



*Residential Mortgage Arrears and Repossessions Statistics: Q2 2013*

**Summary**

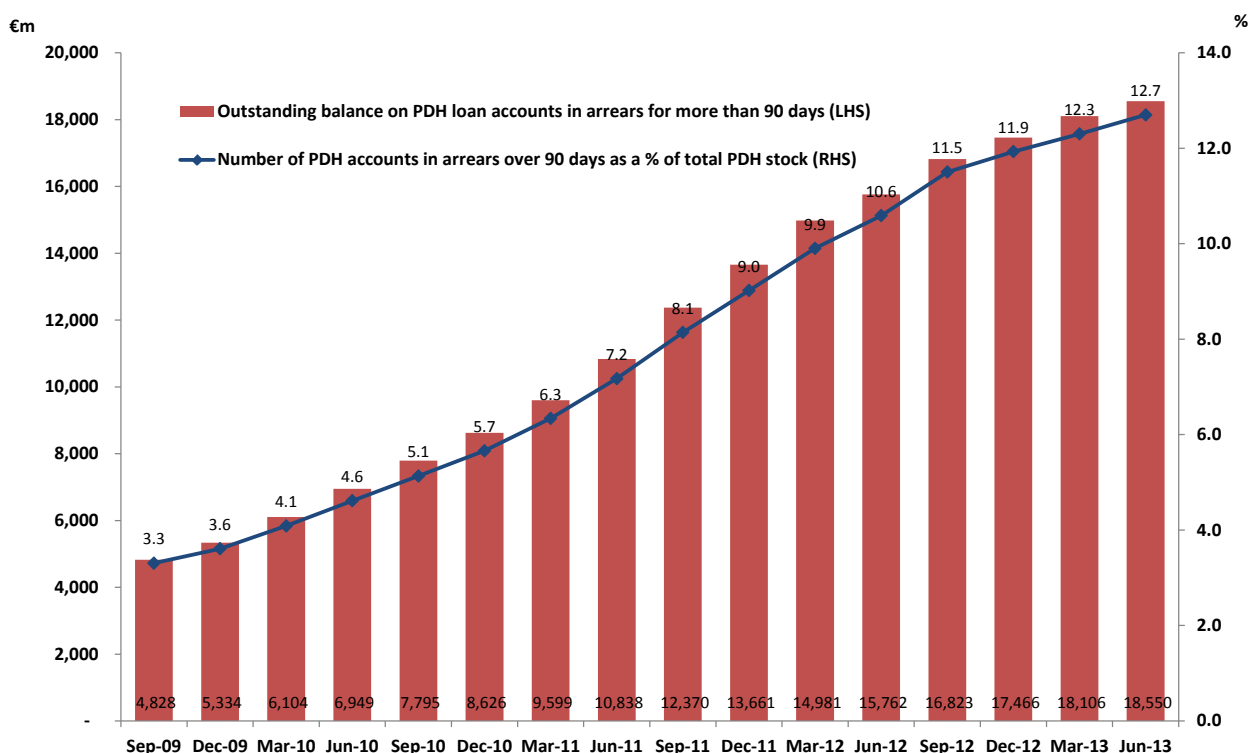
- There were 97,874 (12.7 per cent) private residential mortgage accounts for principal dwelling houses (PDH) in arrears of over 90 days at end-June 2013, up from 95,554 accounts (12.3 per cent) at end-March 2013.
- The number of PDH accounts in longer-term arrears over 180 days increased by 3.8 per cent during Q2 2013, while quarter-on-quarter growth in the number of accounts in arrears over 720 days was 11.3 per cent.
- The number of PDH accounts in early arrears declined further during the second quarter of the year. The figures show that 45,018 PDH accounts were in arrears of less than 90 days at end-June, reflecting a quarter-on-quarter decline of 3.3 per cent.
- There was a total stock of 79,357 PDH mortgage accounts classified as restructured at end-June. Of these restructured accounts, 76.5 per cent of these were deemed to be meeting the terms of their current restructure arrangement.
- There were 30,326 (20.4 per cent) residential mortgage accounts for buy-to-let (BTL) properties in arrears of over 90 days at end-June 2013, up from 29,369 (19.7 per cent) at end-March 2013.

