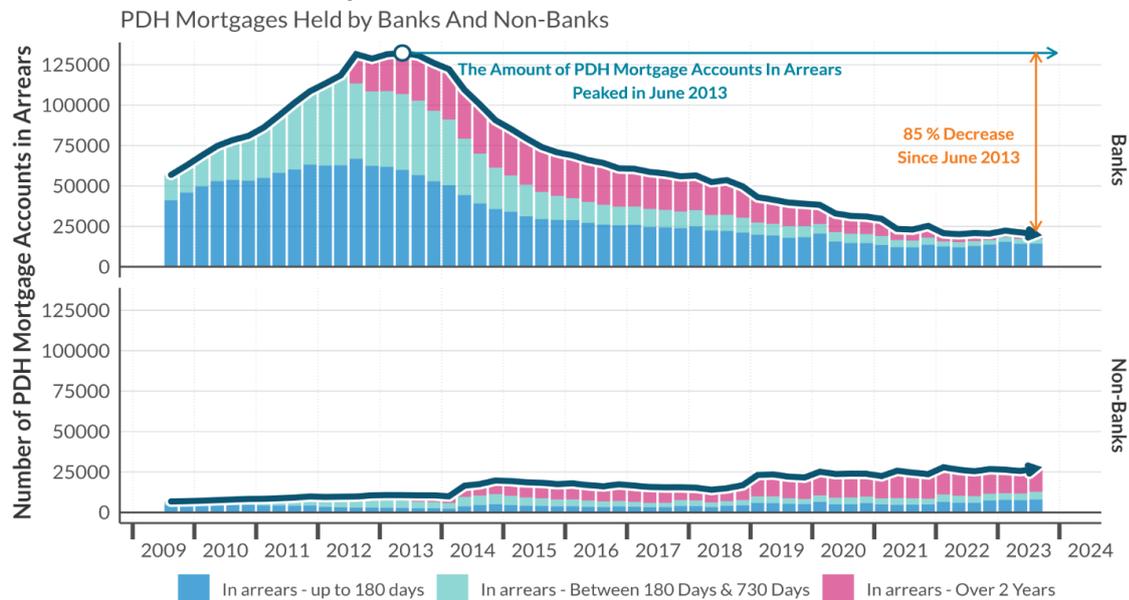




### Key Points

- The number of principal dwelling house (PDH) accounts in arrears over 90 days was 29,298 at end-September 2023. This figure represents 4.1 per cent of all PDH accounts, and is unchanged relative to end-June (Chart 1).
- In annual terms, the number of accounts in arrears over 90 days fell by 6 per cent, driven by the uninterrupted decline in long-term arrears (greater than one year). The number of accounts in long-term arrears stood at 20,925 (3 per cent of all PDH accounts) at end-September. This represents a fall of 3,121 accounts (13 per cent) in annual terms.
- **Chart 1: PDH Mortgage Accounts in Arrears**

### The Amount of PDH Mortgage Accounts in Arrears Peaked in June 2013 And has Steadily Decreased Since Then



**Note:** The breakdown of arrears greater than 90 days is not available pre-September 2012. The breakdown of arrears greater than 720 days is not available pre-September 2019.

