



Information release

21 June 2013

Residential Mortgage Arrears and Repossessions Statistics: Q1 2013

Summary

The Central Bank today (21 June 2013) publishes the latest data on mortgage arrears, repossessions and restructures for the period ending March 2013. The main points are as follows:

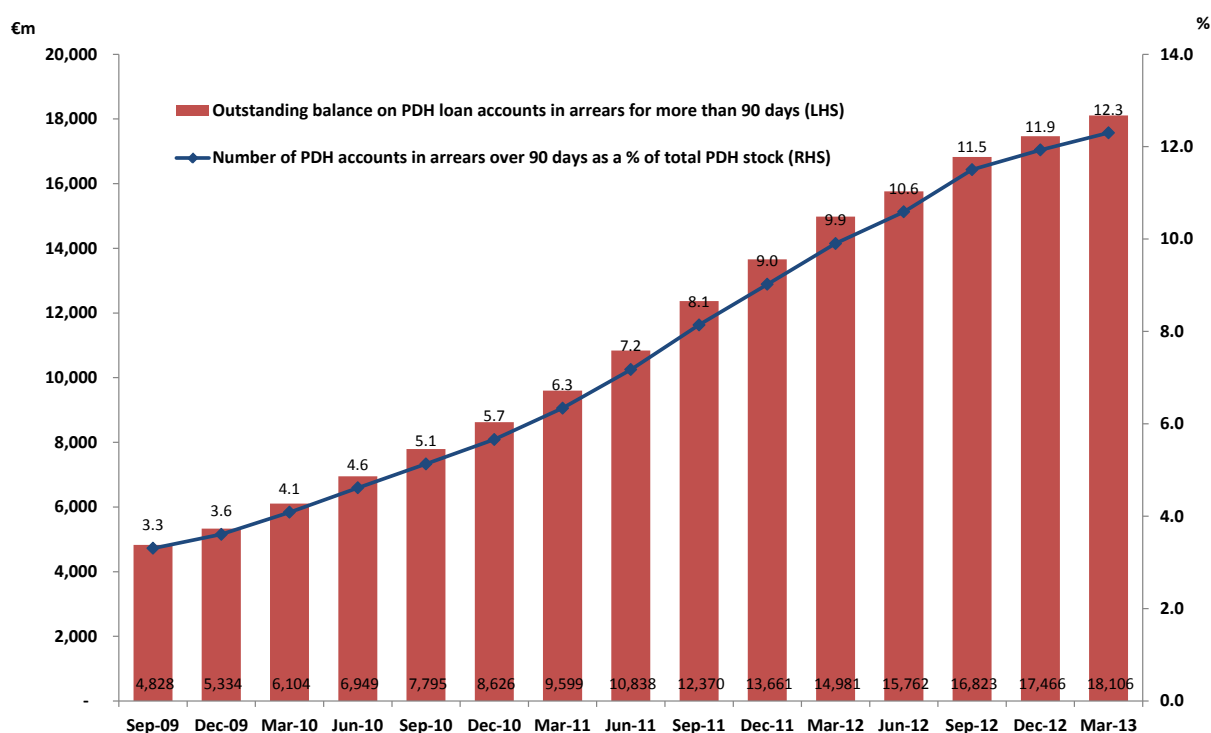
- There were 95,554 (12.3 per cent) private residential mortgage accounts for principal dwelling houses (PDH) in arrears of over 90 days at end-March 2013, up from 92,349 accounts (11.9 per cent) at end-December 2012.
- The number of PDH accounts in longer-term arrears over 180 days increased by 4.8 per cent in Q1 relative to Q4, while quarter-on-quarter growth in the number of accounts in arrears over 720 days was 12 per cent.
- The number of PDH accounts in early arrears fell marginally during the first quarter of the year. The figures show that 46,564 PDH accounts were in arrears of less than 90 days at end-March, reflecting a quarter-on-quarter decline of 0.7 per cent.
- There was a total stock of 79,689 PDH mortgage accounts classified as restructured at end-March. New data collected this quarter indicate that 76 per cent of these are deemed to be meeting the terms of their restructure arrangement.
- There were 29,369 (19.7 per cent) residential mortgage accounts for buy-to-let (BTL) properties in arrears of over 90 days at end-March 2013, up from 28,366 (18.9 per cent) at end-December 2012.