## Residential Mortgages on Principal Dwelling Houses

### Arrears

At end-June 2013, there were 770,610 private residential mortgage accounts for principal dwellings held in the Republic of Ireland, to a value of €109.1 billion. Of this total stock of accounts, 97,874, or 12.7 per cent, were in arrears of more than 90 days.<sup>1</sup> This compares with 95,554 accounts (12.3 per cent of total) that were in arrears of more than 90 days at end-March 2013. The outstanding balance on PDH mortgage accounts in arrears of more than 90 days was €18.6 billion at end-June, equivalent to 17 per cent of the total outstanding balance on all PDH mortgage accounts.

**Figure 1: PDH Mortgage Accounts in Arrears Over 90 Days**



Early arrears and longer-term arrears continued to display divergent trends during Q2. There was a quarter-on-quarter decline of 3.3 per cent in the number of accounts in arrears of less than 90 days, which stood at 45,018 at end-June, or 5.8 per cent of the total stock. Meanwhile, the number of accounts in arrears of over 360 days increased by 5.6 per cent during Q2. At end-June 2013, 57,163 PDH accounts, or 7.4 per cent of the total stock, were in arrears of over 360 days. Just over half of these were in arrears of more than 720 days. The outstanding balance on PDH accounts in arrears

<sup>1</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. 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.

over 360 days was €1.4 billion at end-June, equivalent to 10.5 per cent of the total outstanding balance on all PDH mortgage accounts.

## **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<sup>2</sup>. The figures also include a small number of modification options such as split mortgages and trade-down mortgages, which have been introduced in recent months to provide more long-term solutions for customers in difficulty.

A total stock of 79,357 PDH mortgage accounts were categorised as restructured at end-June 2013. This reflects a decrease of 0.4 per cent from the stock of restructured accounts reported at end-March 2013. Of the total stock of restructured accounts recorded at end-June, 53.3 per cent were not in arrears. Restructured accounts in arrears include accounts that were in arrears prior to restructuring where the arrears balance has not yet been eliminated, as well as accounts that are in arrears on the current restructuring arrangement. At end-June, 76.5 per cent of restructured PDH accounts were deemed to be meeting the terms of their arrangement. This means that the borrower is, at a minimum, meeting the agreed monthly repayments according to the restructure arrangement. Meeting the terms of the arrangement should not be interpreted as a measure of sustainability, as not all restructure types represent longer-term sustainable solutions.

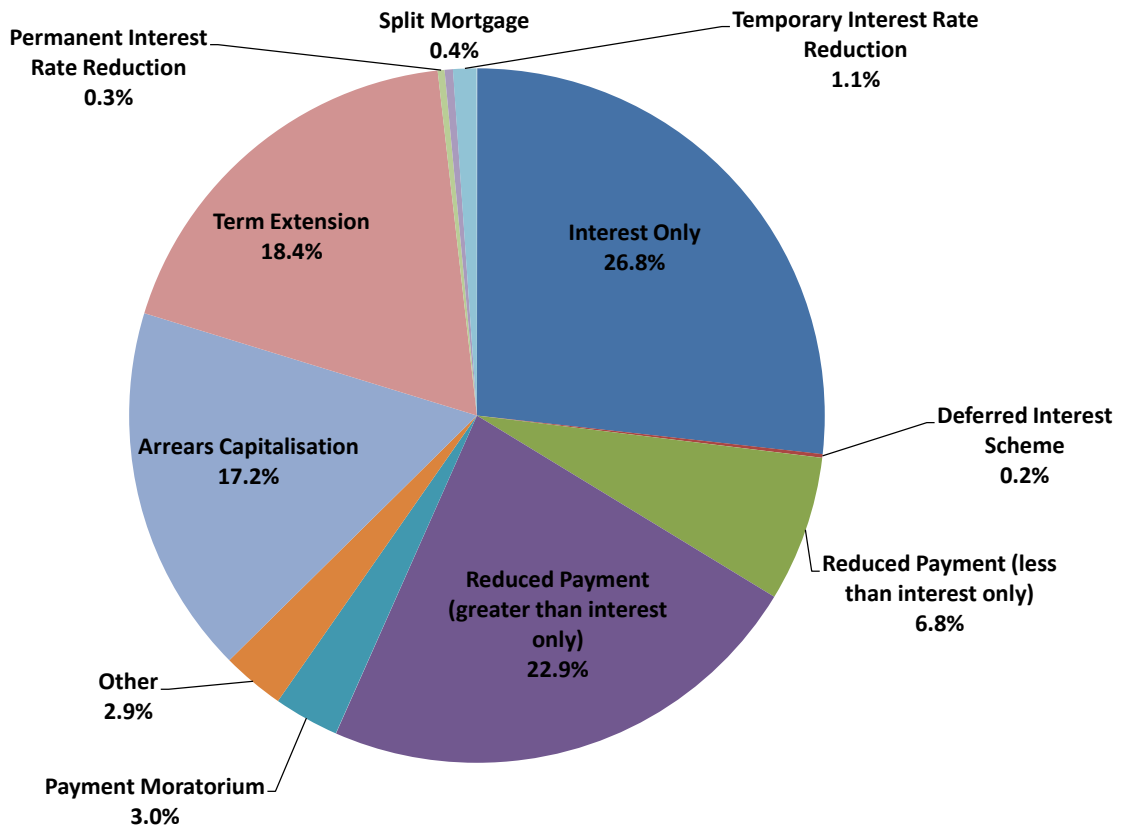
A total of 23,554 new restructure arrangements were agreed during the second quarter of the year.<sup>3</sup> Interest only arrangements and reduced payment arrangements (interest plus some capital) continue to account for the majority of all restructures in place, although their share fell to 49.7 per cent of total restructures at end-June, compared to 55 per cent at end-March. A breakdown of restructured mortgages by type is presented in Figure 2. The data on arrears and restructures indicate that of the total stock of 142,892 PDH accounts that were in arrears at end-June, 37,048, or 25.9 per cent, were classified as restructured at that time.

