

Household Credit Market Report



Banc Ceannais na hÉireann
Central Bank of Ireland
Eurosystem

H2 2015

The Central Bank of Ireland's *Household Credit Market Report* (HCMR) is compiled by the Financial Stability Division. It collates information from a wide range of internal and external sources to give an up-to-date picture of developments in the household credit market in Ireland.¹ Data are drawn from Central Bank of Ireland *Credit, Money and Banking*, *Retail Interest Rates*, *Quarterly Financial Accounts*, and *Mortgage Arrears* aggregate statistics, loan-level data collected by the Central Bank of Ireland from the Irish domestic banks, and the Banking and Payments Federation Ireland. For cross-country comparisons, the report also draws on data from the ECB (MFI statistics). All data sources are detailed in Appendix 1. Appendix 2 provides a glossary of key terms and abbreviations. Figures may differ from previous HCMR versions where revisions to historical statistics and series have taken place.

The report is structured as follows: Section 1 provides an overview of household liabilities and credit stocks. Section 2 focuses on the mortgage credit market. Section 3 highlights developments in non-mortgage credit.

Executive Summary

- Irish households continue to reduce outstanding credit balances with falls across mortgage and non-mortgage markets. In the mortgage market, the fall in outstanding credit for Private Dwelling Houses (PDH) shows some signs of stabilisation with continued declines for Buy-to-Let (BTL) and Second Home loans.
- The value, and number of, new mortgage loans increased year-on-year at Q1 2015 which continues the trend from 2014. The majority of current lending goes to First Time Buyers.
- The average interest rate on outstanding mortgages in Ireland stood at 2.7 per cent in Q1 2015. The average interest rate on PDH stood at 4.26 per cent for standard variable rate contracts and 1.05 per cent for tracker contracts. Fixed rates varied between 3.57 and 4.18 per cent depending on the fixation period.
- The standard or loan-to-value variable interest rate on new lending for PDH mortgages stood at 4.13 per cent in Q1 2015. Fixed rates on new lending varied between 3.89 and 4.99 per cent depending on the fixation period.
- The overall value of mortgage arrears continues on a downward trend. It has fallen from €23.7bn in Q4 2014 to €22.4bn in Q1 2015, representing 17 per cent of total mortgage balances.
- The number of PDH mortgage modifications has continued to increase in Q1 2015. There is also an improvement in the per cent of borrowers meeting the terms of the arrangements.
- Deleveraging is also continuing for non-mortgage, consumer credit. However, the pace of decline has slowed in recent quarters and growth is evident in certain market segments (3-5 year loans).
- Regarding the performance of non-mortgage loans, the default rate is on a declining trend. As of December 2014, default rates ranged from 14 per cent for unsecured term loans to approximately 4 per cent on revolving facilities (credit cards and overdrafts).

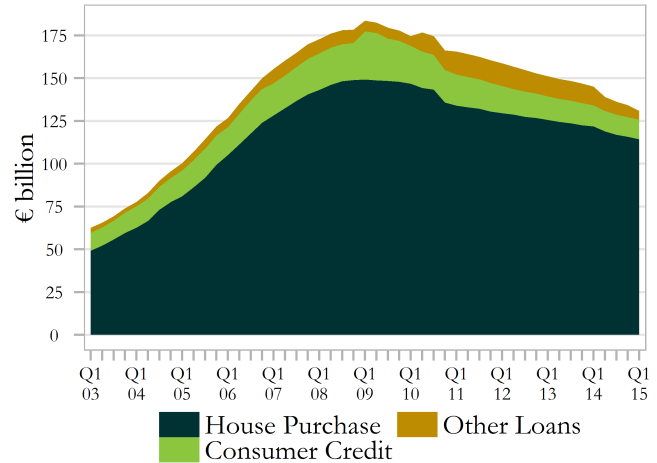
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1 Overview

Despite the broader recovery in the domestic economy, households are still deleveraging. This is displayed in Figure 1 which presents data on outstanding stocks of loans for house purchase, loans for consumption (consumer credit such as credit cards, auto loans and personal loans), and other loans.* Total lending for house purchase amounted to approximately €114.3bn in Q1 2015, having fallen year-on-year from €121.8bn in Q1 2014. This is well below the peak of €149.1bn recorded in Q1 2009. Consumer credit amounted to €11.4bn in Q1 2015, having declined from a peak of €28.2bn in Q1 2009. Other loans amounted to €5.1bn in Q1 2015.

*Other loans refer to loans for household education, household business activities, and debt consolidation. It may include some consumption loans. See CBI, Money and Banking Statistics Explanatory Notes for details.

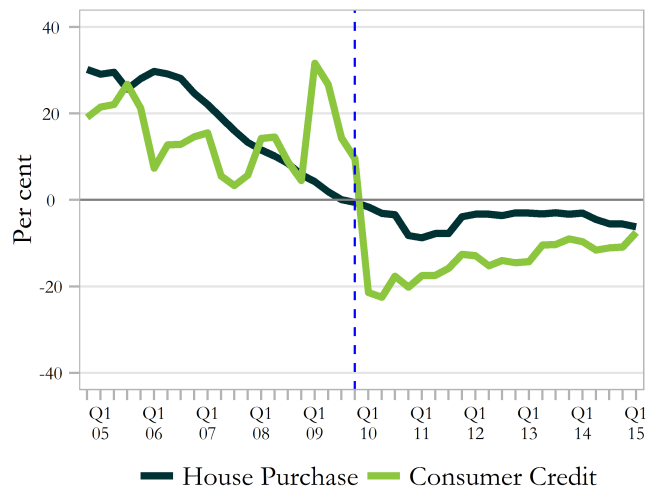
Figure 1. Outstanding Household Loans, Q1 2003- Q1 2015



Source: Central Bank of Ireland, Credit, Money, and Banking Statistics. Note 1: Data covers loans held at banks reporting to CBI, Credit, Money, and Banking Statistics. Values may fall due to factors such as portfolio sales and bank exits. See appendix 1.

Figure 2 presents the percentage change in the outstanding stock of credit for house purchase and consumer credit. The rate of reduction in loans for house purchase was greatest during the period Q3 2010 to Q2 2012 and, while deleveraging continues, the rate appears to have moderated more recently. The rate of decline in consumer credit follows a similar pattern with sharp reductions in the growth rate between Q1 2010 and Q1 2011 with some moderation more recently.

