



27 March 2020

Residential Mortgage Arrears & Repossessions Statistics: Q4 2019

Please note these Q4 2019 data predate the arrival of the COVID-19 virus to Ireland in early 2020. Therefore, the potential impact on the mortgage arrears and restructures statistical series in Ireland will not yet be visible in the data. The Central Bank of Ireland Statistics Division will continue to collect and publish statistics for users to the greatest extent possible during this crisis.

Summary¹

- The number of mortgage accounts for principal dwelling houses (PDHs) in arrears over 90 days declined in Q4 2019 with a decrease of 1,453 accounts.
- PDH accounts in arrears over 720 days also decreased in Q4 2019. Accounts in arrears over 720 days accounted for 45 per cent of all accounts in arrears and at €2.4 billion, represented 89 per cent of arrears balances outstanding.
- The number of PDH mortgage accounts that were classified as restructured at end-December was 85,315. Of these restructured accounts, 86 per cent were deemed to be meeting the terms of their current restructure arrangement.
- Non-bank entities² held 12 per cent of all PDH mortgage accounts outstanding at end-December, yet held 49 per cent of all PDH mortgages in arrears over 720 days (Table 1).

Table 1: Breakdown of PDH Mortgages and Arrears Profile held by Banks and Non-Bank Entities

	Banks	Non-Bank Entities	
		Retail Credit Firms	Credit Servicing Firms
% of all PDH loans	88%	11%	1%
% of all PDH mortgages in arrears	64%	25%	11%
% of all PDH mortgages in arrears over 90 days	58%	27%	15%
% of all PDH mortgages in arrears over 720 days	51%	28%	20%

¹ Full data tables are available in [Annex 3](#).

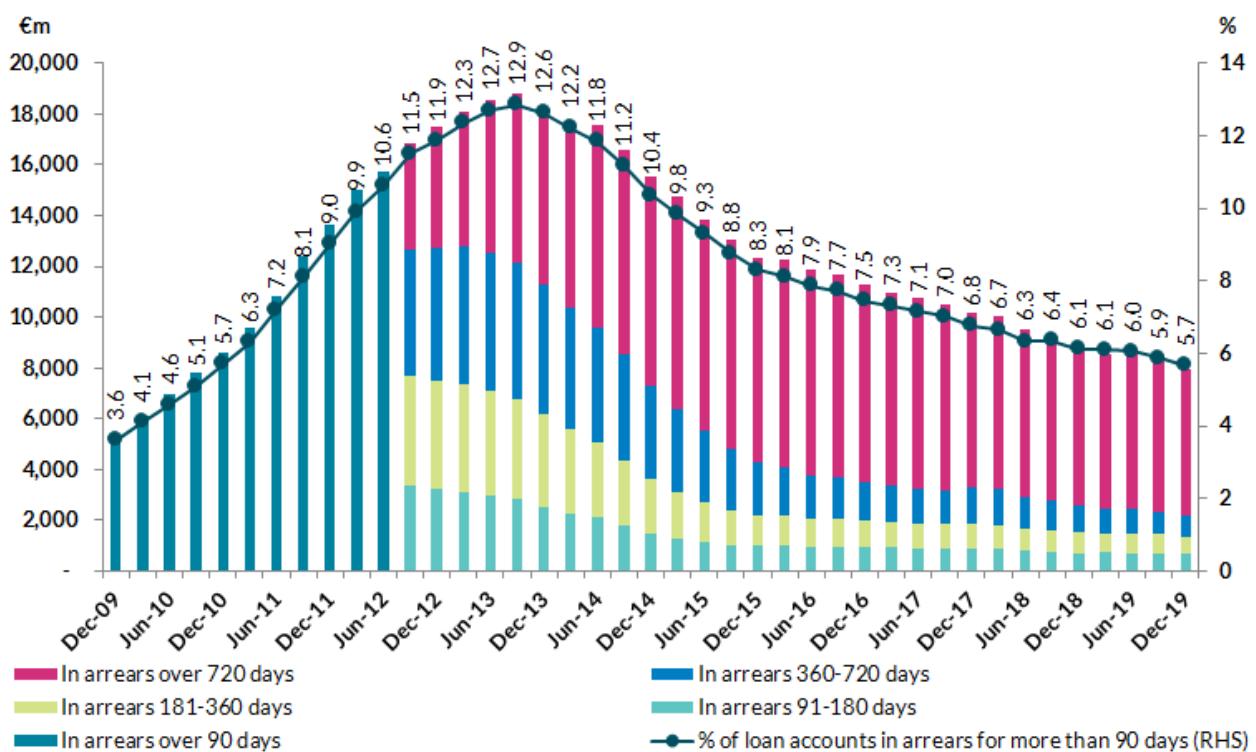
² The Consumer Protection (Regulation of Credit Servicing Firms) Act 2018 (the 2018 Act) amends Part V of the Central Bank Act 1997 (the 1997 Act) to expand the activity of credit servicing, as defined in the 1997 Act, to include holding the legal title to credit granted under a credit agreement and associated ownership activities. From Q2 2019 publication, all persons / institutions availing of transitional authorisation arrangements under the 1997 Act, who were previously identified as "Unregulated Loan Owners", will be termed "Credit Servicing Firms".