---

<sup>2</sup> Arrears capitalisation is an arrangement whereby some or all of the outstanding arrears are added to the remaining principal balance, to be repaid over the life of the mortgage.

<sup>3</sup> This includes first-time restructures and further modifications of existing restructures.

**Figure 2: Restructured PDH Mortgage Accounts by Restructure Type, end-June 2013**



### **Legal Proceedings and Repossessions**

During the second quarter of 2013, legal proceedings were issued to enforce the debt/security on a PDH mortgage in 270 cases. Court proceedings concluded in 637 cases during the quarter, and in 350 of these cases the Courts granted an order for repossession or sale of the property. There were 911 properties in the banks' possession at the beginning of the quarter. A total of 223 properties were taken into possession by lenders during the quarter, of which 63 were repossessed on foot of a Court Order, while the remaining 160 were voluntarily surrendered or abandoned. During the quarter 133 properties were disposed of. As a result, lenders were in possession of 1,001 PDH properties at end-June 2013.

**Table 1: PDH Mortgage Arrears, Repossessions and Restructures, End-June 2013**

	<b>Number</b>	<b>Balance €(000)</b>	<b>Arrears €(000)</b>
<b>Outstanding:</b>			
Total residential mortgage loan accounts outstanding	770,610	109,146,975	
<b>Arrears:</b>			
Total mortgage arrears cases outstanding:	142,892	25,693,390	2,023,411
In arrears up to 90 days	45,018	7,143,223	73,210
In arrears 91 to 180 days	17,612	2,972,399	77,629
In arrears 181 to 360 days	23,099	4,147,328	209,433
In arrears 361 to 720 days	28,303	5,393,786	505,071
In arrears over 720 days	28,860	6,036,655	1,158,067
<b>Repossessions:</b>			
Residential properties in possession - at the beginning of quarter	911		
Residential properties repossessed on foot of an Order during quarter	63		
Residential properties voluntarily surrendered/abandoned during the quarter	160		
Residential properties disposed of during this quarter	133		
Residential properties in possession – at end of quarter	1,001		
<b>Restructured/rescheduled mortgages:</b>			
Total residential mortgage loan accounts outstanding that are classified as restructured	79,357	13,441,428	367,571
<i>of which:</i>			
Not in arrears	42,309	6,695,119	
Total restructures by type:			
Interest Only	21,242	3,926,106	84,025
Reduced Payment (greater than interest only)	18,177	3,582,387	73,253
Reduced Payment (less than interest only)	5,386	1,088,234	64,902
Term Extension	14,630	1,493,279	30,090
Arrears Capitalisation	13,627	2,358,214	84,375
Payment Moratorium	2,417	403,814	6,288
Deferred Interest Scheme	136	26,590	991
Permanent Interest Rate Reduction	254	23,707	3,219
Split Mortgage	309	34,206	50
Trade Down Mortgage	9	1,406	0
Temporary Interest Rate Reduction	870	201,728	9,073
Other	2,300	301,757	11,305