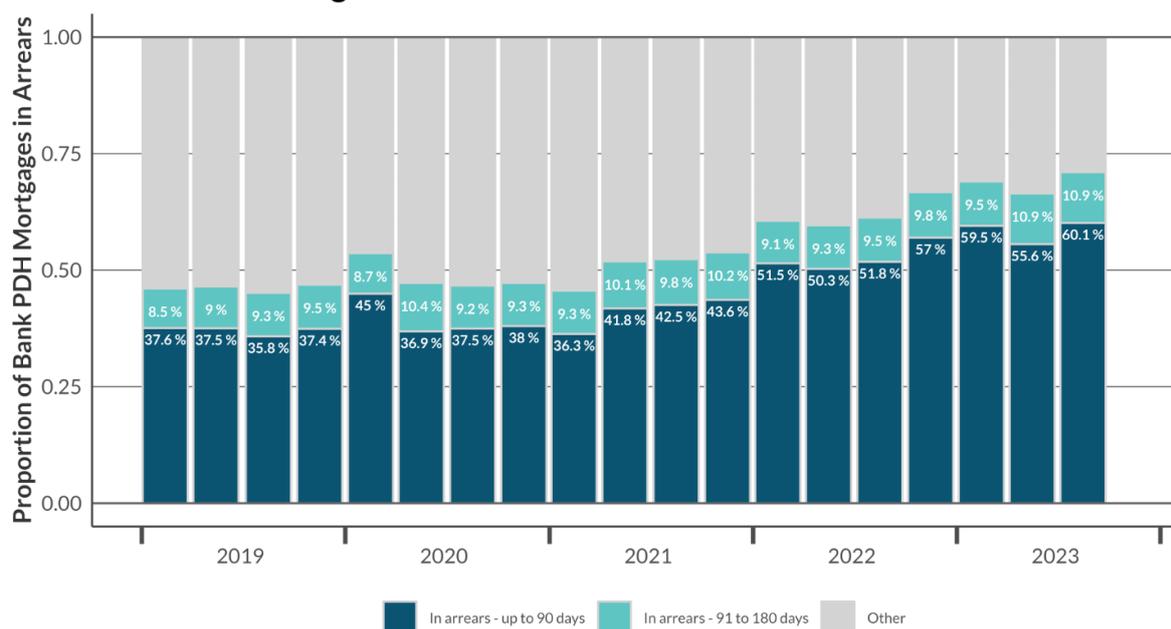
- During the third quarter of the year, the total number of PDH accounts in arrears increased by 1 per cent, as the decline in long-term arrears slows, exceeded by an increase in early arrears; accounts which are in arrears less than 90 days (3 per cent over the quarter).
- Of the PDH accounts in arrears, some 5,380 accounts (or 11 per cent) are currently part of a legal process, 37 per cent of which have been in the legal system for over five years. At end-September non-bank entities<sup>1</sup> held 16 per cent of all PDH mortgages outstanding and 81 per cent of all PDH accounts in arrears over one year.

<sup>1</sup> Non-bank entities comprise of Retail Credit Firms and Credit Servicing Firms. More detailed information on these institution groups is available on the Central Bank website [here](https://www.centralbank.ie).

## Residential Mortgages on Principal Dwelling Houses

- At end-September 2023, there were 708,810 private residential mortgage accounts for principal dwellings held in the Republic of Ireland, with a value of just over €100 billion. Of the total stock, 47,325 accounts were in arrears, an increase of 434 accounts (or 0.93 per cent) over the quarter. The number of accounts in early arrears (up to 90 days) has increased by 482, driven primarily by the non-banks.
- Chart 2: PDH Mortgage Accounts in Arrears, held by Banks, by proportion**

**The Proportion of Bank PDH Mortgage Early Arrears Have Been Rising In Recent Years**



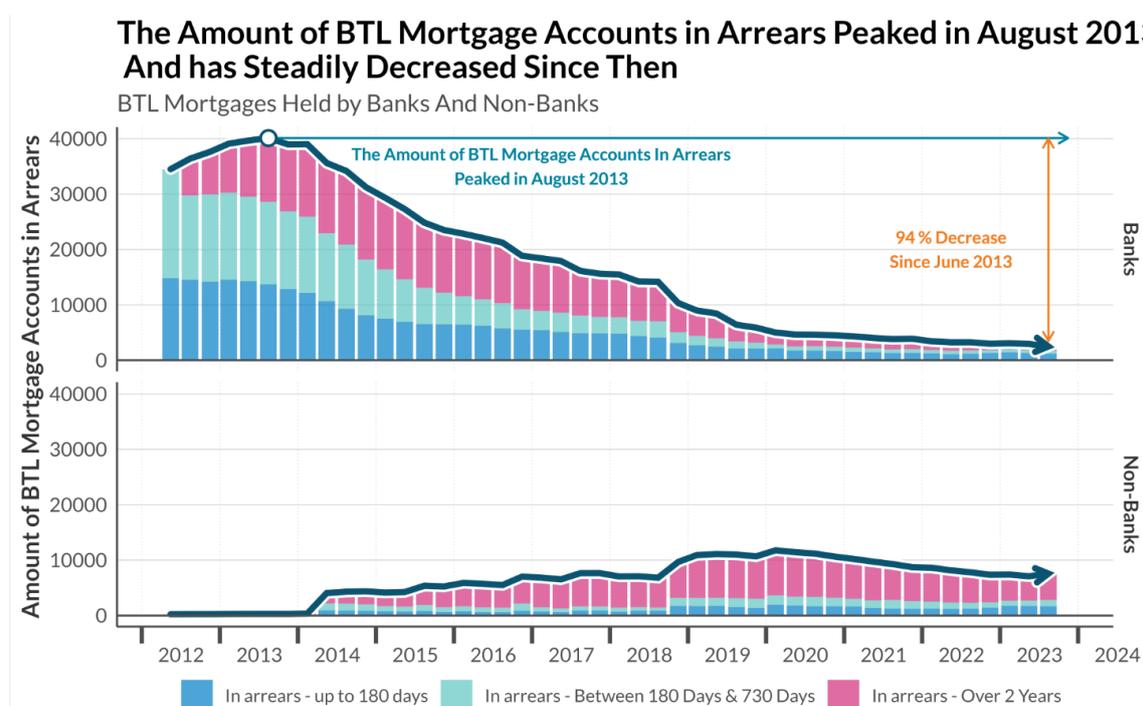
- At end-September 2023, 29,298 accounts (4.1 per cent) were in arrears of more than 90 days<sup>2</sup>. This figure is largely unchanged over the quarter, as the aforementioned decline in longer-term arrears was offset by an increase in accounts in arrears over 90 days and up to one year.
- The outstanding balance on PDH mortgage accounts in arrears of more than 90 days was just over €5.8 billion at end-September, just under 6 per cent of the total outstanding balance on all PDH mortgage accounts. Accounts in long-term mortgage arrears, i.e. over one year, accounted for 44 per cent of all accounts in arrears and 71 per cent of all accounts in arrears over 90 days at end-September 2023. The number of accounts in long-term arrears declined by 475 accounts over the quarter.