Residential Mortgages on Principal Dwelling Houses

Arrears

At end-March 2013, there were 774,109 private residential mortgage accounts for principal dwellings held in the Republic of Ireland, to a value of €109.9 billion. Of this total stock of accounts, 95,554, or 12.3 per cent, were in arrears of more than 90 days.¹ This compares with 92,349 accounts (11.9 per cent of total) that were in arrears of more than 90 days at end-December 2012. The outstanding balance on PDH mortgage accounts in arrears of more than 90 days was €8.1 billion at end-March, equivalent to 16.5 per cent of the total outstanding balance on all PDH mortgage accounts.

Figure 1: PDH Mortgage Accounts in Arrears Over 90 Days



The divergent trends in early arrears and longer-term arrears continued in Q1. There was a quarter-on-quarter decline of 0.7 per cent in the number of accounts in arrears of less than 90 days, which stood at 46,564 at end-March, or 6 per cent of the total stock. Meanwhile, the number of accounts in arrears of over 360 days increased by 7.4 per cent during Q1. At end-March 2013, 54,135 PDH accounts, or 7 per cent of the total stock, were in arrears of over 360 days. Just under half of these

¹ 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.

were in arrears of more than 720 days. The outstanding balance on PDH accounts in arrears over 360 days was €10.8 billion at end-March, equivalent to 9.8 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 interest². 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.

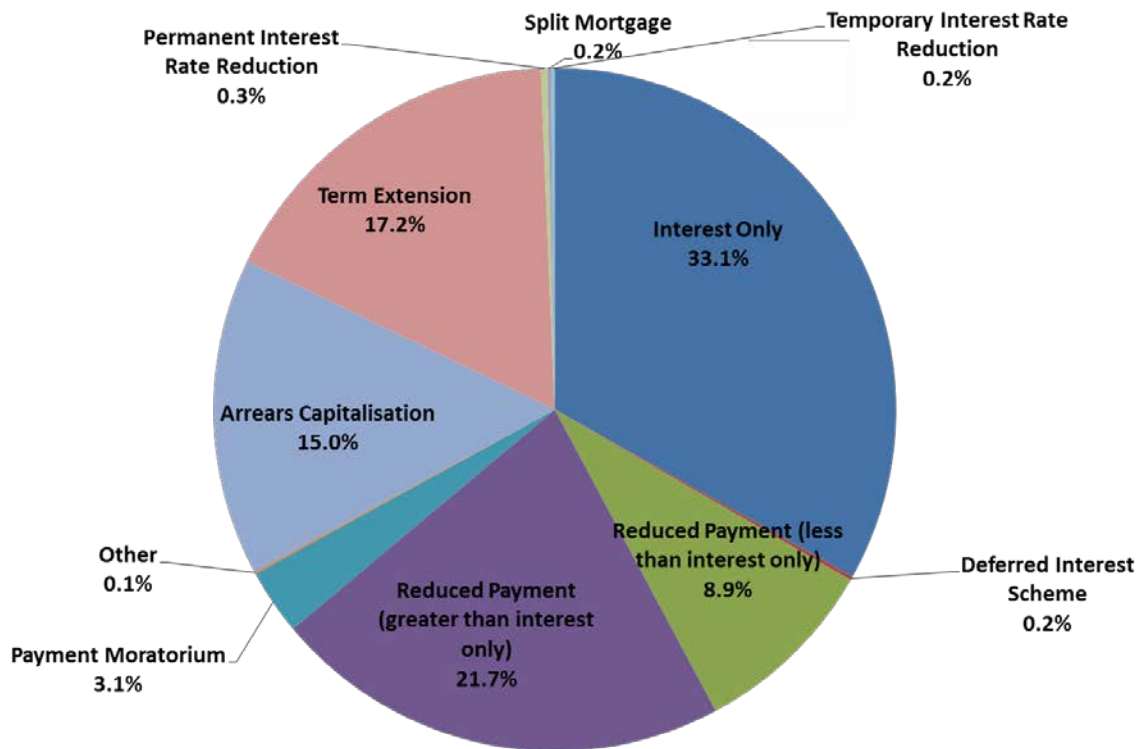
A total stock of 79,689 PDH mortgage accounts were categorised as restructured at end-March 2013. This reflects an increase of 1.8 per cent from the stock of restructured accounts reported at end-December 2012. Of the total stock recorded at end-March, 53 per cent were not in arrears. Restructured accounts 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. New data collected this quarter indicate that 76 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 24,706 new restructure arrangements were agreed during the first quarter of the year.³ 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 55 per cent of total restructures at end-March, compared to 59 per cent at end-December 2012. 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 142,118 PDH accounts that were in arrears at end-March 2013, 37,454, or 26 per cent, were classified as restructured at that time.