Residential Mortgages on Principal Dwelling Houses

Arrears

At end-December 2019, there were 742,075 private residential mortgage accounts for principal dwellings held in the Republic of Ireland, with a value of €98.1 billion.³ Of this total stock, 60,596 accounts were in arrears, representing a decrease of 1,206 accounts or 2 per cent over the quarter. Some 42,065 accounts (5.7 per cent) were in arrears of more than 90 days.⁴

Figure 1: PDH Mortgage Accounts in Arrears over 90 Days



Note: The breakdown of arrears greater than 90 days is not available pre-September 2012.

The outstanding balance on PDH mortgage accounts in arrears of more than 90 days was €7.9 billion at end-December, equivalent to 8.1 per cent of the total outstanding balance on all PDH mortgage accounts. The number of accounts in arrears over 720 decreased by 807 accounts in Q4 2019. Accounts in arrears over 720 days accounted for 45 per cent of all accounts in arrears at end-December.

³ The number of PDH mortgage accounts held by banks was impacted by a revision to the data relating to Q2 2019.

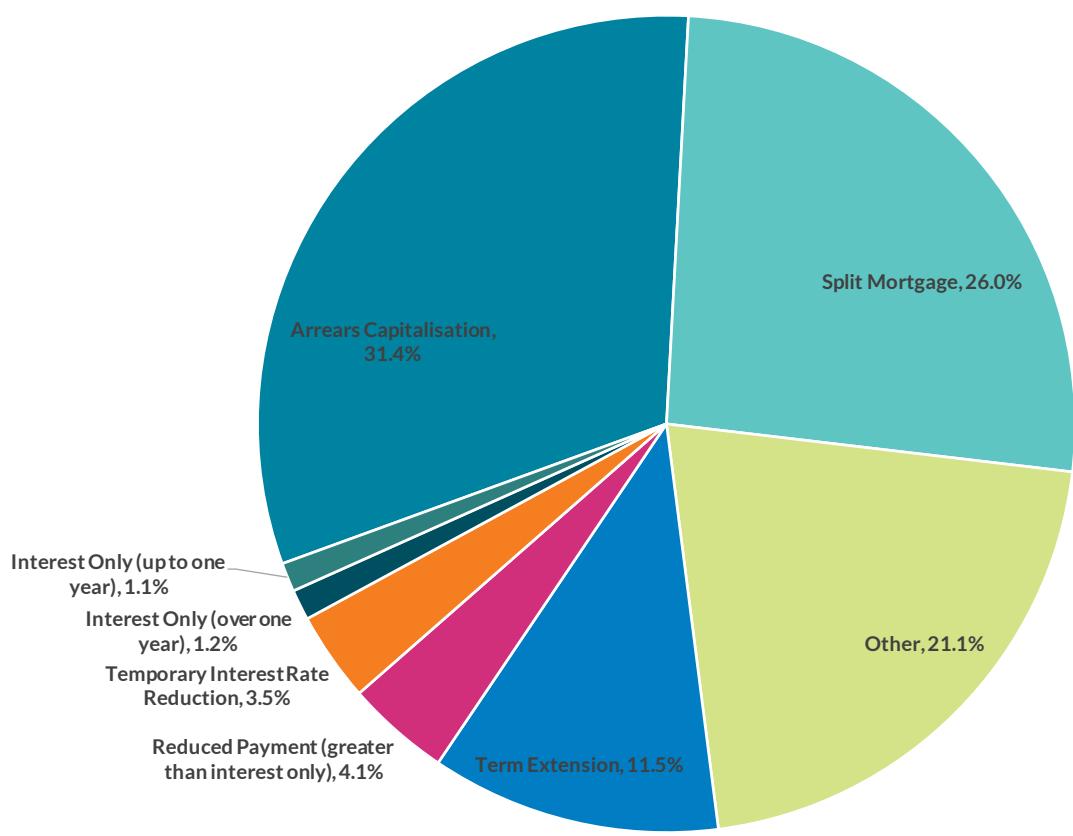
⁴ The figures published here represent the total stock of mortgage accounts in arrears of more than 90 days, as reported to the Central Bank of Ireland by mortgage lenders and credit service providers. They include mortgages that have been restructured and are still in arrears of more than 90 days, as well as mortgages in arrears of more than 90 days that have not been restructured.