Figure 2. Percentage Change in Loan Stocks by Type, Q4 2005- Q1 2015



Source: Central Bank of Ireland, Credit, Money, and Banking Statistics. Notes as per figure 1 apply. Values are year-on-year growth rates smoothed using a 4-quarter moving average. Blue dashed line represents a structural break in the series due to statistical reclassification of data.

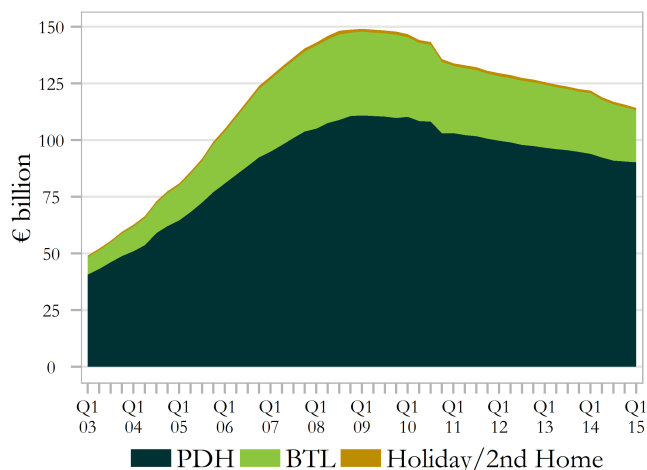


2 Developments in Mortgage Credit

2.1 Mortgage Credit Stocks Outstanding

Figure 3 presents the evolution of total mortgage credit in Ireland split between lending for primary homes (PDH), buy-to-let investments (BTL) and holiday or other second-home loans (Holiday/2nd Home). The majority of lending has historically been for PDH mortgages. The volume of lending for BTL investments increased considerably during the credit boom period as households increased their investment exposure to residential property. Total outstanding PDH mortgages amounted to €90.2bn, BTL loans to €23bn and holiday or second home loans to just over €1bn in Q1 2015.

Figure 3. Outstanding Mortgage Credit by Dwelling Type, Q1 2003- Q1 2015



Source: Central Bank of Ireland, Credit, Money, and Banking Statistics. Note: Loans held at banks reporting to CBI, Credit, Money, and Banking Statistics. See appendix 1. Note: Figures related to summation of CBI tables A.18.1 and A.18.2.

Figure 4. Percentage Change in Outstanding Mortgage Stocks by Dwelling Type, Q2 2004- Q1 2015

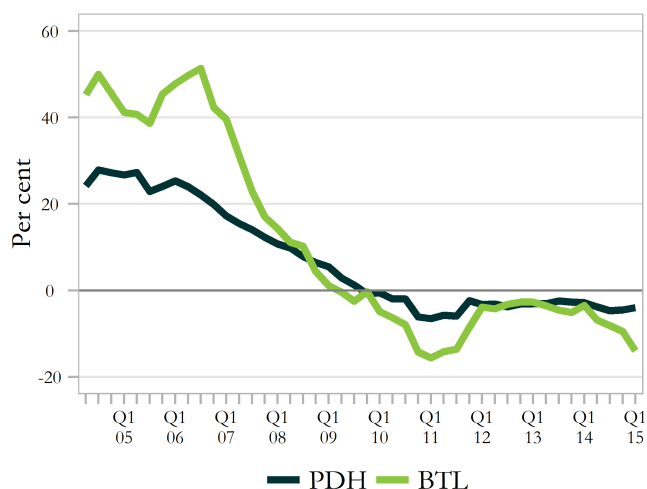


Figure 4 shows the year-on-year growth rate in the stocks of PDH and BTL lending from Figure 3. Deleveraging continues in Q1 2015 for both markets. The pace has declined however in recent times for PDH lending with continued falls for BTL.

Source: Central Bank of Ireland, Credit, Money, and Banking Statistics. Notes as per figure 3 apply. Values are year-on-year growth rates.

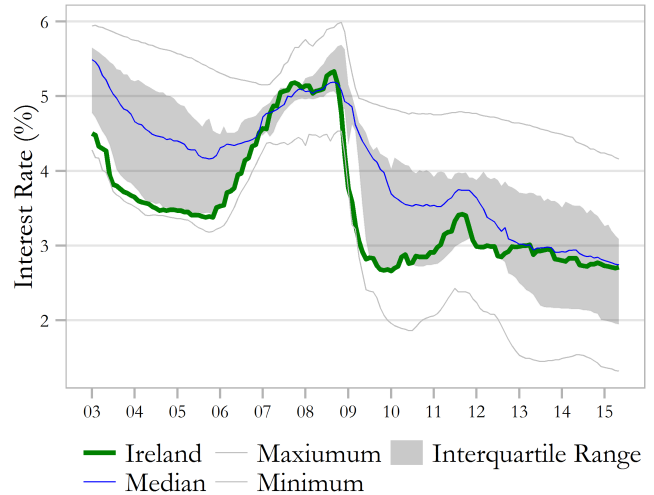


2.2 Interest Rates on Outstanding Loans

To provide an international comparison, Figure 5 presents interest rates on outstanding mortgages for Ireland and the median across a group of selected European countries.* Percentiles and the sample maximum and minimum are also presented. The outstanding interest rate in Ireland as of May 2015, at approximately 2.7 per cent, is close to the Euro area median. Part of the cross-country variation can be explained by the different shares of variable and fixed-rate mortgages in the stock of loans in each country. It must be noted that these data do not represent the interest rate on new lending.

*Countries were selected due to data availability. Included countries are: AT, BE, DE, ES, FI, FR, GR, IE, IT, LU, NL, and PT.

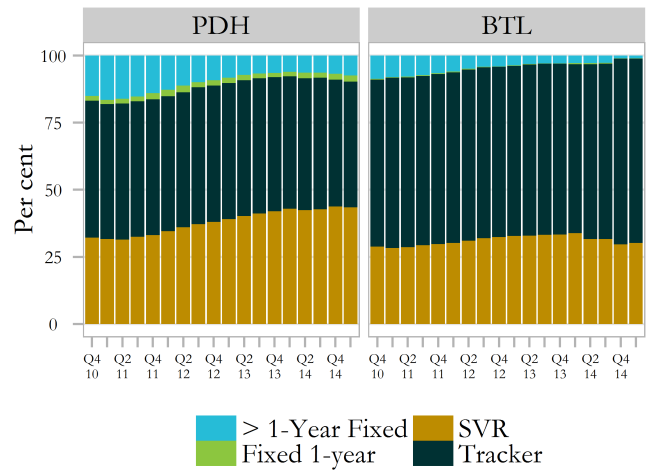
Figure 5. Average Interest Rate on Current Outstanding Mortgages, European Comparison, 2003-2015



Source: European Central Bank, MFI Interest Rates.

