



Video title: Outcome of Mortgage Measures Framework Review – October 2022

Central Bank of Ireland is making **targeted changes** to the **mortgage measures**.

From 1 January 2023, the loan-to-income limit for **first-time buyers** will **increase to 4 times gross income**.

The requirement for a **10% deposit** will remain unchanged.

For **second and subsequent buyers**, the loan-to-income limit will remain **unchanged at 3.5 times gross income**.

The **deposit requirement** is being **reduced to 10%**.

Lenders will continue to be able to provide a **proportion of lending above the limits**.

Vasileios Madouros, Director of Financial Stability, Central Bank of Ireland

Over the past 18 months, we conducted a comprehensive review of our mortgage measures framework, to ensure the measures remain fit for purpose into the future.

We looked at the experience of other countries with similar measures.

We engaged with a wide range of stakeholders, both at home and abroad.

And, most importantly, we listened to, and learned from, the views shared by the public. The public that ultimately these measures serve.

Our review has re-affirmed the benefits of the measures, through fostering a more sustainable mortgage market.

But, of course, many things have also changed since the measures were introduced seven years ago.

The banking system is more resilient and levels of indebtedness across the household sector have fallen.



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Video Transcript

At the same time, house prices and rents have continued to increase, as the supply of housing has not kept up with demand.

Amid these changes, and to remain fit for purpose into the future, the mortgage measures also need to evolve – which is why we have introduced targeted changes to the rules.

This is consistent with our goal of safeguarding financial stability, by fostering long term resilience of households and the economy.

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