Restructuring Arrangements⁵

A total stock of 85,315 PDH mortgage accounts were categorised as restructured at end-December 2019. Arrears capitalisation⁶ accounted for the largest share of restructured accounts at 31 per cent at end-December, while the share of accounts on temporary restructure arrangements remained low at 11 per cent.

There were 4,993 new restructure arrangements⁷ agreed during the fourth quarter of 2019. The data on arrears and restructures indicate that of the total stock of 60,596 PDH accounts that were in arrears at end-December, 17,120 accounts (28 per cent) were classified as restructured. The remaining 72 per cent of accounts in arrears were not part of a restructure arrangement at end-December 2019.

Figure 2: Restructured PDH Mortgage Accounts by Restructure Type, end-December 2019



Some 80 per cent of restructured accounts were not in arrears at end-December 2019.⁸ At end-December, 86 per cent of restructured PDH accounts were deemed to be meeting the terms of their arrangement. This

⁵ See [Annex 2](#) for further information on restructuring arrangements/forbearance techniques and meeting the terms of the arrangement.

⁶ Arrears capitalisation is an arrangement whereby some or all of the outstanding arrears are effectively added to the remaining principal balance, to be repaid over the life of the mortgage.

⁷ This includes first-time restructures and further modifications of existing restructures.

⁸ Restructured accounts in arrears include accounts that were in arrears prior to restructuring where the arrears balance has not yet been eliminated, as well as accounts that are in arrears on the current restructuring arrangement.

means that the borrower is, at a minimum, meeting the agreed monthly repayments according to the current restructure arrangement.

Table 2 shows the percentage of restructured accounts that were deemed to be meeting the terms of their arrangement at end-December 2019, broken down by arrangement type.⁹ The figures show that of the total stock of accounts in the arrears capitalisation category, some 22 per cent of PDH accounts are not meeting terms of current restructure arrangement, i.e. the arrears balance has increased since the arrangement was put in place. As the figures in Table 2 only reflect compliance with the terms of the current restructure arrangement, a higher percentage of compliance among shorter-term restructures could be expected.

Table 2: Percentage of Restructures 'Meeting the Terms of the Arrangement' (end-Dec 2019)

%	PDH	BTL
Total	86.3	87.5
Interest Only - up to one year	86.7	79.3
Interest Only - over one year	93.9	89.2
Deferred Interest Scheme	100.0	n/a
Reduced Payment (less than interest only)	84.3	100.0
Reduced Payment (greater than interest only)	87.5	88.6
Temporary Interest Rate Reduction	86.3	98.4
Payment Moratorium	99.6	99.0
Arrears Capitalisation	78.2	76.0
Term Extension	92.0	94.0
Permanent Interest Rate Reduction	85.4	92.3
Split Mortgage	93.8	91.5
Other	84.9	88.1

⁹ It should also be noted that some categories reflect only a small number of arrangements, particularly in the case of BTL accounts.

Legal Activity and Repossessions¹⁰

During Q4 2019, the Courts granted an order for repossession or sale of the property affecting 150 accounts. A total of 102 properties were taken into possession by lenders during the quarter, up from 80 properties in the previous quarter. Of the properties taken into possession during the quarter, the majority of properties, at 65, were voluntary surrendered or abandoned. The remainder, at 37, were repossessed on foot of a Court Order. During the quarter, 288 properties were disposed of by lenders. As a result, lenders were in possession of 1,021 PDH properties at end-December 2019. During Q4 2019, there were 315 mortgage accounts where legal proceedings concluded but arrears remained outstanding.