Figure 6. Mortgage Credit Outstanding by Rate Type, Q4 2010-Q1 2015

Figure 6 presents the percentage of outstanding PDH and BTL loans that hold fixed, standard variable rate (SVR) and tracker mortgages. As of Q1 2015, for PDH loans, 43 per cent had an SVR interest rate, a further 47 per cent had tracker rates and the remaining were on fixed-rate contracts (2.2 per cent on short-term fixed and 7 per cent on fixed terms of greater than one year). For BTL loans, a majority are on tracker rate mortgages (68 per cent) with SVR rates the second largest type of rate structure (30 per cent). There are very few fixed rate BTL loans.



Source: Central Bank of Ireland, Credit, Money and Banking Statistics. Note: Loans held at banks reporting to CBI, Credit, Money, and Banking Statistics. See appendix 1. SVR relates to loans with a standard variable, floating interest rate.



To provide more granular detail on the interest rates faced by borrowers with different mortgage interest rate types, Table 1 presents the average interest rate on outstanding PDH & BTL mortgages by mortgage rate type. As of Q1 2015 the average SVR rate on PDH mortgages was 4.26 per cent. The average rate on outstanding tracker mortgages stood at 1.05 per cent in Q1 2015. Meanwhile the tracker rate on BTL mortgages stood at 1.02 per cent in Q1 2015. Fixed rates on PDH and BTL mortgages varied by fixed term duration.

Table 1. Interest Rates on Outstanding Loans Q1 2015

	PDH	BTL
Standard or LTV Variable	4.26	4.35
Tracker Mortgages	1.05	1.02
Fixed rate		
1 to 3 Years	4.18	4.88
3 to 5 years	4.31	4.91
over 5 years	3.57	4.13

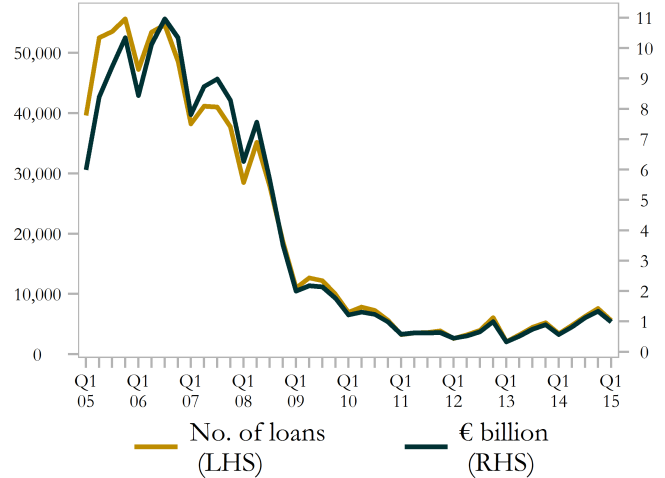
Source: Central Bank of Ireland.



2.3 New Mortgage Lending

Figure 7 presents data on new lending from the Banking and Payments Federation Ireland. There has been an increase in the value of new lending between Q1 2014 and Q1 2015 from €568mn to €983mn. The number of new loans has increased from 3,425 in Q1 2014 to 5,618 in Q1 2015. Lending volumes are well below the pre-crisis peak.

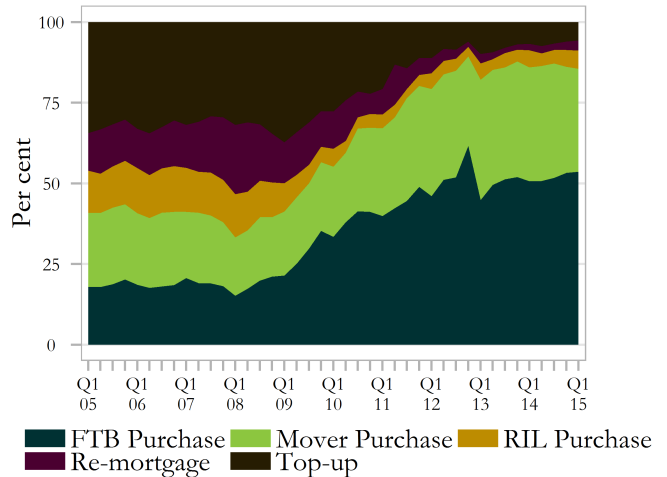
Figure 7. New Mortgage Lending by Loan Count and Balance, Q1 2005-Q1 2015



Source: Banking and Payments Federation Ireland.

Figure 8 presents new lending by loan type across the following categories: First Time Buyers (FTB), Movers, Residential Investment Loans (RIL), Re-mortgaging and equity release (Top-ups). Prior to the crisis, considerable new lending was allocated for re-mortgaging, equity release and residential investment. Since the crisis, the highest share of lending has been undertaken by FTBs. In Q1 2015, FTBs accounted for 53.6 per cent of new loans, Movers account for 31.9 per cent of new loans with 5.6 per cent for RIL, 3 per cent for re-mortgages and just under 5.7 per cent for Top-ups.

Figure 8. Breakdown of New Mortgage Lending Count by Credit Type, Q1 2005 - Q1 2015



Source: Banking and Payments Federation Ireland.



Summary statistics for new mortgage lending for the period July 2014 to December 2014 inclusive are shown in Table 2, and are calculated from the loan-level data (LLD) collected by the Central Bank of Ireland. The table presents the statistics for loan balance, originated loan-to-value (OLTV) and mortgage term for PDH and BTL loans. The average balance for all loans was approximately €167,550, median OLTV was 75 per cent and average term was 27 years.