² 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.

³ This includes first-time restructures and further modifications of existing restructures.

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



Legal Proceedings and Repossessions

During the first quarter of 2013, legal proceedings were issued to enforce the debt/security on a PDH mortgage in 255 cases. Court proceedings concluded in 222 cases during the quarter, and in 105 of these cases the Courts granted an order for repossession or sale of the property. There were 897 properties in the banks’ possession at the beginning of the quarter. A total of 166 properties were taken into possession by lenders during the quarter, of which 49 were repossessed on foot of a Court Order, while the remaining 117 were voluntarily surrendered or abandoned. During the quarter 153 properties were disposed of. As a result, lenders were in possession of 910 PDH properties at end-March 2013.

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

	Number	Balance €(000)	Arrears €(000)
Outstanding:			
Total residential mortgage loan accounts outstanding	774,109	109,905,084	
Arrears:			
Total mortgage arrears cases outstanding:	142,118	25,484,890	1,931,553
In arrears up to 90 days	46,564	7,378,894	81,094
In arrears 91 to 180 days	18,205	3,113,038	87,811
In arrears 181 to 360 days	23,214	4,219,838	221,055
In arrears 361 to 720 days	28,195	5,422,938	503,680
In arrears over 720 days	25,940	5,350,182	1,037,914
Repossessions:			
Residential properties in possession - at the beginning of quarter	897		
Residential properties repossessed on foot of an Order during quarter	49		
Residential properties voluntarily surrendered/abandoned during the quarter	117		
Residential properties disposed of during this quarter	153		
Residential properties in possession – at end of quarter	910		
Restructured/rescheduled mortgages:			
Total residential mortgage loan accounts outstanding that are classified as restructured	79,689	13,458,041	375,974
<i>of which:</i>			
Not in arrears	42,235	6,710,419	
Total restructures by type:			
Interest Only	26,402	4,823,193	128,976
Reduced Payment (greater than interest only)	17,319	3,354,012	65,744
Reduced Payment (less than interest only)	7,067	1,355,856	69,395
Term Extension	13,706	1,370,357	24,806
Arrears Capitalisation	11,982	2,043,268	73,679
Payment Moratorium	2,468	393,921	6,871
Deferred Interest Scheme	146	29,386	1,028
Permanent Interest Rate Reduction	241	21,302	2,791
Split Mortgage	144	14,812	32
Trade Down Mortgage	8	1,331	0
Temporary Interest Rate Reduction	135	32,460	1,336
Other	71	18,143	1,316

Table 2: PDH Mortgage Arrears, Repossessions and Restructures												
	Jun-12			Sep-12			Dec-12			Mar-13		
	Number	Balance €(000)	Arrears €(000)	Number	Balance €(000)	Arrears €(000)	Number	Balance €(000)	Arrears €(000)	Number	Balance €(000)	Arrears €(000)
Outstanding:												
Total residential mortgage loan accounts outstanding - at end of quarter	765,267	111,967,397	-	794,275*	111,241,419	-	778,375*	110,762,636	-	774,109	109,905,084	-
Arrears:												
Total mortgage arrears cases outstanding - at end of quarter <i>which are:</i>	128,197	23,549,651	1,482,811	141,389	24,403,535	1,643,882	139,224*	24,779,348	1,791,216	142,118	25,484,890	1,931,553
In arrears up to 90 days	47,162	7,787,731	85,637	50,031	7,581,000	88,761	46,875	7,313,812	92,876	46,564	7,378,894	81,094
In arrears 91 to 180 days	18,764	3,341,527	89,536	19,814	3,343,895	93,339	18,521	3,213,735	94,231	18,205	3,113,038	87,811
In arrears over 180 days	62,271	12,420,393	1,307,637	71,544	13,478,639	1,461,782	73,828	14,251,801	1,604,109	77,349	14,992,958	1,762,648
<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
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
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
Total arrears cases over 90 days outstanding	81,035	15,761,920	1,397,173	91,358	16,822,535	1,555,121	92,349	17,465,536	1,698,340	95,554	18,105,996	1,850,459
% of loan accounts in arrears for more than 90 days	10.6%	14.1%	-	11.5%	15.1%	-	11.9%	15.8%	-	12.3%	16.5%	-
Repossessions:												
Residential properties in possession - at end of quarter	944	-	-	944	-	-	893	-	-	910	-	-
Restructured Mortgages:												
Total outstanding classified as restructured - at end of quarter	84,941	15,066,479	423,284	81,634	13,933,756	345,650	78,279	13,364,487	366,516	79,689	13,458,041	375,974
of which are not in arrears	40,221	6,493,841	-	43,600	7,070,492	-	41,474	6,708,234	-	42,235	6,710,419	-

