

**To: Codes Consultation**  
**Subject: RE: Code of Conduct on Mortgage Arrears**

Monday, 30<sup>th</sup> August 2010

Dear Sir or Madam,

Again please forgive any cacography, as I have bi-lateral carpal tunnel making writing, typing or any dexterous activity cumulatively painful.

Where is the recommendation that only between  $\frac{1}{4}$  and  $\frac{1}{3}$  of total income be used to pay the mortgage or partial payment of the mortgage?

Re: Introduction

The requirement that banks behave positively and sympathetically needs some enforcement mechanism with penalties.

Re: Levels of Communications

Mortgage holders should have permission to record phonecalls from the bank, their agents, their solicitors, etc, whether solicited or not..

Re: Arrears

You need two different definitions, one for at risk of defaulting, with a low threshold, and another with a high threshold of actually defaulting. The motivation here is that early help is provided, as your own reports highlight, most people don't have a savings cushion, and any that there is will be wiped out by a few mortgage repayments without an income.

Re: Primary Residence

Future prospects of claimant may need to allow workshop, premises, etc to allow self employment or trade to resume. Circumstances may dictate they'd prefer to loose their house and live above the shop.

At least six months should be allowed for PRTB rules to be followed, and the PRTB rules need to be amended.

The responsibility over type of mortgage sold should lie with the bank / mortgage advisor, as many were mis-sold.

Enforcing that the relief only applies to the original property should only come into enforcement after time and processes have been followed via PRTB, the courts or my proposal of a Tzar hearing

The CCMA should apply to commercial mortgages for proprietors, franchises, etc

Re: Second Introduction

Bank has no control over Welfare's failures putting the borrower in an impossible position.

The rules around bad faith need to be clarified. When the bank took money out of my current account unannounced and without permission, I did the same from a loan account that was mostly repaid. This could appear to be bad faith. Over half the money was spent on adaptive technologies related to my disability, and the fault of now keeping the interest only arrangement in place was with the bank / mortgage advisor. The same guy who lost paperwork etc around the income protection insurance.

Re: Definitions

Re: Arrears

Clarify by adding except by arrangement, or the bank will argue that rescheduled debt etc counts as arrears.

Re: Provisions

There's nothing yet on the AIB website nor available from their mortgage advisor despite your July report asking for this. Ditto the branch liaison.

Re: Keeping your home website

Remove the address for the Naas Community Welfare Office – it's not a point of contact for them.

Re: Payment Protection Insurance

Please set up an appointment so I can make a formal complaint about this.

When I went to claim, I found I didn't have it despite having applied. Unfortunately later I had to allow the bank to evange mortgage interest relief from supplementary welfare as the ultimate insurer – so much for income protection!

Mortgages have to be looked at long term, including future pension lump sums.

Re: Mortgage Interest Supplement (point 38 interim report)

The Community Welfare Officers hauled me over the coals over €168 euros income as a movie extra at a time I was on disability allowance, because of the backdating of invalidity pension. They told me they had stopped mortgage interest relief over this. So claims in your document about terminating mortgage interest relief encourages people back to work are baseless. Agree MIS thus has an impact on behaviour in terms of seeking or retaining employment, but understand the punitive and dispiriting effects on the claimants.

In dealing with the bank or welfare you are not on a level playing field, so additional practical advocacy support is needed for mortgage holders, ideally before they become distressed.

Agree that MIS be paid directly to the mortgage account, but additionally ask that the bank be prevented from using their offset practice of taking money from your current account.

When a decision to recommend social housing is reached, the claimant must be allowed remain in situ until such time there's a suitable place for them to move.

Agree that the Community Welfare has an unduly rigid and complex application process, a lack of transparency and an inconsistency in decisions. Further this is punitive to the extent of tort.

Re point 14 of Communications in the Interim Report

I have not received any pertinent mailings despite being on interest only for over two years. Please advise the banks etc that after the new agreement is passed, the interim recommendations applied from the date of the interim report, as penalty for inaction.

AIB has not taken the steps detailed in the Interim Report.

Agree Letters to borrowers be appropriately written, but this should also apply to letters to guarantors, representatives and others.

Completely disagree with delaying eligibility for MIS for six months because of the impoverishing effect. JOB is short for Just Over Broke.

Basically everything in the interim report is a step in the right direction but clarity is needed so that guarantees can know they can repay their proportion under the same regime.

The major problem for me is my infirmity, that the attitude of others, read welfare, is made disabling. To get permission to work part time is like walking on a razor's edge.

Again more to say but exceeded what's sensible to do and thus in pain.

Yours sincerely

---

Joseph o'Loughlin