



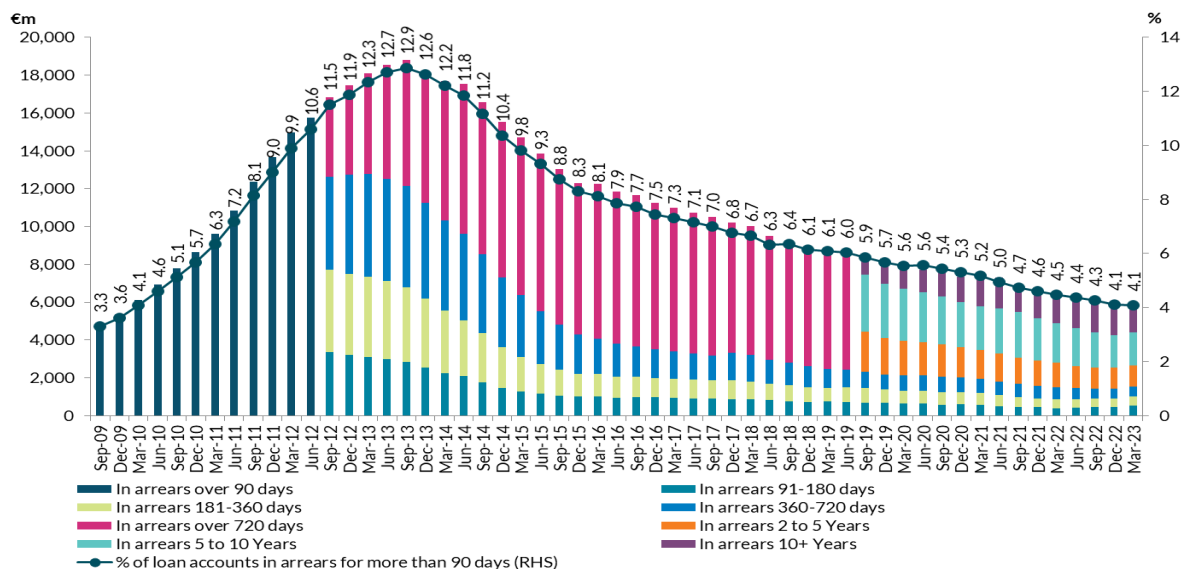
Residential Mortgage Arrears & Repossessions Statistics – Q1 2023

16 June 2023

Key Points

- The number of principal dwelling house (PDH) accounts in arrears over 90 days was 29,294 at end-March 2023, following a decline of 1.8 per cent in the first quarter of the year. The number of accounts in arrears over 90 days fell by almost 11 per cent in the year to end-March 2023.
- The number of accounts in long-term arrears (greater than one year) was 22,015 (3.1% of all PDH accounts) in March 2023, decreasing from 26,016 in March 2022 (3.5% of all PDH accounts).
- PDH accounts in early arrears (up to 90 days) increased during Q1, by 1,977. A significant share of this increase (approximately 1,300 accounts) is attributed to a reclassification effect, arising from loan sales during Q1. This reclassification reflects differences in the treatment of accounts in arrears up to 30 days among the relevant institutions.
- Of the PDH accounts in arrears, some 5,608 accounts (or 12 per cent) are currently part of a legal process, 40 per cent of which have been in the legal system for over five years.
- At end-March, non-bank entities¹ held 16 per cent of all PDH mortgages outstanding and 76 per cent of all PDH accounts in arrears over one 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-March 2023, there were 716,560 private residential mortgage accounts for principal dwellings held in the Republic of Ireland, with a value of just under €100 billion (Table 1). Of the total stock, 48,760 accounts were in arrears, an increase of 1,430 accounts (or 3 per cent) over the quarter². Despite this increase, accounts in long term arrears (over one year) continue to decline. At end-March 2023, 29,294 accounts (4.1 per cent) were in arrears of more than 90 days (Chart 1)³.
- The outstanding balance on PDH mortgage accounts in arrears of more than 90 days was just over €5.7 billion at end-March, 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 45 per cent of all accounts in arrears at end-March 2023. The number of accounts in long-term arrears declined by 764 accounts over the quarter.
- At end-March 2023, non-bank entities accounted for 16 per cent of the total stock of PDH mortgage accounts outstanding. Some 18 per cent of all PDH accounts held by non-banks were in arrears over 90 days, and 15 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-March 2023