\*Note that the 'Other' category mainly comprises accounts that have been offered a long-term solution, pending the completion of six months of successful payments. When these accounts transition into their permanent arrangement, the figures will be updated accordingly. The 'Other' category also includes a small number of simultaneously-agreed term extensions and arrears capitalisation arrangements.

<b>Table 2: PDH Mortgage Arrears, Repossessions and Restructures</b>												
	<b>Sep-12</b>			<b>Dec-12</b>			<b>Mar-13</b>			<b>Jun-13</b>		
	<b>Number</b>	<b>Balance €(000)</b>	<b>Arrears €(000)</b>	<b>Number</b>	<b>Balance €(000)</b>	<b>Arrears €(000)</b>	<b>Number</b>	<b>Balance €(000)</b>	<b>Arrears €(000)</b>	<b>Number</b>	<b>Balance €(000)</b>	<b>Arrears €(000)</b>
<b>Outstanding:</b>												
Total residential mortgage loan accounts outstanding - at end of quarter	794,275	111,241,419	-	778,375	110,762,636	-	774,109	109,905,084	-	770,610	109,146,975	-
<b>Arrears:</b>												
Total mortgage arrears cases outstanding - at end of quarter <i>which are:</i>	141,389	24,403,535	1,643,882	139,224	24,779,348	1,791,216	142,118	25,484,890	1,931,553	142,892	25,693,390	2,023,411
In arrears up to 90 days	50,031	7,581,000	88,761	46,875	7,313,812	92,876	46,564	7,378,894	81,094	45,018	7,143,223	73,210
In arrears 91 to 180 days	19,814	3,343,895	93,339	18,521	3,213,735	94,231	18,205	3,113,038	87,811	17,612	2,972,399	77,629
In arrears over 180 days	71,544	13,478,639	1,461,782	73,828	14,251,801	1,604,109	77,349	14,992,958	1,762,648	80,262	15,577,769	1,872,571
<i>of which:</i>												
In arrears 181 to 360 days	24,469	4,365,140	214,319	23,443	4,284,597	217,424	23,214	4,219,838	221,055	23,099	4,147,328	209,433
In arrears 361 to 720 days	26,453	4,919,623	461,658	27,212	5,221,013	490,582	28,195	5,422,938	503,680	28,303	5,393,786	505,071
In arrears over 720 days	20,622	4,193,876	785,806	23,173	4,746,191	896,102	25,940	5,350,182	1,037,914	28,860	6,036,655	1,158,067
Total arrears cases over 90 days outstanding	91,358	16,822,535	1,555,121	92,349	17,465,536	1,698,340	95,554	18,105,996	1,850,459	97,874	18,550,167	1,950,200
% of loan accounts in arrears for more than 90 days	11.5%	15.1%	-	11.9%	15.8%	-	12.3%	16.5%	-	12.7%	17.0%	-
<b>Repossessions:</b>												
Residential properties in possession - at end of quarter	944	-	-	893	-	-	910	-	-	1,001	-	-
<b>Restructured Mortgages:</b>												
Total outstanding classified as restructured - at end of quarter	81,634	13,933,756	345,650	78,279	13,364,487	366,516	79,658	13,448,479	374,837	79,357	13,441,428	367,571
of which are not in arrears	43,600	7,070,492	-	41,474	6,708,234	-	42,237	6,709,583	-	42,309	6,695,119	-