Residential Mortgages on Buy-to-Let Properties

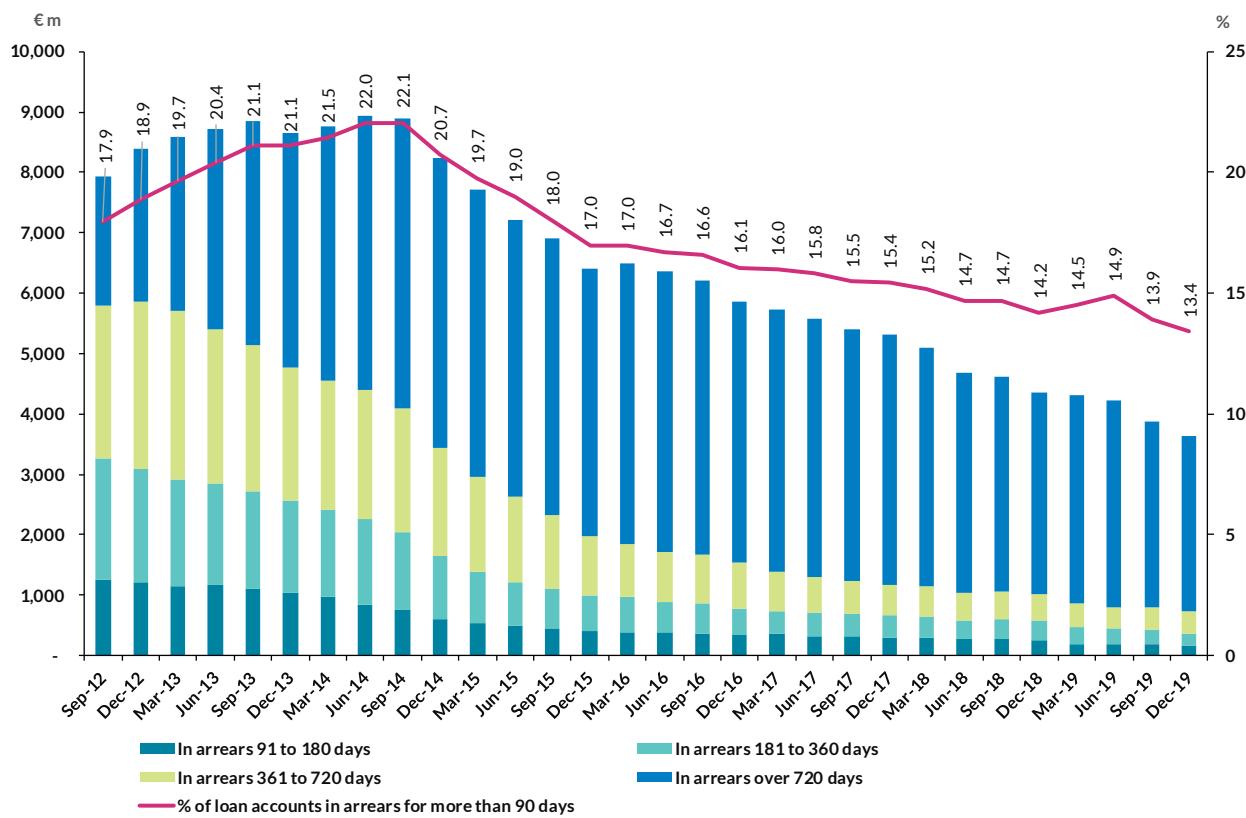
Arrears

At end-December 2019, there were 103,678 residential mortgage accounts for buy-to-let (BTL) properties held in the Republic of Ireland, to a value of €17.0 billion. Of the total BTL stock, 13,901 accounts or 13.4 per cent were in arrears of more than 90 days (Figure 3), reflecting a decrease of 5.7 per cent over the quarter. The outstanding balance on all BTL mortgage accounts in arrears of more than 90 days was €3.6 billion at end-December, equivalent to 21 per cent balance outstanding on BTL accounts.

BTL accounts in arrears greater than 720 days decreased by 4.6 per cent in the fourth quarter of 2019. Accounts in arrears of over 720 days numbered 10,365 or 63 per cent of all BTL accounts in arrears. The outstanding balance on these accounts was €2.9 billion at end-December, equivalent to 17 per cent of the total outstanding balance on all BTL mortgage accounts.

¹⁰ Legal proceedings record steps to repossess a property and include cases where a formal application has been made to a court to begin repossession proceedings, along with subsequent adjournments and judgement proceedings.