* Figures revised due to reclassification issues.

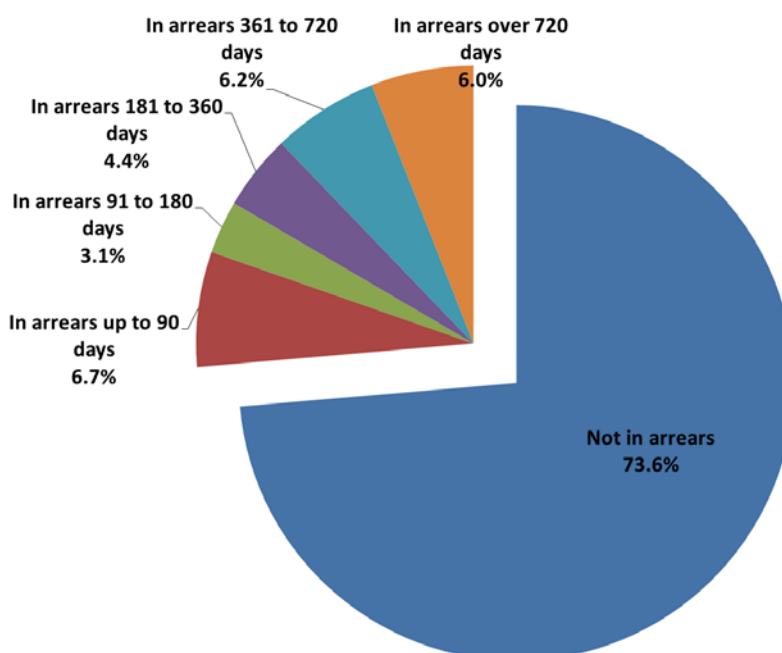
Residential Mortgages on Buy-to-Let Properties

Arrears

At end-March 2013, there were 149,395 residential mortgage accounts for buy-to-let properties held in the Republic of Ireland, to a value of €30.9 billion. Of this total stock of accounts, 29,369, or 19.7 per cent, were in arrears of more than 90 days. This compares with 28,366 (18.9 per cent of total) that were in arrears of more than 90 days at end-December 2012. The outstanding balance on BTL mortgage accounts in arrears of more than 90 days was €6.6 billion at end-March, equivalent to 27.7 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 24,760 at end-March 2013, reflecting a quarter-on-quarter increase of 4.9 per cent. This compares to an increase of 7.2 per cent recorded in Q4 2012, relative to Q3. Meanwhile, the number of accounts in arrears of over 360 days increased by 8.4 per cent during Q1 2013. At end-March 2013, 18,199 BTL accounts, or 12.2 per cent of the total stock, were in arrears of over 360 days. The outstanding balance on these accounts was €5.7 billion at end-March, equivalent to 18.3 per cent of the total outstanding balance on all BTL mortgage accounts. There was an increase of 5.2 per cent in the number of early arrears cases during the first quarter of the year. The number of BTL mortgage accounts in arrears of less than 90 days was 10,002 at end-March, or 6.7 per cent of the total stock.

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



Restructuring Arrangements

A total stock of 21,504 BTL mortgage accounts were categorised as restructured at end-March 2013, reflecting a decrease of 1.1 per cent from the stock of restructured accounts reported at end-December 2012. Of the total stock recorded at end-March, 61 per cent were not in arrears, while 78 per cent were meeting the terms of their restructure arrangement. A total of 5,897 new restructure arrangements were agreed during the first 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 69 per cent). The data on arrears and restructures indicate that of the total stock of 39,371 BTL accounts that were in arrears at end-March 2013, 8,363, or 21.2 per cent, were classified as restructured at that time.