	Number of accounts	Q on Q change	Y on Y Change
Total PDH mortgage accounts	716,560	-8,460	-19,278
Number of accounts in arrears	48,760	1,430	56
Of which days past due:			
- up to 90 days	19,466	1,977	3,639
- 91 to 180 days	3,640	71	382
- 181 to 365 days	3,639	146	36
- 1 to 2 yrs	3,597	39	-577
- 2 to 5 yrs	6,447	44	-916
- 5 to 10 yrs	7,143	-73	-1,556
- over 10 yrs	4,828	-774	-952

Chart 2: PDH mortgage accounts in arrears, as held by banks and non-banks, as at end-March 2023



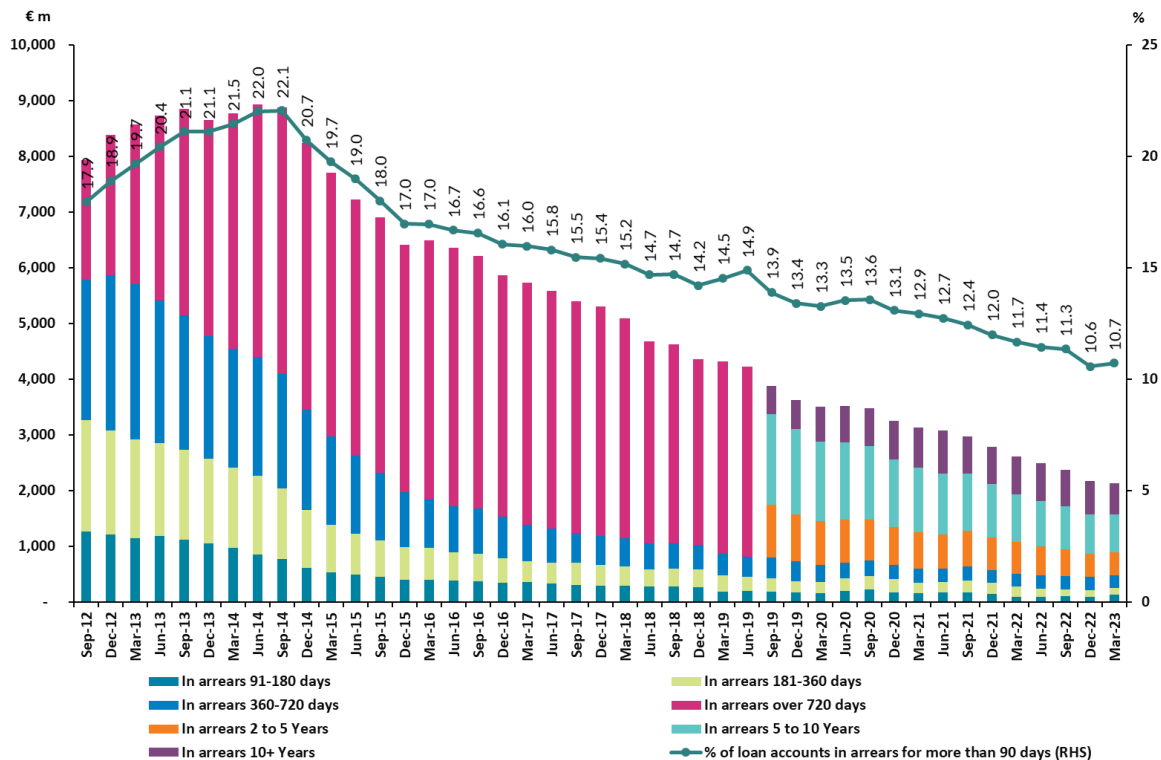
² Note that this headline figure is also impacted by the reclassification of approximately 1,300 accounts in early arrears.