Table 2. Overview of New Lending, July to December 2014 - Loan Level Data

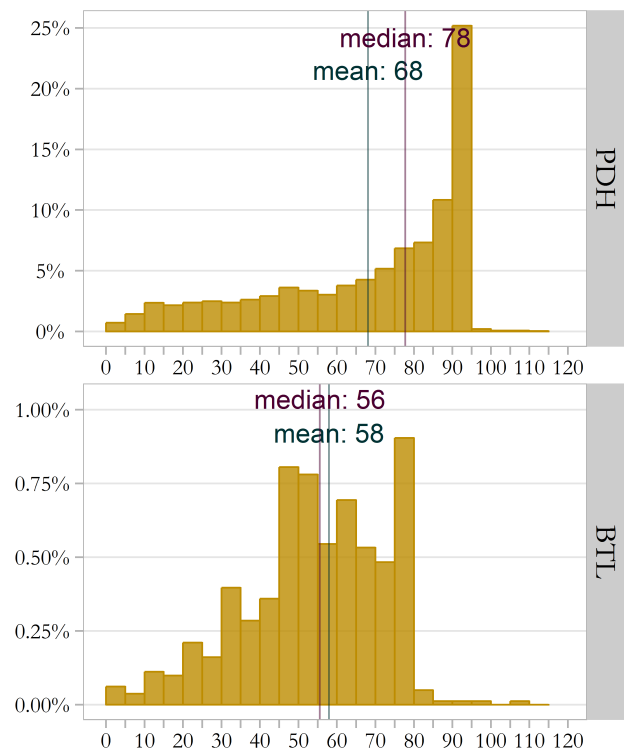
Variable	All	PDH	BTL
Median Balance (EUR)	147,000	150,000	80,000
Mean Balance (EUR)	167,550	170,964	109,589
Median OLTV (%)	75	78	56
Mean OLTV (%)	67	68	58
Mean Term (years)	27	27	18

Source: Central Bank of Ireland, LLD.

Note: Data cover Allied Irish Bank, Bank of Ireland and Permanent TSB. It does not contain information on the lending activity of other market participants.

Figure 9 shows the distribution of OLTV ratios for new lending between July and December 2014 from the CBI LLD sample. The distributions are broken down by primary dwelling houses (PDH) and buy-to-let (BTL). As with the first half of 2014, lending for the PDH market is clustered around 90 per cent OLTV with lower levels of lending originated with LTVs above 90 per cent. For BTL loans, there was more variation across LTV at origination.

Figure 9. Distribution of Originated Loan-to-Value Ratios, July to December 2014

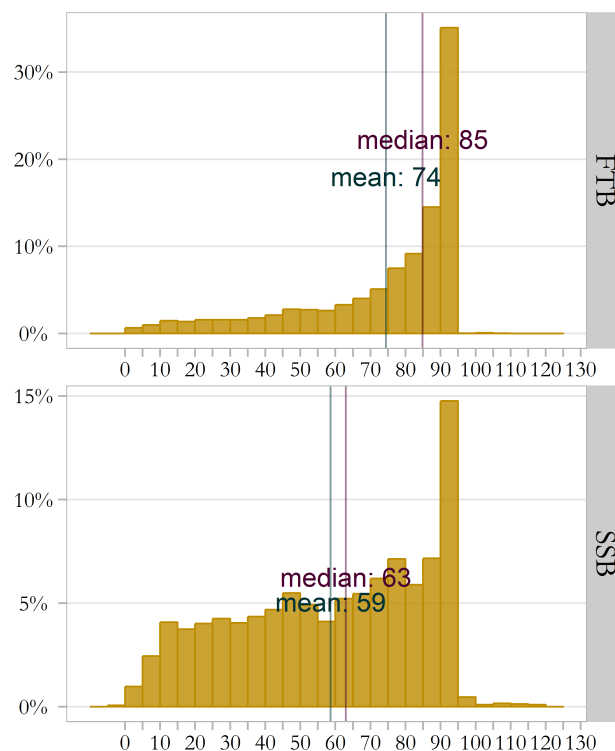


Source: Central Bank of Ireland, LLD. Note: Y axis is per cent count of all loans both PDH and BTL i.e. both panels sum to 100%.



Figure 10. Distribution of Originated Loan-to-Value Ratios by Buyer Status, July to December 2014

Figure 10 breaks down the PDH distribution of OLTV ratios by buyer status for new mortgages from the CBI LLD sample between July and December 2014. FTB refers to first time buyers, whereas SSB refers to second & subsequent buyers. FTBs have a higher average OLTV when compared with SSBs (74% to 59%). The distribution of OLTV for FTB lending is concentrated around the higher levels, particularly in the 90%-95% bucket. This might be expected as FTBs generally do not have prior housing equity. There is greater dispersion in the OLTV ratios issued to SSBs. That group is more likely to have built up housing equity in a previous property, though there is also a peak in the 90%-95% bucket.



Source: Central Bank of Ireland, LLD. Note: Y axis is per cent count of loans in each panel i.e. each panel sums to 100%.

Table 3 depicts the average interest rates on new PDH & BTL mortgages. As of Q1 2015 the average Standard or LTV Variable rate on new PDH mortgages stood at 4.13 per cent, while the rate on equivalent BTL mortgages was 5.15 per cent. For fixed-rate mortgages shorter-term loans had a slightly higher interest rate than loans with longer periods of fixation. While also following a similar trend, rates on equivalent BTL were highest in the 3 to 5 year category.

Table 3. New Mortgage Lending Rates Q1 2015

	PDH	BTL
Standard or LTV Variable	4.13	5.15
Fixed rate		
- 1 to 3 Years	3.99	5.65
- 3 to 5 years	3.94	6.32
- over 5 years	3.89	5.5

Source: Central Bank of Ireland, Interest Rate Statistics.

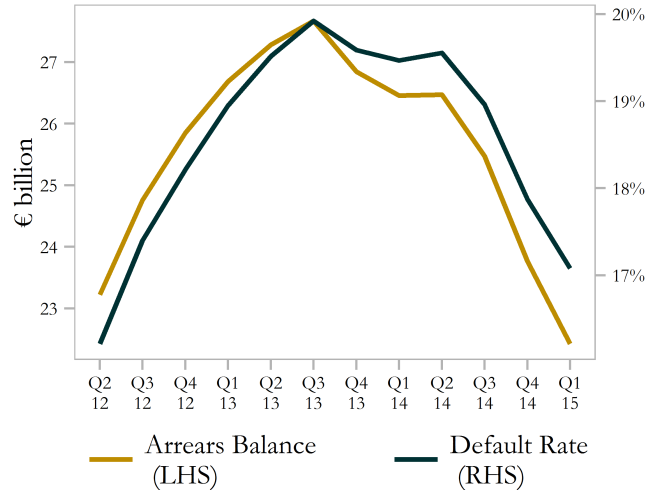


2.4 Mortgage Arrears

Figure 11 presents the total value of outstanding mortgage balances in arrears across both PDH loans and BTL loans. As of Q1 2015, a total of just under €22.4bn worth of loans were in arrears, down from €23.7bn in Q4 2014.* In Q1 2015, just over 17 per cent of the value of all residential mortgage loans outstanding. The overall value of mortgage arrears continues on a downward trend, having peaked at over €27.6bn in Q3 2013 or approximately 21 per cent of all loans.

