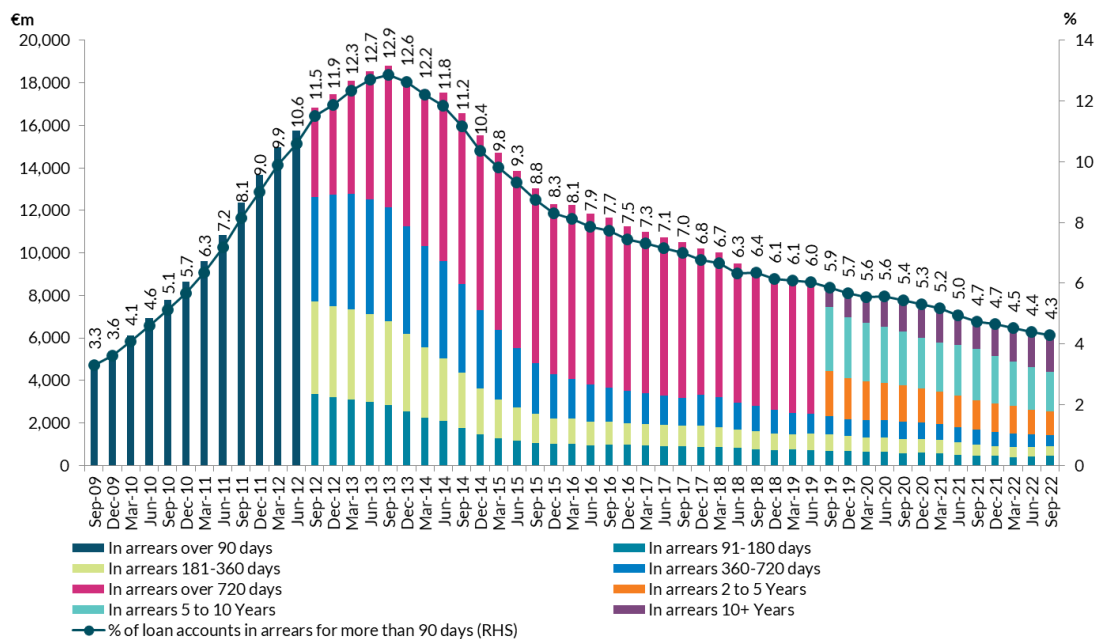




Key Points

- The number of principal dwelling house (PDH) accounts in arrears fell by 342 accounts in the third quarter of 2022, following a decline of 2,071 accounts in Q2. Overall, the total number of PDH accounts in arrears is down 1,934 accounts or 4 per cent from a year previous.
- At end-September, some 4.3 per cent of all PDH mortgage accounts were in arrears over 90 days, representing 30,809 mortgage accounts. This continues the incremental downward trend observed over the last number of years and is the lowest number of accounts in arrears over 90 days since March 2010.
- Of the PDH accounts in arrears, some 6,014 accounts (or 13 per cent) are currently part of a legal process, with just over one third (37 per cent) in the legal system for over five years.
- Non-bank entities¹ continue to hold an increasing proportion of PDH mortgages, specifically in relation to PDH accounts in arrears. At end-September, non-banks held 16 per cent of all PDH mortgages outstanding and 74 per cent of all PDH accounts in arrears over 1 year.

Chart 1: PDH Mortgage Accounts in Arrears over 90 Days



Note: The breakdown of arrears greater than 90 days is not available pre-September 2012. The breakdown of arrears greater than 720 days is not available pre-September 2019.

¹ Non-bank entities comprise of Retail Credit Firms and Credit Servicing Firms. More detailed information on these institution groups is available on the Central Bank website [here](https://www.centralbank.ie).

Residential Mortgages on Principal Dwelling Houses

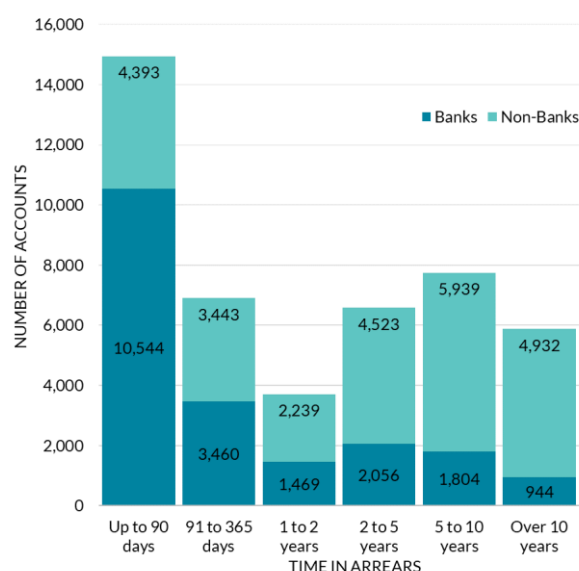
- At end-September 2022, there were 716,284 private residential mortgage accounts for principal dwellings held in the Republic of Ireland, with a value of €99 billion (Table 1). Of the total stock, 45,746 accounts were in arrears, a decrease of 342 accounts (or 1 per cent) over the quarter. This follows a reduction of 2,071 accounts in Q2. At end-September 2022, 30,809 accounts (4.3 per cent) were in arrears of more than 90 days (Chart 1)².
- The outstanding balance on PDH mortgage accounts in arrears of more than 90 days was €6 billion at end-September, equivalent to 6 per cent of the total outstanding balance on all PDH mortgage accounts. Accounts in long-term mortgage arrears i.e. over one year, accounted for 52 per cent of all accounts in arrears at end-September 2022. The number of accounts in long-term arrears declined by 998 accounts over the quarter.
- At end-September 2022, non-bank entities accounted for 16 per cent of the total stock of PDH mortgage accounts outstanding. Some 19 per cent of all PDH accounts held by non-banks were in arrears over 90 days, and 16 per cent were in arrears of over one year. For non-

