



Banc Ceannais na hÉireann
Central Bank of Ireland
Eurosystem

2015

Addendum to Code of Conduct on Mortgage Arrears 2013



CODE OF CONDUCT ON MORTGAGE ARREARS 2013

ADDENDUM FOR CREDIT SERVICING FIRMS

Introduction

The Consumer Protection (Regulation of Credit Servicing Firms) Act 2015 (the "2015 Act") amends Part V of the Central Bank Act 1997 (the "1997 Act") to provide for a regulatory regime for the provision of credit servicing. This is achieved by incorporating a new category of 'regulated business' into the existing regulatory framework in Part V of the 1997 Act, thereby extending the application of provisions of Irish financial services law that apply to 'regulated financial service providers' to credit servicing firms.

With effect from 8 July 2015, credit servicing firms, as defined in the 2015 Act, must apply for authorisation to the Central Bank and Code of Conduct on Mortgage Arrears 2013 (the "CCMA") will apply to these firms.

The purpose of this Addendum is to make clear that (as automatically arises as a matter of law) firms carrying on the activity of credit servicing, when managing and administering a mortgage loan book, are 'regulated entities' for the purposes of the CCMA with respect to that activity.

For the purposes of applying the CCMA to credit servicing firms, the following parts of the CCMA are now amended:

- Scope
- Definitions
- Provisions

LEGAL BASIS

Pursuant to Section 117 of the Central Bank Act 1989, the CCMA is hereby amended as set out below.

SCOPE

The term 'lender' is hereby replaced by the term 'regulated entity' throughout the entire CCMA.

The '**Application of this Code**' Section of Chapter 1 is hereby amended –

In Paragraph 1 as follows:

"This Code applies to the mortgage lending activities and **credit servicing activities in respect of mortgage loans**¹³ of all regulated entities, except credit unions, operating in the State, including:..."

By inserting the following text after paragraph 2:

"For the purposes of this Code, **regulated entity** applies only to a regulated financial service provider that is engaged in mortgage lending or **credit servicing.**"

DEFINITIONS

The following definitions are hereby inserted into Chapter 2:

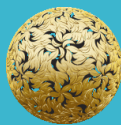
'**credit servicing**' has the meaning assigned to it under Part V of the Central Bank Act 1997 (as amended by the 2015 Act);

'**credit servicing firm**' has the meaning assigned to it under Part V of the Central Bank Act 1997 (as amended by the 2015 Act);

'**regulated entity**' for the purposes of this Code means a financial service provider authorised, registered or licensed by the Central Bank or other EU Member State that is providing mortgage lending activities or **credit servicing** activities.

¹³ Where the mortgage loan is secured on the borrower's primary residence only.

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