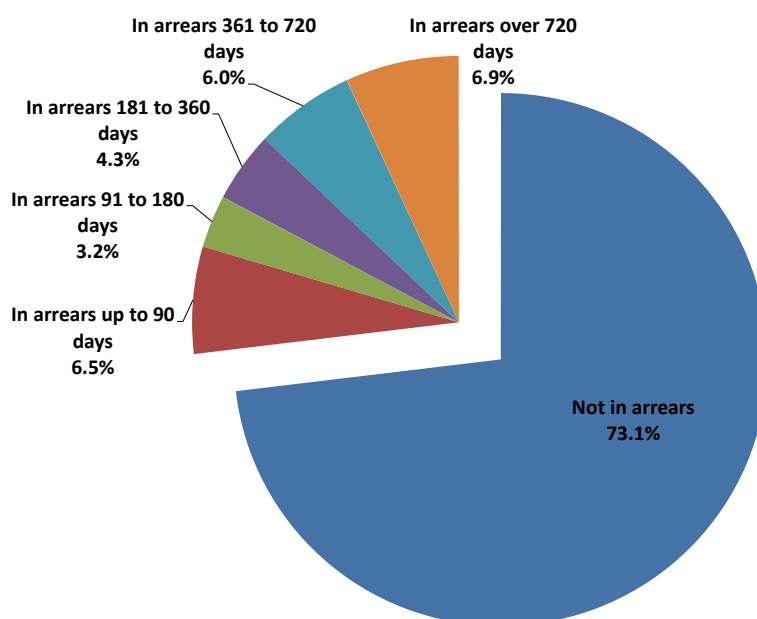
## Residential Mortgages on Buy-to-Let Properties

### Arrears

At end-June 2013, there were 148,529 residential mortgage accounts for buy-to-let properties held in the Republic of Ireland, to a value of €30.6 billion. Of this total stock of accounts, 30,326, or 20.4 per cent, were in arrears of more than 90 days. This compares with 29,369 (19.7 per cent of total) that were in arrears of more than 90 days at end-March 2013. The outstanding balance on BTL mortgage accounts in arrears of more than 90 days was €8.7 billion at end-June, equivalent to 28.5 per cent of the total outstanding balance on all BTL mortgage accounts.

The number of accounts that were in arrears of more than 180 days was 25,587 at end-June 2013, reflecting a quarter-on-quarter increase of 3.3 per cent. This compares to an increase of 4.9 per cent recorded in Q1, relative to Q4 2012. Meanwhile, the number of accounts in arrears of over 360 days increased by 5.6 per cent during Q2 2013. At end-June 2013, 19,218 BTL accounts, or 12.9 per cent of the total stock, were in arrears of over 360 days. The outstanding balance on these accounts was €5.9 billion at end-June, equivalent to 19.2 per cent of the total outstanding balance on all BTL mortgage accounts. There was a decrease of 3.8 per cent in the number of early arrears cases during the second quarter of the year. The number of BTL mortgage accounts in arrears of less than 90 days was 9,622 at end-June, or 6.5 per cent of the total stock.

Figure 3: BTL Mortgage Accounts by Arrears Category, end-June 2013



## **Restructuring Arrangements**

A total stock of 21,563 BTL mortgage accounts were categorised as restructured at end-June 2013, reflecting an increase of 0.3 per cent from the stock of restructured accounts reported at end-March 2013. Of the total stock of restructured accounts recorded at end-June, 61.1 per cent were not in arrears, while 77.4 per cent were meeting the terms of their restructure arrangement. A total of 5,808 new restructure arrangements were agreed during the second quarter of the year. Interest only arrangements and reduced payment arrangements (interest plus some capital) continued to account for the majority of restructures in place for BTL mortgages (approximately 63 per cent). The data on arrears and restructures indicate that of the total stock of 39,948 BTL accounts that were in arrears at end-June, 8,381, or 21 per cent, were classified as restructured at that time.

## **Legal Proceedings and Repossessions**

There were 479 BTL properties in the banks' possession at the beginning of Q2 2013. A total of 75 properties were taken into possession by lenders during the quarter, of which 15 were repossessed on foot of a Court Order, while the remaining 60 were voluntarily surrendered or abandoned. During the quarter 52 properties were disposed of. As a result, lenders were in possession of 502 BTL properties at end-June 2013.