banks, a greater proportion of PDH accounts held are in longer-term arrears when compared to banks (Chart 2).

Table 1: Quarterly & Yearly change in PDH accounts in arrears, as at end-September 2022

	Number of accounts	Q on Q change	Y on Y Change
Total PDH mortgage accounts	716,284	-3,264	-6,602
Number of accounts in arrears	45,746	-342	-1,934
Of which days past due:			
- up to 90 days	14,937	494	1,439
- 91 to 180 days	3,416	223	98
- 181 to 365 days	3,487	-61	-314
- 1 to 2 yrs	3,708	-195	-624
- 2 to 5 yrs	6,579	-321	-1,074
- 5 to 10 yrs	7,743	-498	-1,905
- over 10 yrs	5,876	16	446

Chart 2: PDH mortgage accounts in arrears, as held by banks and non-banks, as at end-September 2022



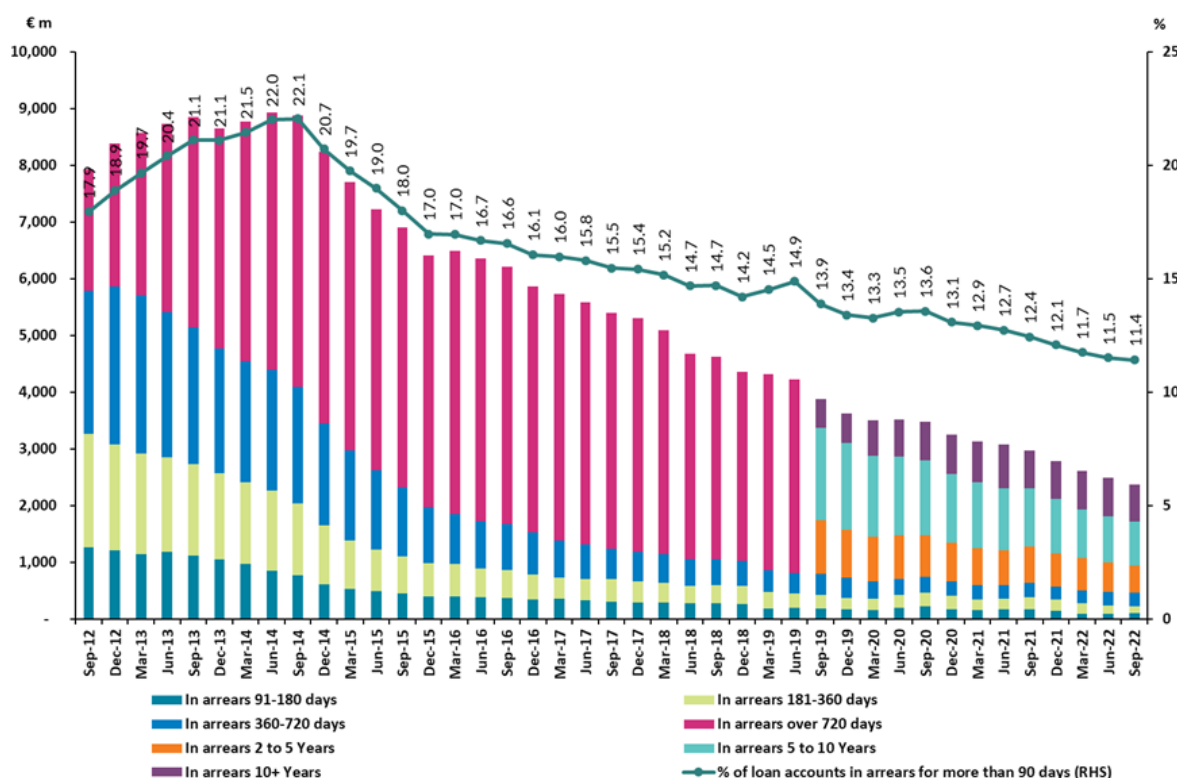
²The figures published here represent the total stock of mortgage accounts in arrears of more than 90 days, as reported to the Central Bank of Ireland by mortgage lenders and credit service providers. They include mortgages that have been restructured and

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.