*In this report, when we refer to mortgages in arrears, we use the standard Basel definition of mortgages in default as being at least 90 days-past-due.

Figure 11. Mortgage Arrears by Default Rate and Balance, Q2 2012-Q1 2015

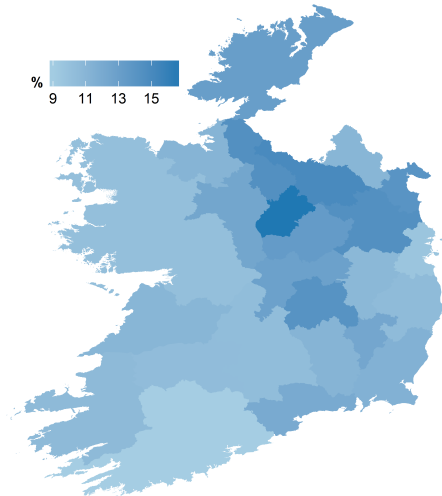


Source: Central Bank of Ireland, Mortgage Arrears Statistics.

Figure 12. Default Rates on All Residential Mortgages by County (Per Cent of Loans), December 2014

Figure 12 presents the percentage of loans that were in default by county in December 2014 from the Central Bank LLD. There is considerable variation across counties in Ireland. Default rates were lowest in Cork, Dublin, and Galway. Default rates were high in counties in the border and midlands regions. *

*Note that as these data are estimated from the Central Bank of Ireland’s Loan Level Data they differ from statistics provided as part of the official Mortgage Arrears statistics due to differences in the reporting population. A breakdown of arrears by county from the official returns is not available.

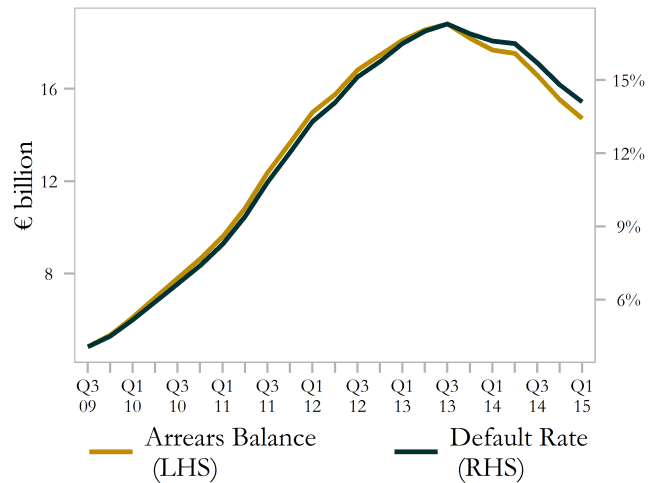


Source: Central Bank of Ireland, Loan Level Data.



Figure 13. PDH Mortgage Arrears by Default Rate and Balance, Q3 2009-Q1 2015¹⁰

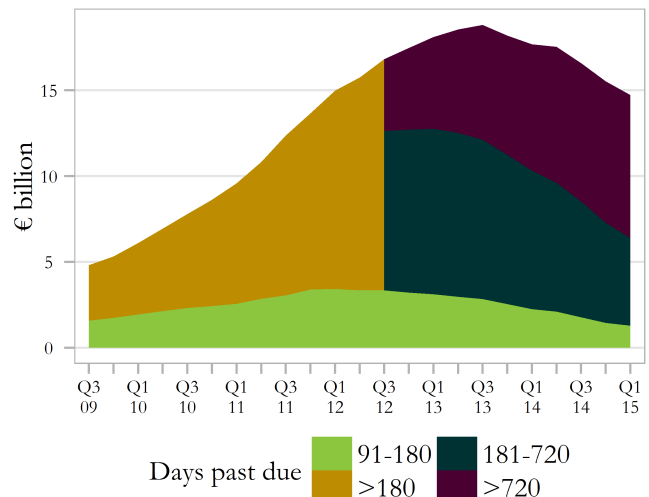
Figure 13 presents the total value of mortgage balances in arrears for PDH loans as well as the share of the total value of outstanding loans that this balance accounts for. The value of mortgages in arrears peaked at just over €18.8bn in Q3 2013. This represented just over 17 per cent of the total value of the outstanding stock of mortgages. Since this peak there has been a general decline in the value of mortgages in arrears to €14.7bn in Q1 2015. This accounts for 14.1 per cent of the value of the outstanding stock.



Source: Central Bank of Ireland, Mortgage Arrears Statistics.

Figure 14. PDH Mortgage Arrears by Depth of Arrears, Q3 2009-Q1 2015

Despite the overall decline in the total volume of PDH arrears, there has been an increasing percentage of loans in long-term arrears. Figure 14 presents the value of mortgages in arrears by the depth of arrears. An increasing share of arrears cases are moving into long-term arrears (more than 720 days-past-due). In Q1 2015, over €8.3bn of total arrears was more than 720 days-past-due (dpd). A further €5.1bn was between 180 and 720 dpd, with approximately €1.3bn in arrears between 90 and 180 dpd.

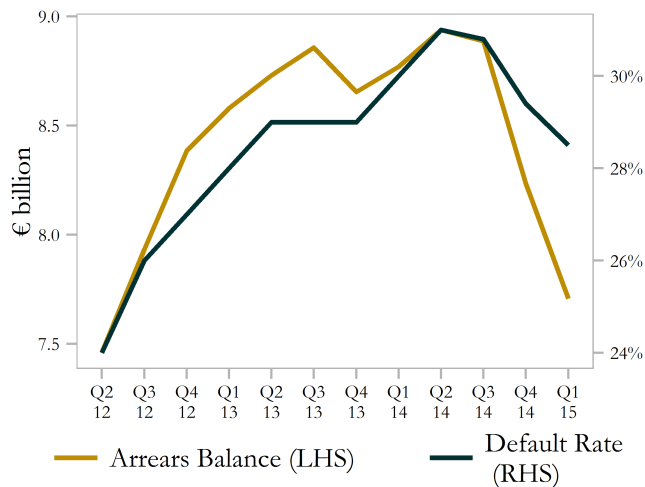


Source: Central Bank of Ireland, Mortgage Arrears Statistics.



