



Residential Mortgage Arrears & Repossessions Statistics: Q3 2019

Summary¹

- The number of mortgage accounts for principal dwelling houses (PDHs) in arrears over 90 days declined in Q3 2019 with a decrease of 1,502 accounts.
- PDH accounts in arrears over 720 days decreased marginally in Q3 2019. Accounts in arrears over 720 days accounted for 45 per cent of all accounts in arrears and at €2.4 billion, represented 87 per cent of arrears balances outstanding.
- The number of PDH mortgage accounts that were classified as restructured at end-September was 88,587. 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-September, yet held 48 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%	10.8%	1.5%
% of all PDH mortgages in arrears	64%	24%	12%
% of all PDH mortgages in arrears over 90 days	59%	26%	15%
% of all PDH mortgages in arrears over 720 days	52%	27%	21%

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

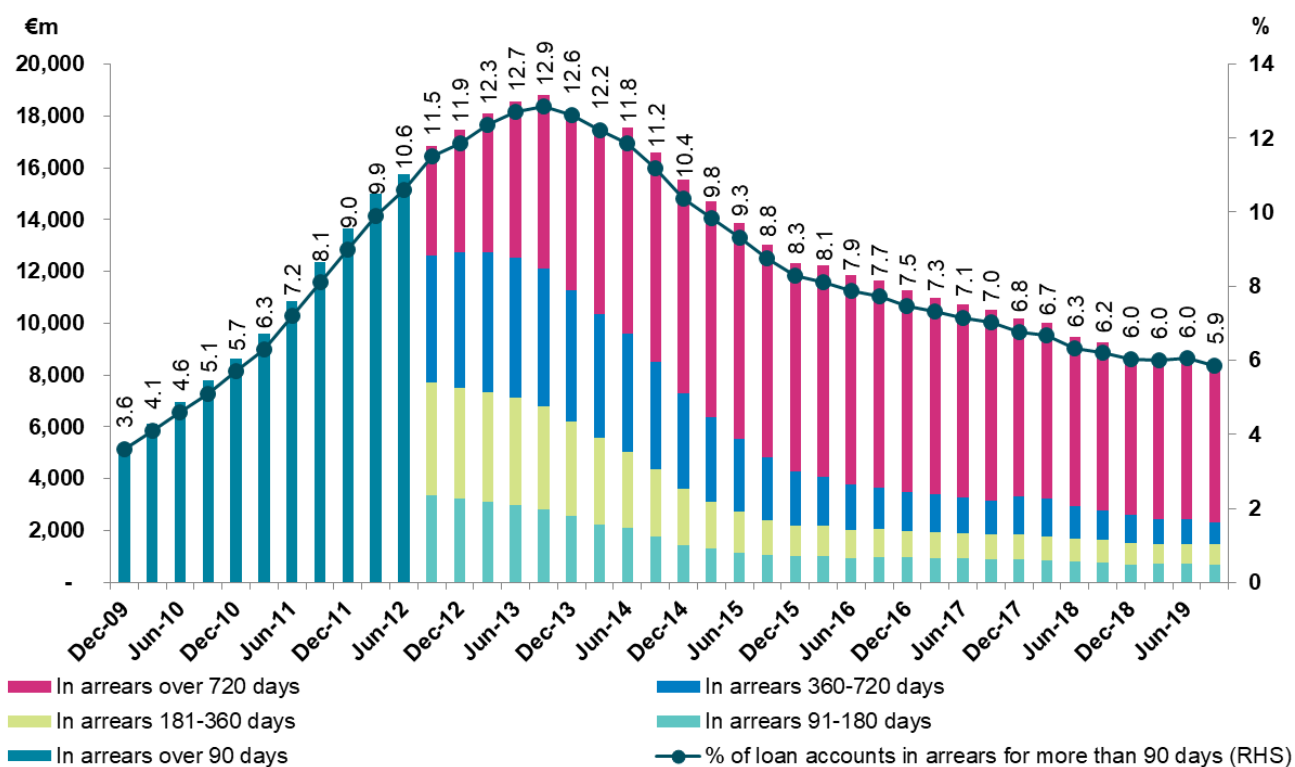
² The Consumer Protection (Regulation of Credit Servicing Firms) Act 2018 (the 2018 Act) amends Part V of the Central Bank Act 1997 (the 1997 Act) to expand the activity of credit servicing, as defined in the 1997 Act, to include holding the legal title to credit granted under a credit agreement and 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-September 2019, there were 742,526 private residential mortgage accounts for principal dwellings held in the Republic of Ireland, with a value of €97.9 billion.³ Of this total stock, 61,802 accounts were in arrears, representing a decrease of 3,241 accounts or 5 per cent over the quarter. Some 43,518 accounts (5.9 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 €8.3 billion at end-September, equivalent to 8.4 per cent of the total outstanding balance on all PDH mortgage accounts. The number of accounts in arrears over 720 decreased by 753 accounts in Q3 2019. Accounts in arrears over 720 days accounted for 45 per cent of all accounts in arrears at end-September.