Figure 3: BTL Mortgage Accounts in Arrears over 90 Days



Restructuring Arrangements

A total stock of 13,307 BTL mortgage accounts were categorised as restructured at end-December 2019, reflecting a decrease of 1,041 accounts over the quarter. Of the total stock of restructured accounts recorded at end-December, 83 per cent were not in arrears, while 88 per cent were meeting the terms of their current restructure arrangement. A total of 633 new restructure arrangements were agreed during the fourth quarter of the year. On the BTL side, the largest cohort of restructured mortgages were in term extension arrangements, which represented 20 per cent of all restructure arrangements. The data on arrears and restructures indicate that of the total stock of 16,562 BTL accounts that were in arrears at end-December, 2,223 (or 13 per cent) were classified as restructured.

Rent Receivers and Repossessions

During the fourth quarter of 2019, rent receivers were appointed to 1,096 BTL accounts, bringing the stock of accounts with rent receivers appointed to 5,164. There were 824 BTL properties in the banks' possession at the beginning of Q4 2019. A total of 65 properties were taken into possession by lenders during the quarter. Of the total BTL repossession in the quarter, 3 were repossessed on foot of a Court Order, while the remaining 62 were voluntarily surrendered or abandoned. During Q4 2019, 254 properties were disposed of. As a result, lenders were in possession of 615 BTL properties at end-December 2019.

Residential Mortgages held by Non-Bank Entities¹¹

Arrears

At end-December 2019, non-bank entities accounted for 12 per cent of the total stock of PDH mortgage accounts outstanding. For BTLs, the proportion was higher at 25 per cent. Overall, non-bank entities accounted for 14 per cent of the total stock of residential mortgage accounts outstanding (PDH and BTL) at end-December 2019 (18 per cent in value terms).

For PDH mortgages held by non-bank entities, 19 per cent of accounts were in arrears over 90 days, and 15 per cent were in arrears of over 720 days (Table 5). In terms of BTL mortgages held by non-bank entities, 37 per cent of accounts were in arrears over 90 days, and 29 per cent of accounts in arrears of over 720 days (Table 6).

Non-bank entities held 19,660 restructured PDH mortgage accounts at end-December 2019, with 1,180 new restructure arrangements agreed during the quarter. Of the restructured accounts, 84 per cent were meeting the terms of the arrangement. Non-bank entities held 3,747 restructured BTL mortgage accounts, which accounted for 28 per cent of all restructured BTL mortgage accounts. Some 82 per cent of BTL mortgages were meeting the terms of the restructuring arrangement.

Repossessions

Some 40 PDH properties were taken into possession by non-bank entities during the quarter, up slightly on the previous quarter. Of the properties taken into possession during the quarter, 23 were repossessed on foot of a Court Order, while the remaining 17 were voluntarily surrendered or abandoned. During the quarter, 43 PDH properties were disposed of. There were 392 PDH and BTL properties in non-bank entities' possession at the end of the fourth quarter of 2019.

¹¹ Non-bank entities comprise of retail credit firms and credit servicing firms. For breakdown of arrears, repossession, and restructures of non-bank entities by type see Tables 5 & 6 in annex 3.

Annex 1: Mortgage Arrears Data and Further Information

The mortgage arrears data, along with a set of explanatory notes, are available in the Mortgage Arrears section of the Statistics portal of the Central Bank of Ireland website: <http://www.centralbank.ie/polstats/stats/mortgagearrears/Pages/Data.aspx>.

The Central Bank of Ireland has produced a number of consumer guides to assist consumers who are in arrears or facing arrears, including

- Mortgage Arrears - A Consumer Guide to Dealing with your Lender;
- Mortgage Arrears - Frequently Asked Questions; and
- Guide to Completing a Standard Financial Statement.

The above guides, that include information on the protections that are available to consumers in financial difficulty, are available to download from the [consumer information section](#) of the Central Bank website.

Annex 2: Restructuring Arrangements

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 figures also include advanced modification options such as split mortgages and trade-down mortgages, which have been introduced to provide more long-term solutions for customers in difficulty.

It is important to note that 'meeting the terms of the arrangement' is not a measure of sustainability, as not all restructure types represent longer-term sustainable solutions as defined within the Mortgage Arrears Resolution Targets. For instance, short-term interest only restructures are, in general, not part of longer-term sustainable solutions. The MART sustainability targets also include a significant number of accounts in arrears which are part of a legal process. These accounts are not classified as restructured within the Mortgage Arrears Statistics. Arrears associated with such accounts are recorded in full in the data.

