

Dear Sirs

I have been engaged in the negotiation of many residential and commercial cases with all the Banks over the last four years. The main issue is that the Consultation Paper and the Guidelines to date do not provide any guidelines on What is Fair for Banks and What is Fair for Consumers. As a result an individual borrower cannot assess whether his negotiated settlement is fair and reasonable, and has no guideline on whether the lender is acting consistently and reasonably. .

I strongly suggest that

- a) Examples of Solutions that give representative examples of problem mortgages with value, term and repayments, showing Incomes/Domestic Expenditure of Borrowers, the Current Value of the House, and the recommended solution are included.
- b) These Case Studies would explain why the Central Bank consider the solution is Fair from both the Borrowers point of view and why the Central Bank consider it an appropriate resolution from the Banks point of view.

In relation to the rest of the Consultation Document

- 1) Page 9 – When the lender is not prepared to offer an alternative repayment arrangement
 - a. The lender should have to show the borrower
 - i. What their preferred solution is and how far the borrower is away from it
 - ii. How by forcing the repossession of the house
 1. The future rental less extra costs will exceed the payments offered by the borrower or
 2. The future sale of the house less expenses will improve the banks cash-flow
 3. How the projected Loss on the loan will be recovered by the Bank.
- 2) Page 11 – Review of Alternative Repayment Arrangements
 - a. The whole purpose must be to ensure medium term arrangements where possible. These medium term arrangement should be reviewed every two years – and if a change should occur such as unemployment or decline in business – the medium term arrangement should revert to a short term arrangement.
- 3) Page 12 – Appeals and Complaints
 - a. As highlighted above – Case Study Solutions should be provided.
 - b. The Bank need to explain why the difference between the borrowers plan and the Case Study Solution.

I believe that the the following provisions would greatly improve the negotiation process and the current feeling that Banks which would have liquidated without public support, retain the confidence and moral support of the people.