**Table 3: BTL Mortgage Arrears, Repossessions and Restructures, End-June 2013**

	Number	Balance €(000)	Arrears €(000)
<b>Outstanding:</b>			
Total residential mortgage loan accounts outstanding	148,529	30,626,140	
<b>Arrears:</b>			
Total mortgage arrears cases outstanding:	39,948	10,940,285	1,207,367
In arrears up to 90 days	9,622	2,210,871	31,770
In arrears 91 to 180 days	4,739	1,180,020	51,028
In arrears 181 to 360 days	6,369	1,670,900	116,948
In arrears 361 to 720 days	8,985	2,557,192	300,892
In arrears over 720 days	10,233	3,321,302	706,729
<b>Repossessions:</b>			
Residential properties in possession - at the beginning of quarter	479		
Residential properties repossessed on foot of an Order during quarter	15		
Residential properties voluntarily surrendered/abandoned during the quarter	60		
Residential properties disposed of during this quarter	52		
Residential properties in possession – at end of quarter	502		
<b>Restructured/rescheduled mortgages:</b>			
Total residential mortgage loan accounts outstanding that are classified as restructured	21,563	5,554,646	212,432
<i>of which:</i>			
Not in arrears	13,182	3,288,852	
Total restructures by type:			
Interest Only	9,136	2,382,549	118,683
Reduced Payment (greater than interest only)	4,426	1,171,771	15,919
Reduced Payment (less than interest only)	382	95,904	4,622
Term Extension	2,569	387,666	9,898
Arrears Capitalisation	3,554	1,011,487	60,489
Payment Moratorium	256	53,638	1,380
Deferred Interest Scheme	1	168	11
Permanent Interest Rate Reduction	66	14,488	861
Temporary Interest Rate Reduction	15	2,434	82
Split Mortgage	28	2,361	4
Other	1,130	432,180	483

Table 4: BTL Mortgage Arrears, Repossessions and Restructures	Sep-12			Dec-12			Mar-13			Jun-13		
	Number	Balance €(000)	Arrears €(000)	Number	Balance €(000)	Arrears €(000)	Number	Balance €(000)	Arrears €(000)	Number	Balance €(000)	Arrears €(000)
<b>Outstanding:</b>												
Total residential mortgage loan accounts outstanding - at end of quarter	150,544	31,051,588		150,124	31,158,586		149,395	30,919,573		148,529	30,626,140	-
<b>Arrears:</b>												
Total mortgage arrears cases outstanding - at end of quarter <i>which are:</i>	36,635	10,152,556	1,069,531	37,878	10,600,086	1,193,819	39,371	10,890,663	1,177,951	39,948	10,940,285	1,207,367
In arrears up to 90 days	9,617	2,219,449	58,919	9,512	2,216,633	57,491	10,002	2,311,695	48,988	9,622	2,210,871	31,770
In arrears 91 to 180 days	4,986	1,262,472	38,876	4,752	1,205,984	65,167	4,609	1,144,219	60,009	4,739	1,180,020	51,028
In arrears over 180 days	22,032	6,670,634	971,736	23,614	7,177,469	1,071,161	24,760	7,434,749	1,068,954	25,587	7,549,394	1,124,569
<i>of which:</i>												
In arrears 181 to 360 days	7,043	2,005,368	139,854	6,822	1,875,994	107,138	6,561	1,773,870	121,997	6,369	1,670,900	116,948
In arrears 361 to 720 days	8,306	2,516,932	274,943	9,058	2,784,068	328,455	9,267	2,783,746	336,697	8,985	2,557,192	300,892
In arrears over 720 days	6,683	2,148,335	556,939	7,734	2,517,407	635,567	8,932	2,877,133	610,260	10,233	3,321,302	706,729
Total arrears cases over 90 days outstanding	27,018	7,933,107	1,010,612	28,366	8,383,453	1,136,328	29,369	8,578,968	1,128,963	30,326	8,729,414	1,175,597
% of loan accounts in arrears for more than 90 days	17.9%	25.5%		18.9%	26.9%		19.7%	27.7%		20.4%	28.5%	-
<b>Repossessions:</b>												
Residential properties in possession - at end of quarter	414	-	-	454	-	-	479	-	-	502	-	-
<b>Restructured Mortgages:</b>												
Total outstanding classified as restructured - at end of quarter	22,182	5,497,161	215,073	21,748	5,434,773	240,595	21,504	5,460,125	234,793	21,563	5,554,646	212,432
of which are not in arrears	14,023	3,300,439	-	13,436	3,180,336	-	13,141	3,204,362	-	13,182	3,288,851	-

## ***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.