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

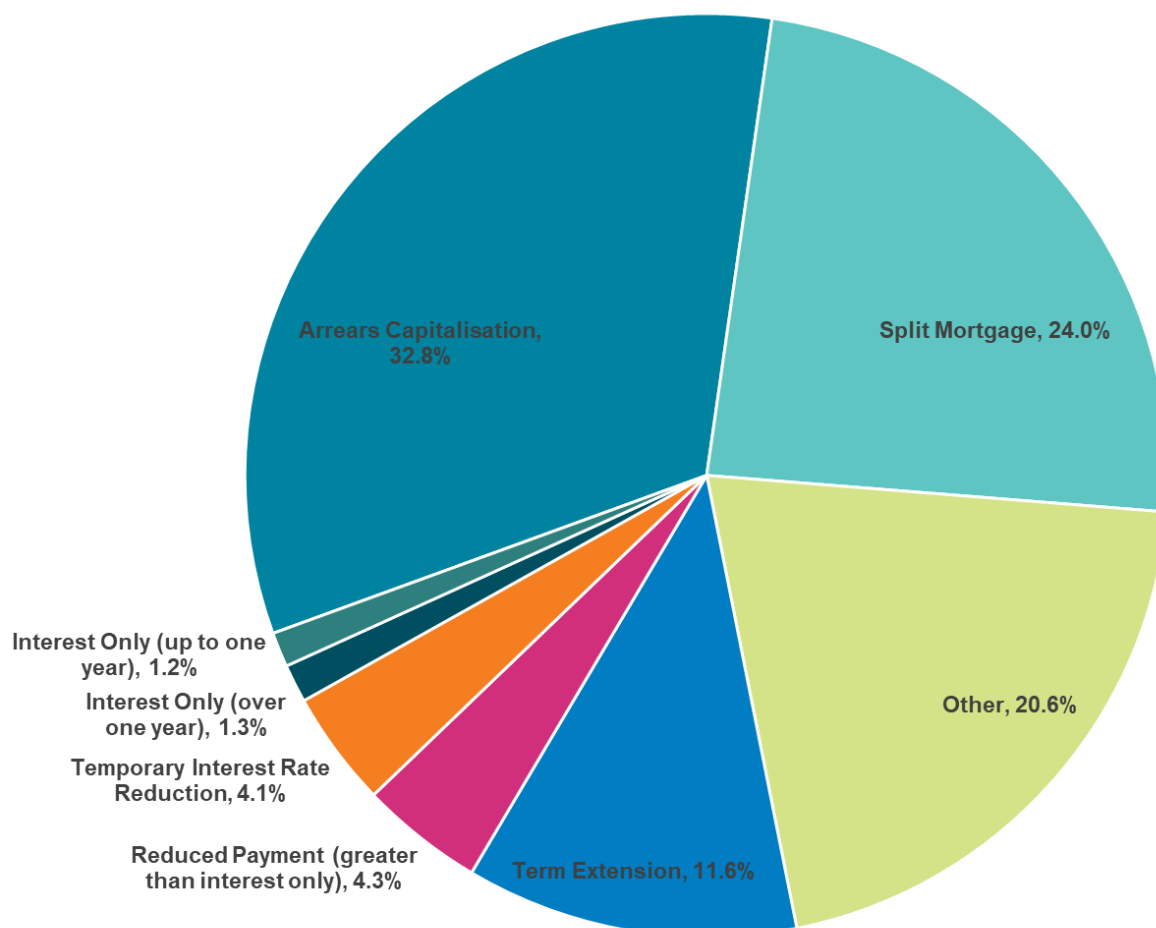
⁴ The figures published here represent the total stock of mortgage accounts in arrears of more than 90 days, as reported to the Central Bank of Ireland by mortgage lenders and credit service providers. They include mortgages that have been restructured and are still in arrears of more than 90 days, as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

Restructuring Arrangements⁵

A total stock of 88,587 PDH mortgage accounts were categorised as restructured at end-September 2019. Arrears capitalisation⁶ accounted for the largest share of restructured accounts at 33 per cent at end-September, while the share of accounts on temporary restructure arrangements remained low at 13 per cent.