Figure 15. BTL Mortgage Arrears by Default Rate and Balance, Q2 2012-Q1 2015

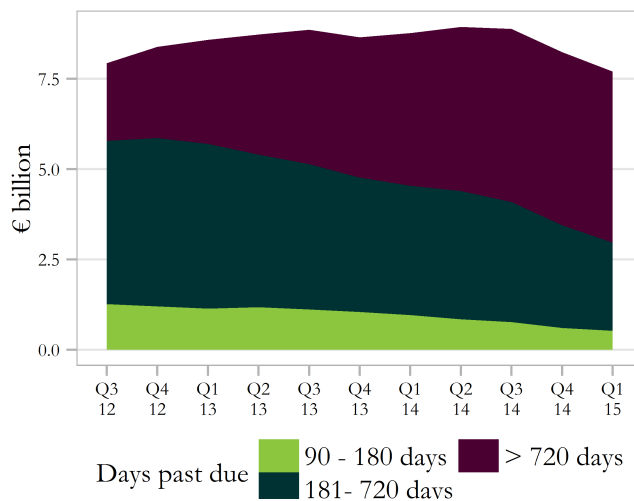
Figure 15 presents the total balance of BTL mortgages that were in arrears as well as the share of total balance in arrears. As of Q1 2015 the total balance of BTL mortgages in arrears was approximately €7.7bn, representing 28.5 per cent of the total outstanding credit stock for BTLs.



Source: Central Bank of Ireland, Mortgage Arrears Statistics.

Figure 16. BTL Arrears by Depth of Arrears, Q2 2012-Q1 2015

Figure 16 presents the balance of BTL loans in arrears by the duration of arrears. As of Q1 2015, approximately €4.7bn is in long-term arrears of greater than 720 dpd. A further €2.4bn is in arrears of between 180 and 720 dpd. Around €0.5bn are in arrears of between 90 and 180 dpd. The trend is towards an increasing share of mortgages in long-term arrears, which is similar to that for PDH mortgage arrears.



Source: Central Bank of Ireland, Mortgage Arrears Statistics.



2.5 Negative Equity

Table 4 presents the share of loans in default and in negative equity for both PDH and BTL loans as of December 2014. For PDH loans, 72 per cent of loans are both in positive equity and performing, 14 per cent are in negative equity and performing, 8 per cent in default and positive equity, and 6 per cent in negative equity and default. For BTL loans, 54 per cent of loans are both in positive equity and performing, 19 per cent are in negative equity and performing, 11 per cent in default and positive equity, and 16 per cent in negative equity and default.

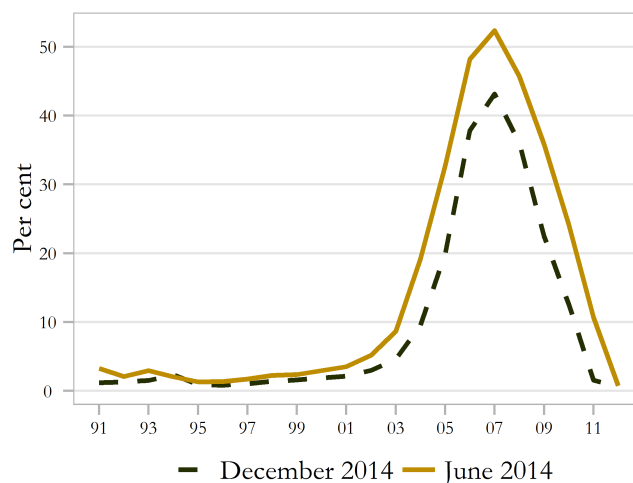
Table 4. Split of Loans by Negative Equity and Default Status, December 2014

		PDH	
		Positive equity	Negative equity
Performing		72%	14%
	Default	8%	6%
		BTL	
		Positive equity	Negative equity
Performing		54%	19%
	Default	11%	16%

Source: Central Bank of Ireland, Loan Level Data.

Figure 17 presents the percentage of loans in negative equity by the year the loan was originated. Negative equity is estimated using data as of December 2014 and therefore does not reflect changes to loan balances and house prices since December 2014. Negative-equity calculations in these data only reflect the loans in the LLD which are collected by the Central Bank of Ireland. It can be seen that a large number of loans that were originated between 2004-2008 were in negative equity in December 2014. Over 40 per cent of the loans originated in 2007 were in negative equity at December 2014.

Figure 17. Percentage of Loans in Negative Equity by Loan Origination Year, December 2014



Source: Central Bank of Ireland, Loan Level Data.

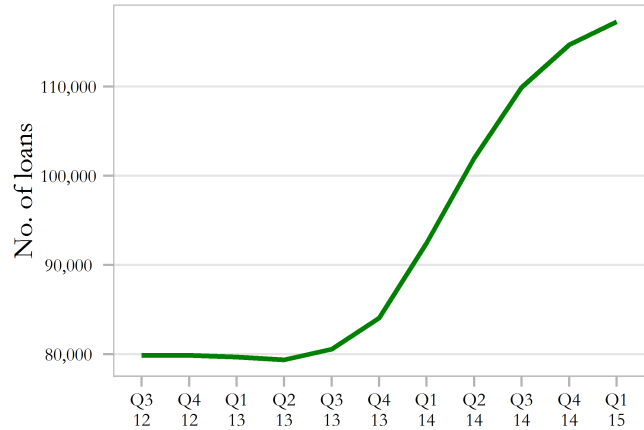
Note: Data describes negative equity calculated on the whole portfolio of mortgage loans a borrower may have e.g a loan issued in 1995 may now be in negative equity due to a top-up loan or equity release issued on the same collateral in 2005. These loans will appear as loans in negative equity in both 1995 and 2005.



2.6 Mortgage Modifications

Figure 18 presents the total stock of mortgage modifications provided by financial institutions to borrowers in arrears or pre-arrears for PDH loans. In recent quarters there has been an increase in the number of modifications. In Q1 2015, there were 117,263 modifications provided by financial institutions to borrowers. This has increased from 92,442 in Q1 2014.