<sup>2</sup>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.

- At end-September 2023, non-bank entities accounted for 16 per cent of the total stock of PDH mortgage accounts outstanding. Some 19 per cent of all PDH accounts held by non-banks were in arrears over 90 days, and 15 per cent were in arrears of over one year. For non-banks, a greater proportion of PDH accounts held are in longer-term arrears when compared to banks.

## Residential Mortgages on Buy-to-Let Properties

- At end-September 2023, there were 67,191 residential mortgage accounts for Irish buy-to-let (BTL) properties, with an outstanding balance of just under €10 billion. Some 10,056 BTL accounts were in arrears at end-September, an increase of 17 accounts over the quarter. Of the total BTL stock, 7,882 accounts (12 per cent) were more than 90 days in arrears. (Chart 3).
- BTL accounts in arrears of over one year numbered 6,368 or 9 per cent of all BTL accounts. The outstanding balance on these accounts was €1.9 billion at end-September, equivalent to 19 per cent of the total outstanding balance on all BTL mortgage accounts.
- Of the total number of BTL accounts in arrears, 18 per cent (or 1,783 accounts) were overdue by between 2 and 5 years, a further 22 per cent (or 2,172 accounts) were in arrears by between 5 and 10 years and 16 per cent (or 1,581 accounts) were in arrears over 10 years.
- At end-September 2023, non-bank entities accounted for 39 per cent of BTL mortgage accounts outstanding. Significantly, non-banks held 75 per cent of all BTL accounts in arrears and 85 per cent of BTL accounts with accumulated arrears greater than ten years.
- Chart 3: BTL Mortgage Accounts in Arrears**