There were 4,993 new restructure arrangements⁷ agreed during the third quarter of 2019. The data on arrears and restructures indicate that of the total stock of 61,802 PDH accounts that were in arrears at end-September, 18,021 accounts (29 per cent) were classified as restructured. The remaining 71 per cent of accounts in arrears were not part of a restructure arrangement at end-September 2019.

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



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.

Some 80 per cent of restructured accounts were not in arrears at end-September 2019.⁸ At end-September, 86 per cent of restructured PDH accounts were deemed to be meeting the terms of their arrangement. This 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-September 2019, broken down by arrangement type.⁹ The figures show that of the total stock of accounts in the arrears capitalisation category, some 21 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-Sept 2019)

%	PDH	BTL
Total	86.1	87.5
Interest Only - up to one year	85.3	81.2
Interest Only - over one year	94.2	88.4
Deferred Interest Scheme	80.0	n/a
Reduced Payment (less than interest only)	59.0	93.3
Reduced Payment (greater than interest only)	87.0	88.2
Temporary Interest Rate Reduction	88.2	94.7
Payment Moratorium	99.0	100.0
Arrears Capitalisation	78.6	78.1
Term Extension	92.7	93.5
Permanent Interest Rate Reduction	86.2	92.9
Split Mortgage	93.7	91.0
Other	85.1	88.1

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.

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 Q3 2019, the Courts granted an order for repossession or sale of the property affecting 150 accounts. A total of 80 properties were taken into possession by lenders during the quarter, down from 224 properties in the previous quarter. Of the properties taken into possession during the quarter, the majority of properties, at 43, were voluntary surrendered or abandoned. The remainder, at 37, were repossessed on foot of a Court Order. During the quarter, 171 properties were disposed of by lenders. As a result, lenders were in possession of 1,246 PDH properties at end-September 2019. During Q3 2019, there were 302 mortgage accounts where legal proceedings concluded but arrears remained outstanding.

