

I wish to make a submission on the Central Bank's recently issued Macro-prudential policy for residential mortgage lending in relation to some of the proposals for residential mortgage lending in Ireland.

The points I would like considered are:

1. In relation to the 20% deposit requirement, I would submit that the effects of this proposal will be negative for the following reasons:

- a. It will result in an inability for many to enter the property market and thus being forced to continue renting which, as we have already seen, is a market which is spiralling in cost to the extent that there is now an impact on homeless numbers in the country and in Dublin in particular.
- b. It is recorded that under the proposed rules over two thirds of 2014 mortgage applicants would have been unable to get a mortgage. It is not unreasonable to suggest that this would be the case on implementation of the 20% rule, although the figures would be effectively hidden by resultant non application.
- c. In an effort to comply, many will be tempted to borrow from other sources ranging from parents and relatives, credit unions and worst of all, from money lenders who will charge exorbitant interest rates thus putting the borrower into a financial stranglehold which will impact personally on the borrower, economically for the country due to impact on disposable income and on the housing market in general.
- d. The 20% requirement will effectively result in borrowings to buy a house being a mixture of long term (which it should be) and short term borrowing which at a macro economic level will not be sustainable.
- e. The 20% rule could, in some circumstances, encourage the black economy and a false market which could undermine the integrity of the industry.

I trust my submission will be given due consideration and I wish the Bank well in its deliberations and hope it will take cognisance of the impact any policy changes could have on the hopes, aspirations and indeed dreams of many of our citizens.

Is mise le meas,

Councillor Nial Ring