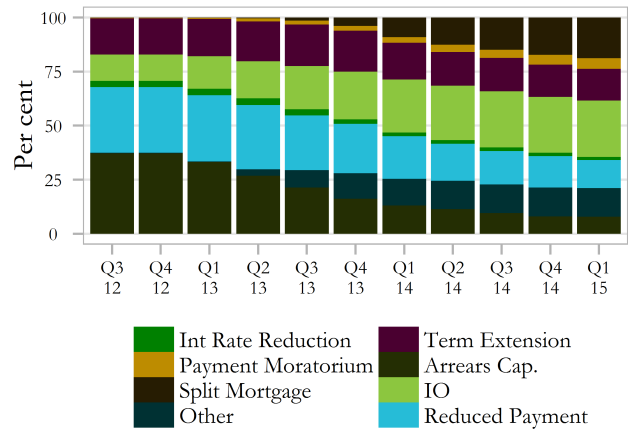
Figure 18. Total Restructured PDH Mortgage Accounts, Q4 2010 - Q1 2015



Source: Central Bank of Ireland, Mortgage Arrears Statistics.

Figure 19. Total Restructured PDH Mortgage Accounts by Type, Q4 2010 - Q1 2015

Figure 19 presents the total number of mortgage modifications by the type of arrangement up to Q1 2015. The largest arrangement type is interest only modifications. In recent quarters, there has been an increase in the share of split mortgages with a reduction in the share of arrears capitalisations and reduced payment modifications.



Source: Central Bank of Ireland, Mortgage Arrears Statistics.



Table 5. Percentage of Modifications Meeting¹⁴ Arrangement Terms, Q1 2015

	PDH	BTL
Arrears Capitalisation	72.5	47.5
Deferred Interest Scheme	73.3	n/a
Interest Only - over one year	94.1	91
Interest Only - up to one year	72.6	78.1
Other	87.4	89.1
Payment Moratorium	94.7	97.2
Permanent Interest Rate Reduction	46.2	n/a
Reduced Payment (greater than interest only)	90.8	92.2
Reduced Payment (less than interest only)	68	84.4
Split Mortgage	95.2	95.2
Temporary Interest Rate Reduction	94.5	95.7
Term Extension	90.4	90.6
Total	85.1	80

Table 5 outlines the percentage of modified loans that are meeting the terms of the arrangement, overall and for each specific type of modification. Overall for PDH loans, around 85 per cent are meeting the terms of the arrangement. The equivalent figure for BTL is 80 per cent. The percentage of borrowers meeting the arrangement terms has increased since Q3 2014 as reported in the previous HCMR (H1 2015). There is variation across modification type in the percentage of borrowers meeting the terms of the arrangements.

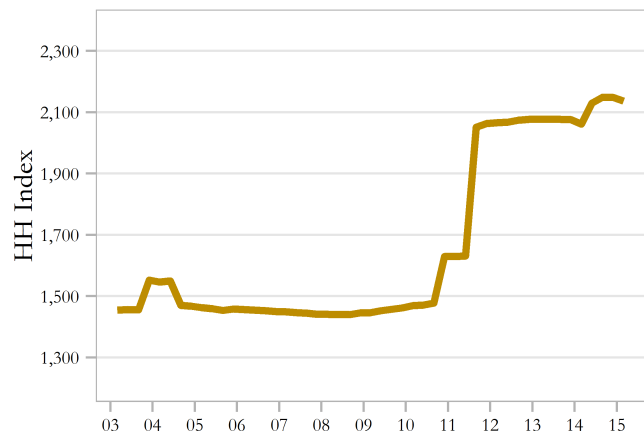
Source: Central Bank of Ireland, Mortgage Arrears Statistics.

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

2.7 Mortgage Market Structure

Figure 20 presents a Herfindahl index (HH Index) for the stock of outstanding Irish mortgages. This measure is the sum of the squares of each institution's market share and is a generally accepted measure of concentration. The index has increased since the onset of the crisis and is currently high in a historical Irish perspective. The increases in 2011 relate to market exits, mergers (such as AIB and EBS) and loan transfers. Values of greater than 1800 are generally considered to be high in the competition literature, meaning a greater concentration and therefore reduced competition.

Figure 20. Concentration Index for Irish Mortgage Lending, Q1 1998 - Q1 2015



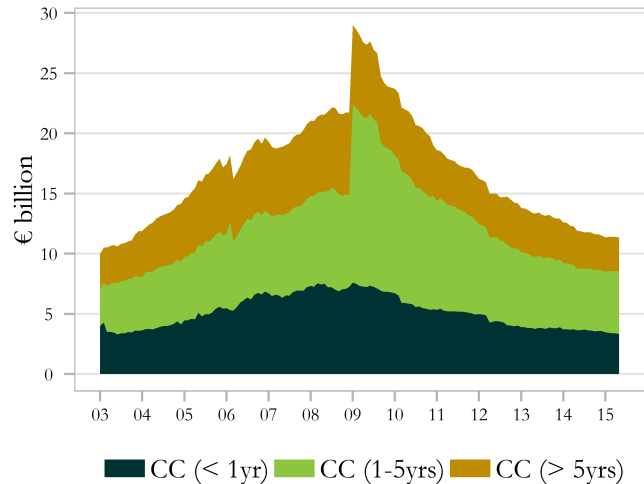
Source: Central Bank of Ireland data.



3 Non-Mortgage Household Credit

Figure 21 presents the trends in consumer credit broken down by the loan term. All categories of consumer lending has fallen since the onset of the crisis as deleveraging has continued. Consumer credit of less than one year stood at €3.3bn in May 2015, down from €3.6bn one year previously. Loans of 1 to 5 year terms stood at €5.2bn in May 2015 increasing marginally from the preceding year. Consumer loans of over 5 years stood at €2.8bn in May 2015, down from €3.1bn one year previously.

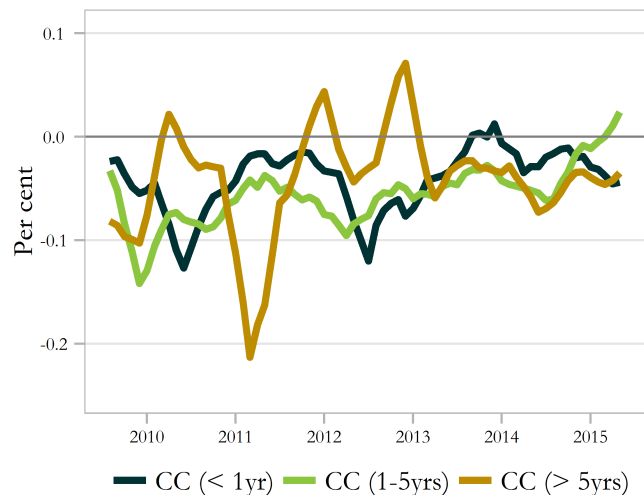
Figure 21. Outstanding Stock of Consumer Credit, 2003 - 2015



Source: Central Bank of Ireland, Credit, Money and Banking Statistics. Note: The increase in the series in Q1 2009 reflects the inclusion of credit unions in the reporting population.