³The 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-March 2023, there were 73,259 residential mortgage accounts for Irish buy-to-let (BTL) properties, with an outstanding balance of €11 billion. Some 10,454 BTL accounts were in arrears at end-March, an increase of 113 accounts over the quarter. Of the total BTL stock, 7,848 accounts or 11 per cent were in arrears of more than 90 days (Chart 3).
- BTL accounts in arrears of over one year numbered 6,635 or 9 per cent of all BTL accounts. The outstanding balance on these accounts was €1.9 billion at end-March, equivalent to 17 per cent of the total outstanding balance on all BTL mortgage accounts.
- Of the total number of BTL accounts in arrears, 17 per cent (or 1,735 accounts) were overdue by between 2 and 5 years, a further 23 per cent (or 2,364 accounts) were in arrears by between 5 and 10 years and 16 per cent (or 1,702 accounts) were in arrears over 10 years.
- At end-March 2023, non-bank entities accounted for 38 per cent of the total stock of BTL mortgage accounts outstanding. Significantly, non-banks held 71 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-March



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 Arrangements⁴

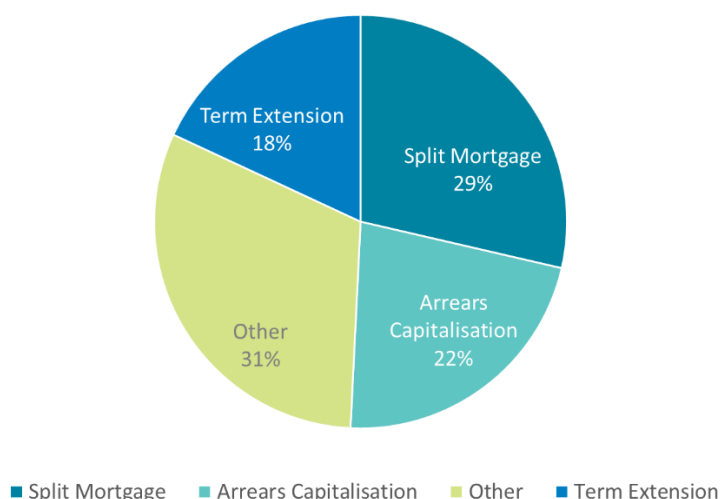
Principal Dwelling Houses

- A total stock of 62,637 PDH mortgage accounts were categorised as restructured at end-March 2023, representing 9 per cent of total PDH mortgage accounts outstanding. The total number of restructure arrangements fell by 554 accounts over the quarter and continues a long-term trend of decline.
- Of the total stock of restructured accounts recorded at end-March, 81 per cent were not in arrears, while 85 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-March, 12,129 (or 25 per cent) were classified as restructured.

Buy to Let Properties

- A total stock of 6,673 BTL mortgage accounts were categorised as restructured at end-March 2023, reflecting a decrease of 257 accounts over the quarter.
- Of the total stock of restructured accounts recorded at end-March, 80 per cent were not in arrears, while 84 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-March, 1,303 (or 12 per cent) were classified as restructured.

Chart 4: Restructured PDH Mortgage Accounts by Restructure Type, end-March 2023



⁴ See Annex 2 for further information on restructuring arrangements/forbearance techniques and meeting the terms of the arrangement.

Legal Activity and Repossessions⁵

- The majority of accounts in mortgage arrears are not currently subject to legal proceedings⁶. With regards to PDH accounts in arrears, some 32,774 accounts in arrears (67 per cent) had no formal demand issued at end-March 2023. A further 5,608 accounts (12 per cent) were at the formal demand issued stage, but legal proceedings had not yet commenced. Some 5,536 PDH accounts (11 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-March 2023 was 458, down from 486 in possession at end-December 2022.
- During the first quarter of 2023 a total of 39 PDH properties were taken into possession by lenders. The majority of properties, at 22, were repossessed on foot of a Court Order, while 17 were voluntarily surrendered or abandoned. During the quarter, 37 properties were disposed of by lenders. As a result, lenders were in possession of 287 PDH properties at end-March 2023.
- There were 187 BTL properties in the lenders' possession at the beginning of Q1 2023. An additional 12 properties were taken into possession by lenders during the quarter. Of the total BTL repossessions in the quarter, 6 were voluntarily surrendered with the remaining 6 being repossessed on foot of a Court Order. During the first quarter of 2023, 26 properties were disposed of, and as a result, lenders were in possession of 171 BTL properties at end-March 2023.

⁵ 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.

⁶ 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