Residential Mortgages on Buy-to-Let Properties

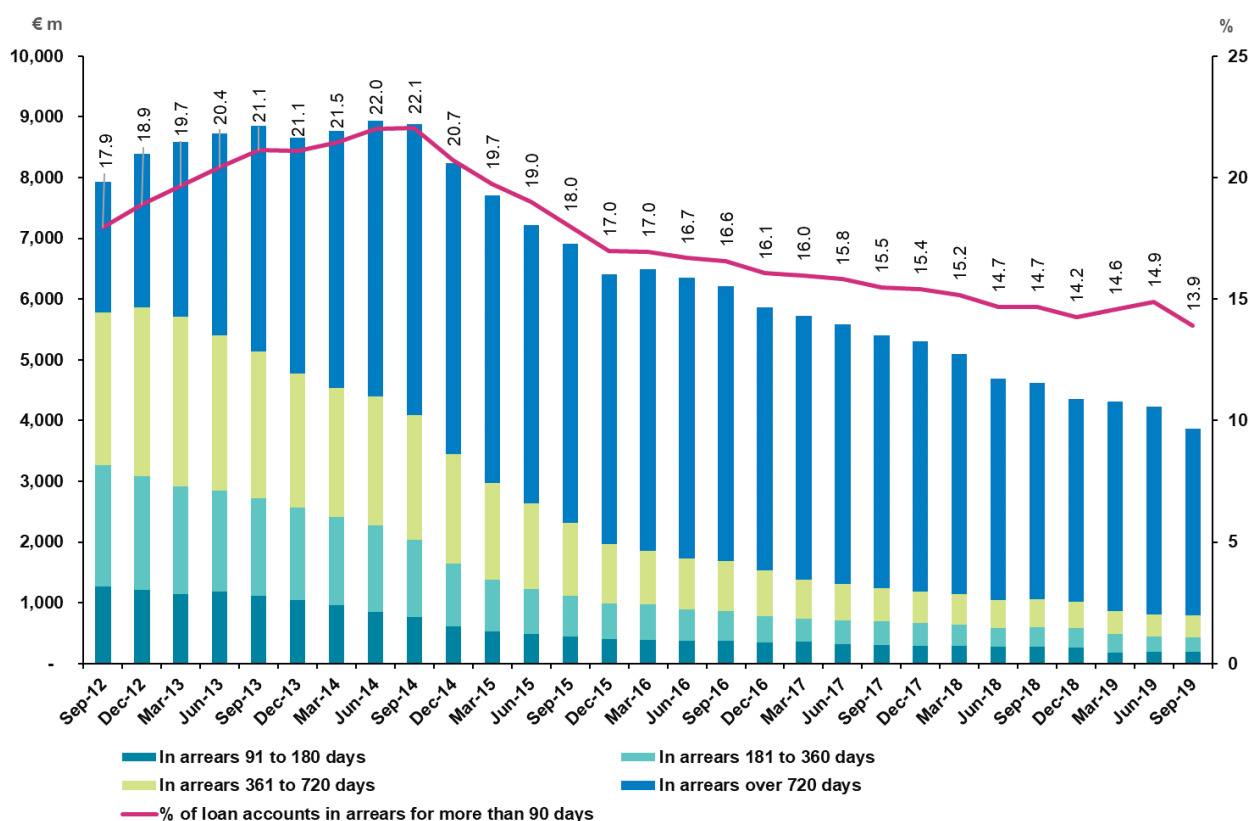
Arrears

At end-September 2019, there were 106,130 residential mortgage accounts for buy-to-let (BTL) properties held in the Republic of Ireland, to a value of €17.4 billion.. Of the total BTL stock, 14,744 accounts or 13.9 per cent were in arrears of more than 90 days (Figure 3), reflecting an decrease of 10 per cent over the quarter. The outstanding balance on all BTL mortgage accounts in arrears of more than 90 days was €3.9 billion at end-September, equivalent to 22 per cent balance outstanding on BTL accounts.

BTL accounts in arrears greater than 720 days decreased by 12 per cent in the third quarter of 2019. Accounts in arrears of over 720 days numbered 10,861 or 62 per cent of all BTL accounts in arrears. The outstanding balance on these accounts was €3.1 billion at end-September, equivalent to 18 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 14,324 BTL mortgage accounts were categorised as restructured at end-September 2019, reflecting a decrease of 1,239 accounts over the quarter. Of the total stock of restructured accounts recorded at end-September, 83 per cent were not in arrears, while 88 per cent were meeting the terms of their current restructure arrangement. A total of 614 new restructure arrangements were agreed during the third 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 17,413 BTL accounts that were in arrears at end-September, 2,422 (or 14 per cent) were classified as restructured.

Rent Receivers and Repossessions

During the third quarter of 2019, rent receivers were appointed to 300 BTL accounts, bringing the stock of accounts with rent receivers appointed to 4,588. There were 965 BTL properties in the banks' possession at the beginning of Q3 2019. A total of 48 properties were taken into possession by lenders during the quarter. Of the total BTL repossessions in the quarter, 16 were repossessed on foot of a Court Order, while the remaining 32 were voluntarily surrendered or abandoned. During Q3 2019, 111 properties were disposed of. As a result, lenders were in possession of 822 BTL properties at end-September 2019.

Residential Mortgages held by Non-Bank Entities¹¹

Arrears

At end-September 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-September 2019 (18 per cent in value terms).

For PDH mortgages held by non-bank entities, 20 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, 38 per cent of accounts were in arrears over 90 days, and 30 per cent of accounts in arrears of over 720 days (Table 6).

Non-bank entities held 19,730 restructured PDH mortgage accounts at end-September 2019, with 925 new restructure arrangements agreed during the quarter. Of the restructured accounts, 83 per cent were meeting the terms of the arrangement. Non-bank entities held 3,796 restructured BTL mortgage accounts, which accounted for 27 per cent of all restructured BTL mortgage accounts. Some 83 per cent of BTL mortgages were meeting the terms of the restructuring arrangement.

Repossessions

Some 23 PDH properties were taken into possession by non-bank entities during the quarter, down slightly on the previous quarter. Of the properties taken into possession during the quarter, 13 were repossessed on foot of a Court Order, while the remaining 10 were voluntarily surrendered or abandoned. During the quarter, 27 PDH properties were disposed of. There were 432 PDH and BTL properties in non-bank entities' possession at the end of the third quarter of 2019.