Figure 22 shows the growth rates in the stock of consumer credit from 2010 onwards for different lending terms. The growth rate in consumer credit of greater than 5 years was at its lowest in the first quarter of 2011 i.e. this was the period with the greatest decrease in the stock of over-5 year lending. The stock of consumer credit of less than one year continued to decline in 2015 though at lower rates than the start of the decade.. Consumer credit of one to five years has seen its first year-on-year increase since 2010.

Figure 22. Percentage Change in Outstanding Stock of Consumer Credit, 2010 - 2015

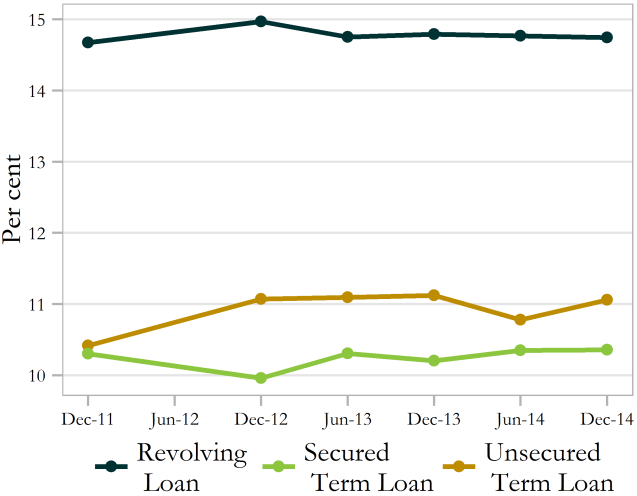


Source: Central Bank of Ireland, Credit, Money and Banking Statistics. Note: Values are year-on-year growth rates smoothed using a 4-quarter moving average.



Figure 23. Interest Rates on Consumer Credit,
December 2011 to December 2014

Figure 23 shows the interest rates on outstanding loan amounts of consumer and other loans by loan type. Revolving loans (credit cards and overdrafts) have the highest interest rates at 14.7 per cent. Term loans, both secured and unsecured, have lower rates at 10.3 and 11 per cent respectively.

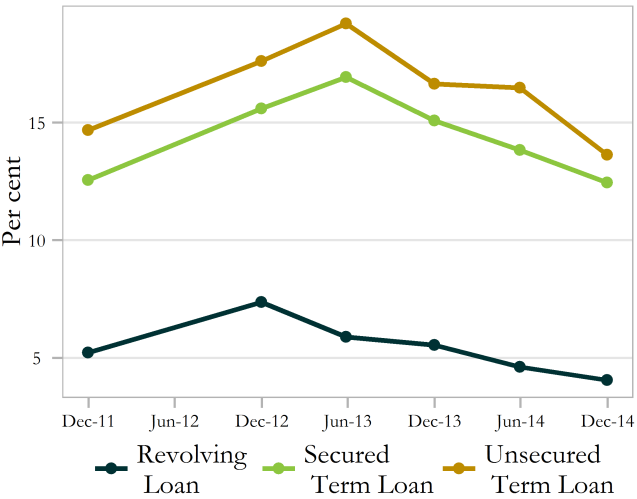


Source: CBI Loan Level Data.

Figure 24. Default Rate on Consumer Loans by Loan Count,
December 2011 to December 2014

Figure 24 presents the share of the total number of loans in default for revolving facilities as well as secured and unsecured consumer term loans. The default rate for unsecured term loans was highest at just under 14 per cent of loans. Term secured loans had the second highest default rate at approximately 12 per cent while revolving loans had a default rate of approximately 4 per cent.*

*Note that revolving loans may have significantly lower default rates by count than term loans due to low utilization rates on revolving facilities i.e. credit card accounts with no usage.



Source: Central Bank of Ireland, Loan Level Data.

Appendix 1: Data Sources

Information from the following sources is used:

- Central Bank of Ireland: Credit, Money and Banking Statistics, <http://www.centralbank.ie/polstats/stats/cmab/Pages/releases.aspx>. The loan data presented from this source represents securitised and non-securitised loans from Irish resident financial institutions. This is a lower bound figure as does not include Irish banks that were previously in the reporting population to the CBI but have since left the market and banks whose mortgage loan books have been sold to non-banks or sub-prime mortgages.
- Central Bank of Ireland: Retail Interest Rate Statistics, <http://www.centralbank.ie/POLSTATS/STATS/CMAB/>
- Central Bank of Ireland: Quarterly Financial Accounts, <http://www.centralbank.ie/polstats/stats/qfaccounts/Pa>
- Central Bank of Ireland loan-level data: This data set provides information on a wide range of loan characteristics including outstanding balances, loan terms and loan repayment for the population of mortgage and consumer loans at Allied Irish Banks, Bank of Ireland and Permanent TSB. ‘Default’ is defined as loans greater than 90 days past due, or deemed unlikely to repay without giving up collateral (Basel II).
- Central Bank of Ireland: Mortgage Arrears Statistics, <http://www.centralbank.ie/polstats/stats/mortgagearrears>
- European Central Bank, Monetary Financial Institution (MFI) Statistics.
- Eurostat, Population Statistics are used in calculating per capita values.
- Herfindahl-Hirschman Indices are calculated using the bank-level lending data used to compile the Central Bank of Ireland’s *Credit, Money and Banking* statistics.
- Irish Banking and Payments Federation, New Lending Statistics, <http://www.bpfi.ie/publications/statistics/new-mortgage-lending/>

This report has been compiled including published data available from, or before, June 2015.



Appendix 2: Glossary of Key Terms and Abbreviations

The following are key terms used in this document:

BTL	Buy-To-Let
CBI	Central Bank of Ireland
CC	Consumer Credit
CLTV	Current Loan-to-Value
EBA	European Banking Authority
ECB	European Central Bank
FMP	Financial Measures Programme
FTB	First Time Buyer
IO	Interest Only Mortgage
LLD	Loan Level Data held by Central Bank of Ireland
NP	Non-performing loan
OL	Other Loan
OLTV	Originating Loan-to-Value Ratio
PDH	Principal Dwelling House
REV	Revolving Loan such as Overdraft or Credit Card
RIL	Retail Investment Loan for Residential Property Purchase
SVR	Standard Variable Rate
Tracker	Mortgage Interest Rate that automatically changes in line with the ECB policy rate

