”. Governor Makhoul has asked me to respond to you directly.

Protecting Borrowers

The protection of mortgage loan borrowers, including those in arrears, is a key priority of the Central Bank. All regulated firms are obliged to comply with the Consumer Protection Code, 2012 and the Code of Conduct on Mortgage Arrears, 2013 in addition to a range of other provisions of Irish financial services law. Collectively, these provide a strong consumer protection framework, providing rules with which regulated firms operating in Ireland must comply by law. The framework provides a significant number of protections and supports for borrowers in or facing mortgage arrears, in recognition of the distress and, in the case of mortgages secured on a borrower’s primary residence, the vulnerability of borrowers at risk of losing their home.

Background

The Central Bank consistently reviews the regulatory framework to ensure it is fit for purpose. In that context, the Central Bank advocated for a legislative regime whereby customers would be protected regardless of whether their loan was held by a bank or a non-bank. Legislation introduced in 2015¹ brought credit servicing firms under Central Bank regulation and supervision. This resulted in a significant strengthening of the consumer protection framework for borrowers where loans have been sold by a bank, as the 2015 legislation ensured consumer protection obligations would travel with loans when sold. The loan owners themselves did not directly fall to be regulated

¹ The Consumer Protection (Regulation of Credit Servicing Firms) Act 2015.



Question: In July 2019, Three TD's (Mathew McGrath, Michael Collins & Carol Nolan) visited Intertrust Offices at Baggot Street Bridge. There was no share Register for Company available as required by company Law. The only meeting room was a staff canteen. To date no Share Register has been made available. Has this fund been asked to produce all required documentation?

Response: In relation to the share register for any company, the Office of the Director of Corporate Enforcement is the statutory body responsible for ensuring compliance with the requirements of Irish Company Law.

In relation to "Intertrust", you will note from our public register that no entity with the name of Intertrust has been granted transitional authorisation status under the 2018 legislation.

Question: There are 150 Vulture Funds registered at Victoria Building. 1-2 Haddington Road, Dublin, D04XN32. How many have been contacted by the Central Bank?

Response: Of the 33 firms granted transitional authorisation status (as credit servicing firms) under the 2018 legislation, 10 of these firms are registered at the address referred to in your query. As noted above, the Central Bank is in the process of rigorously assessing the transitional applications for authorisation to determine whether each applicant has demonstrated that it meets the applicable Authorisation Requirements and Standards for Credit Servicing Firms and the Fitness and Probity Standards.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Gráinne McEvoy".

Gráinne McEvoy

Director of Consumer Protection