¹¹ Non-bank entities comprise of retail credit firms and credit servicing firms. For breakdown of arrears, repossessions, 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	Q2 2019			Q3 2019		
	Number	Balance €000	Arrears €000	Number	Balance €000	Arrears €000
Mortgages						
Total residential mortgage loan accounts outstanding	744,451	97,721,106	-	742,526	97,887,337	-
Arrears						
Total residential mortgage arrears cases outstanding	65,043	10,998,082	2,749,488	61,802	10,528,304	2,732,474
<i>of which:</i>						
in arrears up to 90 days	20,023	2,488,002	47,300	18,284	2,260,922	54,964
in arrears 91 to 180 days	5,030	714,274	41,204	4,883	674,125	35,075
in arrears 181 to 360 days	5,174	777,831	111,706	5,238	792,913	127,347
in arrears 361 to 720 days	6,171	940,079	115,711	5,505	847,322	125,762
in arrears over 720 days	28,645	6,077,896	2,433,567	27,892	5,953,022	2,389,326
Total arrears cases over 90 days outstanding	45,020	8,510,080	2,702,188	43,518	8,267,382	2,677,510
% of loan accounts in arrears for more than 90 days	6.0%	8.7%		5.9%	8.4%	
Repossessions						
Residential properties in possession - at the beginning of quarter	1,434			1,407		
Residential properties repossessed on foot of an Order during quarter	32			37		
Residential properties voluntarily surrendered/abandoned during the quarter	192			43		
Residential properties disposed of during this quarter	233			171		
Residential properties in possession – at end of quarter ¹	1,415			1,246		
Total residential mortgage accounts restructured						
Restructures	94,510	12,014,584	332,759	88,587	11,378,785	309,080
Restructures not in arrears	74,682	12,014,584		70,566	8,731,893	
Total restructures by type:						
Interest Only - up to one year	1,298	192,175	10,827	1,187	176,743	11,534
Interest Only - over one year	1,244	207,347	3,306	1,078	177,697	3,160
Reduced Payment (greater than interest only)	4,913	951,056	136,174	3,830	690,748	31,119
Reduced Payment (less than interest only)	515	87,404	7,397	676	178,361	83,003
Term Extension	10,754	1,077,332	41,336	10,310	1,032,796	44,017
Arrears Capitalisation	31,390	4,381,414	72,364	29,076	4,094,670	69,013
Payment Moratorium	936	144,658	3,015	587	85,123	1,740
Deferred Interest Scheme	6	1,214	235	5	992	181
Permanent Interest Rate Reduction	123	21,353	186	123	21,369	177
Split Mortgage	22,055	2,210,233	13,075	21,258	2,324,128	13,066
Trade Down Mortgage	62	8,793	0	61	8,579	0
Temporary Interest Rate Reduction	4,135	678,543	11,272	3,592	590,686	9,853
Other	17,079	2,053,062	33,572	16,804	1,996,892	42,216