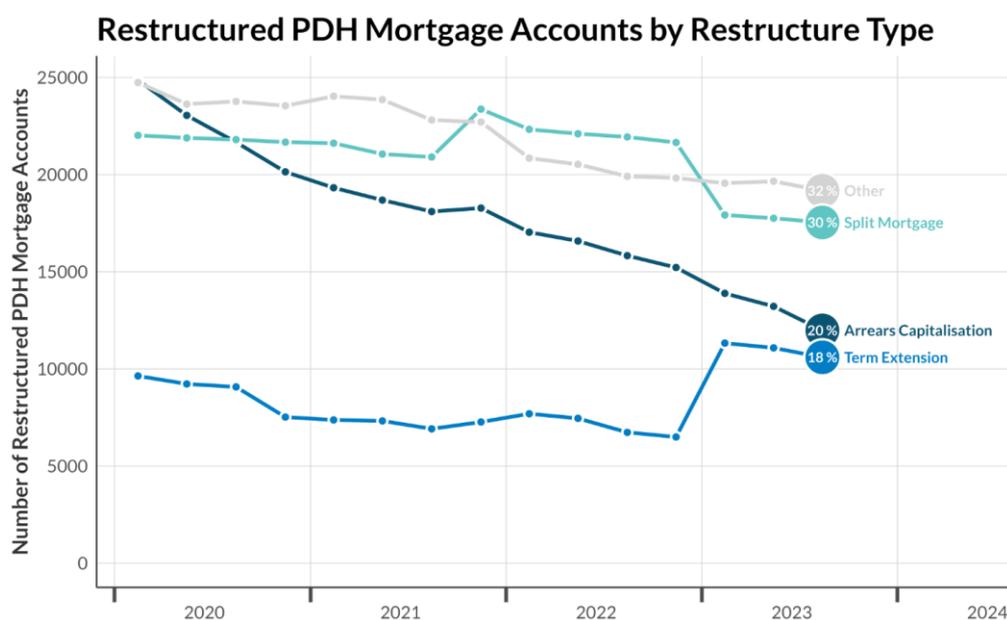


**Note:** The breakdown of arrears greater than 90 days is not available pre-September 2012. The breakdown of arrears greater than 720 days is not available pre-September 2019.

## Restructuring Arrangements<sup>3</sup>

### Principal Dwelling Houses

- A total stock of 59,284 PDH mortgage accounts were categorised as restructured at end-September 2023, representing 8 per cent of total PDH mortgage accounts outstanding. The total number of restructure arrangements fell by 2,424 accounts over the quarter and continues a long-term trend of decline.
- Of the total stock of restructured accounts recorded at end-September, 81 per cent were not in arrears, while 85 per cent were meeting the terms of their current restructure arrangement. The largest two cohorts of restructured PDH mortgages were in split mortgage and arrears capitalisation arrangements, respectively.
- The data on arrears and restructures indicate that of the total number of PDH accounts that were in arrears at end-September, 11,416 (or 24 per cent) were classified as restructured.
- **Chart 4: Restructured PDH Mortgage Accounts**



### Buy to Let Properties

- A total stock of 5,822 BTL mortgage accounts were categorised as restructured at end-September 2023, reflecting a decrease of 530 accounts over the quarter.
- Of the total stock of restructured accounts recorded at end-September, 82 per cent were not in arrears, while 85 per cent were meeting the terms of their current restructure arrangement.
- The largest two cohorts of restructured BTL mortgages were in term extensions and arrears capitalisation arrangements, respectively. The data on arrears and restructures indicate that of the total number of BTL accounts that were in arrears at end-September, 1,051 (or 10 per cent) were classified as restructured.

<sup>3</sup> See Annex 2 for further information on restructuring arrangements/forbearance techniques and meeting the terms of the arrangement.

## Legal Activity and Repossessions<sup>4</sup>

- The majority of accounts in mortgage arrears are not currently subject to legal proceedings<sup>5</sup>. With regards to PDH accounts in arrears, some 31,674 accounts in arrears (67 per cent) had no formal demand issued at end-September 2023. A further 5,715 accounts (12 per cent) were at the formal demand issued stage, but legal proceedings had not yet commenced. Some 5,380 PDH accounts (11 per cent) currently have legal proceedings in process; this includes cases at Civil Bill lodgement stage and where the case is still active in the courts system.
- The number of properties in possession by the reporting institutions at end-September 2023 was 360 down from 410 in possession at end-June.
- During the third quarter of 2023 a total of 20 PDH properties were taken into possession by lenders. By end-September 10 properties had been repossessed on foot of a Court Order, while another 10 were voluntarily surrendered or abandoned. During the quarter, 26 properties were disposed of by lenders. As a result, lenders were in possession of 235 PDH properties at end-September 2023.
- There were 148 BTL properties in the lenders' possession at the beginning of Q3 2023. An additional 2 properties were taken into possession by lenders during the quarter. Of the two BTL repossessions in the quarter, both were voluntarily surrendered. During the third quarter of 2023, 25 properties were disposed of, and as a result, lenders were in possession of 125 BTL properties at end-September 2023.

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<sup>4</sup> 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.

<sup>5</sup> More detail is available in the Residential Mortgage Arrears and Repossessions Statistics Explanatory Notes [here](#).

## 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 (MART). 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: Borrower Engagement

‘Co-operation’ status is defined in line with the Code of Conduct on Mortgage Arrears (CCMA), which sets out strict criteria in relation to when loan owners can classify borrowers as not co-operating. In such cases, loan holders must formally notify the borrower of the implications of being classified as not co-operating, including that it may commence legal proceedings for repossession of the property