Annex 3: Data Tables

Table 3: PDH Mortgage Arrears Repossessions and Restructures	Q3 2019			Q4 2019		
	Number	Balance €000	Arrears €000	Number	Balance €000	Arrears €000
Mortgages						
Total residential mortgage loan accounts outstanding	742,526	97,887,337	-	742,075	98,149,886	-
Arrears						
Total residential mortgage arrears cases outstanding of which:	61,802	10,528,304	2,732,474	60,596	10,200,431	2,647,644
in arrears up to 90 days	18,284	2,260,922	54,964	18,531	2,276,293	34,984
in arrears 91 to 180 days	4,883	674,125	35,075	4,865	671,844	38,613
in arrears 181 to 360 days	5,238	792,913	127,347	4,787	695,868	66,486
in arrears 361 to 720 days	5,505	847,322	125,762	5,328	810,414	144,022
in arrears over 720 days	27,892	5,953,022	2,389,326	27,085	5,746,011	2,363,539
Total arrears cases over 90 days outstanding	43,518	8,267,382	2,677,510	42,065	7,924,138	2,612,660
% of loan accounts in arrears for more than 90 days	5.9%	8.4%		5.7%	8.1%	
Repossessions						
Residential properties in possession - at the beginning of quarter	1,407			1,245		
Residential properties repossessed on foot of an Order during quarter	37			37		
Residential properties voluntarily surrendered/abandoned during the quarter	43			65		
Residential properties disposed of during this quarter	171			288		
Residential properties in possession – at end of quarter ¹	1,245			1,021		
Total residential mortgage accounts restructured						
Restructures	89,566	11,502,725	309,613	85,315	10,829,074	248,730
Restructures not in arrears	71,502	8,849,474		68,195	8,391,945	
Total restructures by type:						
Interest Only - up to one year	1,187	176,743	11,534	1,035	155,363	7,995
Interest Only - over one year	1,078	177,697	3,160	975	162,976	5,994
Reduced Payment (greater than interest only)	4,037	783,821	107,272	3,505	657,834	58,577
Reduced Payment (less than interest only)	469	85,288	6,850	421	70,935	5,130
Term Extension	10,310	1,032,796	44,017	9,780	968,650	43,240
Arrears Capitalisation	29,076	4,094,670	69,013	26,801	3,742,057	62,778
Payment Moratorium	587	85,123	1,740	557	79,357	2,163
Deferred Interest Scheme	5	992	181	4	821	109
Permanent Interest Rate Reduction	123	21,369	177	123	21,270	199
Split Mortgage	22,237	2,448,068	13,599	22,195	2,428,827	14,100
Trade Down Mortgage	61	8,579	0	61	8,336	0
Temporary Interest Rate Reduction	3,592	590,686	9,853	3,025	496,654	8,415
Other	16,804	1,996,892	42,216	16,833	2,035,994	40,030

*Note that the 'Other' category mainly comprises accounts that have been offered a long-term solution, pending the completion of six months of successful payments. When these accounts transition into their permanent arrangement, the figures will be updated accordingly. The 'Other' category also includes a small number of simultaneously-agreed term extensions and arrears capitalisation arrangements.

¹ The number of properties in possession at the end of the quarter can also be impacted by reclassification issues.