*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	Q2 2019			Q3 2019		
	Number	Balance €000	Arrears €000	Number	Balance €000	Arrears €000
Mortgages						
Total residential mortgage loan accounts outstanding	109,909	18,420,178	-	106,130	17,394,809	-
Arrears						
Total residential mortgage arrears cases outstanding	19,523	4,842,758	1,831,928	17,413	4,391,780	1,659,917
<i>of which:</i>						
in arrears up to 90 days	3,163	615,404	24,918	2,669	520,873	25,188
in arrears 91 to 180 days	1,037	191,664	17,893	958	186,002	27,244
in arrears 181 to 360 days	1,244	257,627	40,607	1,269	238,522	40,689
in arrears 361 to 720 days	1,735	359,867	93,540	1,656	368,110	100,422
in arrears over 720 days	12,344	3,418,196	1,654,970	10,861	3,078,272	1,466,374
Total arrears cases over 90 days outstanding	16,360	4,227,354	1,807,010	14,744	3,870,907	1,634,729
<i>% of loan accounts in arrears for more than 90 days</i>	<i>14.9%</i>	<i>22.9%</i>		<i>13.9%</i>	<i>22.3%</i>	
Repossessions						
Residential properties in possession - at the beginning of quarter	1,111			965		
Residential properties repossessed on foot of an Order during quarter	6			16		
Residential properties voluntarily surrendered/abandoned during the quarter	32			32		
Residential properties disposed of during this quarter	184			111		
Residential properties in possession – at end of quarter ¹	961			822		
Total residential mortgage accounts restructured						
Restructures	15,563	3,311,411	124,503	14,324	3,066,335	116,655
Restructures not in arrears	12,639	2,602,241	-	11,902	2,418,993	
Total restructures by type:						
Interest Only - up to one year	516	122,623	12,814	324	67,902	6,874
Interest Only - over one year	758	204,706	12,981	636	205,714	19,601
Reduced Payment (greater than interest only)	2,812	754,847	40,292	2,466	660,568	29,441
Reduced Payment (less than interest only)	19	5,500	420	15	3,529	81
Term Extension	3,010	474,182	11,276	2,866	446,720	10,579
Arrears Capitalisation	3,163	582,028	22,356	2,812	527,573	19,490
Payment Moratorium	131	19,072	1,156	109	17,534	1,406
Deferred Interest Scheme	0	0	0	0	0	0
Permanent Interest Rate Reduction	14	2,305	3	14	2,279	4
Split Mortgage	1,635	196,002	619	1,516	180,569	3,466
Temporary Interest Rate Reduction	83	14,222	72	75	13,357	58
Other	3,422	935,924	22,514	3,491	940,590	25,655

Table 5: PDH Mortgage Arrears Repossessions and Restructures of Non-Bank Entities	Non-Bank Entities Q3 2019					
	Retail Credit Firms			Credit Servicing Firms		
	Number	Balance €000	Arrears €000	Number	Balance €000	Arrears €000
Mortgages						
Total residential mortgage loan accounts outstanding	80,274	12,332,693		11,207	2,400,201	
Arrears						
Total residential mortgage arrears cases outstanding	14,727	2,850,604	862,259	7,391	1,851,822	705,555
<i>% of total</i>	18%	23%		66%	77%	
of which:						
in arrears over 90 days	11,408	2,392,087	833,377	6,646	1,740,998	699,023
<i>% of total</i>	14%	19%		59%	73%	
in arrears over 720 days	7,478	1,754,736	693,268	5,877	1,608,463	687,075
<i>% of total</i>	9%	14%		52%	67%	
Repossessions						
Residential properties in possession – at end of quarter	175			107		
Total residential mortgage accounts restructured						
Restructures	17,357	2,294,308	46,484	2,373	439,150	98,552
<i>% of total</i>	22%	19%		21%	18%	
Meeting the terms of the arrangement	14,876	1,922,585	11,353	1,497	228,939	8,455
<i>% of total restructures</i>	86%	84%		63%	52%	
In arrears over 90 days, of which restructured	1,791	278,614	43,607	853	211,887	97,885
<i>% of total in arrears > 90 days</i>	16%	12%		13%	12%	

Table 6: BTL Mortgage Arrears Repossessions and Restructures of Non-Bank Entities	Non-Bank Entities Q3 2019					
	Retail Credit Firms			Credit Servicing Firms		
	Number	Balance €000	Arrears €000	Number	Balance €000	Arrears €000
Mortgages						
Total residential mortgage loan accounts outstanding	18,285	3,569,586		7,923	2,000,502	
Arrears						
Total residential mortgage arrears cases outstanding	4,935	1,280,052	503,383	6,073	1,636,708	727,264
<i>% of total</i>	27%	36%		77%	82%	
<i>of which:</i>						
in arrears over 90 days	4,164	1,124,418	491,798	5,789	1,579,680	725,489
<i>% of total</i>	23%	31%		73%	79%	
in arrears over 720 days	3,042	898,053	442,290	4,827	1,389,194	687,446
<i>% of total</i>	17%	25%		61%	69%	
Repossessions						
Residential properties in possession – at end of quarter	42			108		
Total residential mortgage accounts restructured						
Restructures	2,950	703,813	13,651	846	195,997	38,716
<i>% of total</i>	16%	20%		11%	10%	
Meeting the terms of the arrangement	2,565	609,318	1,733	569	120,935	5,294
<i>% of total restructures</i>	87%	87%		67%	62%	
In arrears over 90 days, of which restructured	295	68,754	11,794	306	84,540	38,660
<i>% of total in arrears > 90 days</i>	7%	6%		5%	5%	