Residential Mortgages on Buy-to-Let Properties

- At end-September 2022, there were 80,208 residential mortgage accounts for Irish buy-to-let (BTL) properties, with an outstanding balance of €12 billion. Some 11,027 BTL accounts were in arrears at end-September, a decrease of 343 accounts or 3 per cent over the quarter. Of the total BTL stock, 9,162 accounts or 11 per cent were in arrears of more than 90 days (Chart 3).
- BTL accounts in arrears of over one year numbered 8,023 or 10 per cent of all BTL accounts. The outstanding balance on these accounts was €2.2 billion at end-September, equivalent to 18 per cent of the total outstanding balance on all BTL mortgage accounts.
- Of the total number of BTL accounts in arrears, 20 per cent (or 2,160 accounts) were overdue by between 2 and 5 years, a further 26 per cent (or 2,826 accounts) were in arrears by between 5 and 10 years and 18 per cent (or 1,979 accounts) were in arrears over 10 years.
- At end-September 2022, non-bank entities accounted for 32 per cent of the total stock of BTL mortgage accounts outstanding. Significantly, non-banks held 70 per cent of all BTL accounts in arrears and 84 per cent of BTL accounts with accumulated arrears greater than ten years.

Chart 3: BTL mortgage accounts in arrears, as held by banks and non-banks, as at end-September



Note: The breakdown of arrears greater than 90 days is not available pre-September 2012. The breakdown of arrears greater than 720 days is not available pre-September 2019.

Restructuring Arrangements³

- A total stock of 61,278 PDH mortgage accounts were categorised as restructured at end-September 2022, representing 9 per cent of total PDH mortgage accounts outstanding. The total number of restructure arrangements fell by 2,144 accounts over the quarter and continues a long-term trend of decline. Of the total stock of restructured accounts recorded at end-September, 83 per cent were not in arrears, while 89 per cent were meeting the terms of their current restructure arrangement. The largest two cohorts of restructured PDH mortgages were in split mortgage and arrears capitalisation arrangements, respectively. The data on arrears and restructures indicate that of the total number of PDH accounts that were in arrears at end-September, 10,209 (or 22 per cent) were classified as restructured.
- A total stock of 7,186 BTL mortgage accounts were categorised as restructured at end-September 2022, reflecting a decrease of 372 accounts over the quarter. Of the total stock of restructured accounts recorded at end-September, 83 per cent were not in arrears, while 87 per cent were meeting the terms of their current restructure arrangement. The largest two cohorts of restructured BTL mortgages were in term extensions and arrears capitalisation arrangements, respectively. The data on arrears and restructures indicate that of the total number of BTL accounts that were in arrears at end-September, 1,244 (or 11 per cent) were classified as restructured.

Legal Activity and Repossessions⁴

- The majority of accounts in mortgage arrears are not currently subject to legal proceedings⁵. With regards to PDH accounts in arrears, some 28,554 accounts in arrears (62 per cent) had no formal demand issued at end-September 2022. A further 6,014 accounts (13 per cent) were at the formal demand issued stage, but legal proceedings had not yet commenced. Some 5,784 PDH accounts (13 per cent) currently have legal proceedings in process; this includes cases at Civil Bill lodgement stage and where the case is still active in the courts system.
- The number of properties in possession by the reporting institutions at end-September 2022 was 545, down from 580 in possession at end-June 2022.

³ See Annex 2 for further information on restructuring arrangements/forbearance techniques and meeting the terms of the arrangement.

⁴ Legal proceedings record steps to repossess a property and include cases where a formal application has been made to a court to begin repossession proceedings, along with subsequent adjournments and judgement proceedings.

⁵ More detail is available in the Residential Mortgage Arrears and Repossessions Statistics Explanatory Notes [here](#).

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.

Annex 2: 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. The figures also include advanced modification options such as split mortgages and trade-down mortgages, which have been introduced to provide more long-term solutions for customers in difficulty.

It is important to note that ‘meeting the terms of the arrangement’ is not a measure of sustainability, as not all restructure types represent longer-term sustainable solutions as defined within the Mortgage Arrears Resolution Targets (MART). For instance, short-term interest only restructures are, in general, not part of longer-term sustainable solutions. The MART sustainability targets also include a significant number of accounts in arrears which are part of a legal process. These accounts are not classified as restructured within the Mortgage Arrears Statistics. Arrears associated with such accounts are recorded in full in the data.

Annex 3: Borrower Engagement

‘Co-operation’ status is defined in line with the Code of Conduct on Mortgage Arrears (CCMA), which sets out strict criteria in relation to when loan owners can classify borrowers as not co-operating. In such cases, loan holders must formally notify the borrower of the implications of being classified as not co-operating, including that it may commence legal proceedings for repossession of the property