Table 4: BTL Mortgage Arrears Repossessions and Restructures	Q3 2019			Q4 2019		
	Number	Balance €000	Arrears €000	Number	Balance €000	Arrears €000
Mortgages						
Total residential mortgage loan accounts outstanding	106,130	17,394,809	-	103,678	17,008,549	-
Arrears						
Total residential mortgage arrears cases outstanding	17,413	4,391,780	1,659,917	16,562	4,126,310	1,582,863
of which:						
in arrears up to 90 days	2,669	520,873	25,188	2,661	501,780	19,098
in arrears 91 to 180 days	958	186,002	27,244	834	171,115	20,586
in arrears 181 to 360 days	1,269	238,522	40,689	1,025	197,030	36,805
in arrears 361 to 720 days	1,656	368,110	100,422	1,677	358,370	105,439
in arrears over 720 days	10,861	3,078,272	1,466,374	10,365	2,898,015	1,400,934
Total arrears cases over 90 days outstanding	14,744	3,870,907	1,634,729	13,901	3,624,530	1,563,765
% of loan accounts in arrears for more than 90 days	13.9%	22.3%		13.4%	21.3%	
Repossessions						
Residential properties in possession - at the beginning of quarter	967			824		
Residential properties repossessed on foot of an Order during quarter	16			3		
Residential properties voluntarily surrendered/abandoned during the quarter	32			62		
Residential properties disposed of during this quarter	111			254		
Residential properties in possession – at end of quarter ¹	824			615		
Total residential mortgage accounts restructured						
Restructures	14,348	3,029,160	116,656	13,307	2,794,626	102,107
Restructures not in arrears	11,925	2,422,086		11,084	2,246,768	
Total restructures by type:						
Interest Only - up to one year	324	67,902	6,874	203	54,539	4,963
Interest Only - over one year	636	165,334	19,601	621	151,839	17,635
Reduced Payment (greater than interest only)	2,466	660,568	29,441	2,271	599,935	21,317
Reduced Payment (less than interest only)	15	3,529	81	13	3,368	69
Term Extension	2,866	446,720	10,579	2,717	418,595	10,579
Arrears Capitalisation	2,812	527,573	19,490	2,550	480,532	20,300
Payment Moratorium	109	17,534	1,406	100	15,023	977
Deferred Interest Scheme	0	0	0	0	0	0
Permanent Interest Rate Reduction	14	2,279	4	13	2,214	4
Split Mortgage	1,540	183,775	3,467	1,416	163,581	3,492
Temporary Interest Rate Reduction	75	13,357	58	63	11,161	49
Other	3,491	940,590	25,655	3,340	893,839	22,723

Table 5: PDH Mortgage Arrears Repossessions and Restructures of Non-Bank Entities

	Non-Bank Entities Q4 2019					
	Retail Credit Firms			Credit Servicing Firms		
	Number	Balance €000	Arrears €000	Number	Balance €000	Arrears €000
Mortgages						
Total residential mortgage loan accounts outstanding	81,376	12,576,716		9,777	2,097,100	
Arrears						
Total residential mortgage arrears cases outstanding	14,870	2,886,553	831,484	6,703	1,700,119	686,572
% of total	18%	23%		69%	81%	
of which:						
in arrears over 90 days	11,440	2,408,007	819,933	6,202	1,630,439	683,788
% of total	14%	19%		63%	78%	
in arrears over 720 days	7,684	1,813,876	717,632	5,550	1,523,316	668,785
% of total	9%	14%		57%	73%	
Repossessions						
Residential properties in possession – at end of quarter	152			101		
Total residential mortgage accounts restructured						
Restructures	17,901	2,428,745	44,132	1,759	272,839	47,097
% of total	22%	19%		18%	13%	
Meeting the terms of the arrangement	15,377	2,046,856	9,778	1,205	158,571	7,566
% of total restructures	86%	84%		69%	58%	
In arrears over 90 days, of which restructured	1,744	270,356	41,363	661	134,430	46,697
% of total in arrears > 90 days	15%	11%		11%	8%	

Table 6: BTL Mortgage Arrears Repossessions and Restructures of Non-Bank Entities

	Non-Bank Entities Q4 2019					
	Retail Credit Firms			Credit Servicing Firms		
	Number	Balance €000	Arrears €000	Number	Balance €000	Arrears €000
Mortgages						
Total residential mortgage loan accounts outstanding	19,410	3,965,918		6,746	1,762,466	
Arrears						
Total residential mortgage arrears cases outstanding	5,321	1,317,130	532,811	5,352	1,488,923	666,158
% of total	27%	33%		79%	84%	
of which:						
in arrears over 90 days	4,548	1,162,445	527,738	5,138	1,446,062	660,211
% of total	23%	29%		76%	82%	
in arrears over 720 days	3,268	922,506	478,773	4,372	1,270,499	617,477
% of total	17%	23%		65%	72%	
Repossessions						
Residential properties in possession – at end of quarter	38			101		
Total residential mortgage accounts restructured						
Restructures	2,928	665,082	13,373	819	191,848	36,939
% of total	15%	17%		12%	11%	
Meeting the terms of the arrangement	2,585	583,201	1,146	472	98,980	12,009
% of total restructures	88%	88%		58%	52%	
In arrears over 90 days, of which restructured	256	59,440	12,393	396	112,371	35,753
% of total in arrears > 90 days	6%	5%		8%	8%	