Legal Proceedings and Repossessions

There were 447 BTL properties in the banks' possession at the beginning of Q1 2013. A total of 77 properties were taken into possession by lenders during the quarter, of which 30 were repossessed on foot of a Court Order, while the remaining 47 were voluntarily surrendered or abandoned. During the quarter 45 properties were disposed of. As a result, lenders were in possession of 479 BTL properties at end-March 2013.

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

	Number	Balance €(000)	Arrears €(000)
Outstanding:			
Total residential mortgage loan accounts outstanding	149,395	30,919,573	
Arrears:			
Total mortgage arrears cases outstanding:	39,371	10,890,663	1,177,951
In arrears up to 90 days	10,002	2,311,695	48,988
In arrears 91 to 180 days	4,609	1,144,219	60,009
In arrears 181 to 360 days	6,561	1,773,870	121,997
In arrears 361 to 720 days	9,267	2,783,746	336,697
In arrears over 720 days	8,932	2,877,133	610,260
Repossessions:			
Residential properties in possession - at the beginning of quarter	447		
Residential properties repossessed on foot of an Order during quarter	30		
Residential properties voluntarily surrendered/abandoned during the quarter	47		
Residential properties disposed of during this quarter	45		
Residential properties in possession – at end of quarter	479		
Restructured/rescheduled mortgages:			
Total residential mortgage loan accounts outstanding that are classified as restructured	21,504	5,460,125	234,793
<i>of which:</i>			
Not in arrears	13,141	3,204,362	
Total restructures by type:			
Interest Only	10,676	2,735,607	154,083
Reduced Payment (greater than interest only)	4,055	1,088,924	12,635
Reduced Payment (less than interest only)	537	138,327	6,718
Term Extension	2,513	392,235	8,274
Arrears Capitalisation	3,424	1,038,789	51,296
Payment Moratorium	221	48,602	979
Deferred Interest Scheme	1	242	18
Permanent Interest Rate Reduction	75	17,175	790
Other	2	224	0

Table 4: BTL Mortgage Arrears, Repossessions and Restructures												
	Jun-12			Sep-12			Dec-12			Mar-13		
	Number	Balance €(000)	Arrears €(000)	Number	Balance €(000)	Arrears €(000)	Number	Balance €(000)	Arrears €(000)	Number	Balance €(000)	Arrears €(000)
Outstanding:												
Total residential mortgage loan accounts outstanding - at end of quarter	150,187	31,252,770	-	150,544	31,051,588		150,124	31,158,586		149,395	30,919,573	
Arrears:												
Total mortgage arrears cases outstanding - at end of quarter <i>which are:</i>	34,719	9,816,749	840,615	36,635	10,152,556	1,069,531	37,878	10,600,086	1,193,819	39,371	10,890,663	1,177,951
In arrears up to 90 days	9,840	2,358,058	34,166	9,617	2,219,449	58,919	9,512	2,216,633	57,491	10,002	2,311,695	48,988
In arrears 91 to 180 days	5,039	1,339,834	48,739	4,986	1,262,472	38,876	4,752	1,205,984	65,167	4,609	1,144,219	60,009
In arrears over 180 days	19,840	6,118,856	757,710	22,032	6,670,634	971,736	23,614	7,177,469	1,071,161	24,760	7,434,749	1,068,954
<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
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
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
Total arrears cases over 90 days outstanding	24,879	7,458,691	806,449	27,018	7,933,107	1,010,612	28,366	8,383,453	1,136,328	29,369	8,578,968	1,128,963
% of loan accounts in arrears for more than 90 days	16.6%	23.9%	-	17.9%	25.5%		18.9%	26.9%		19.7%	27.7%	
Repossessions:												
Residential properties in possession - at end of quarter	378	-	-	414	-	-	454	-	-	479	-	-
Restructured Mortgages:												
Total outstanding classified as restructured - at end of quarter	21,671	5,273,291	316,218	22,182	5,497,161	215,073	21,748	5,434,773	240,595	21,504	5,460,125	234,793
of which are not in arrears	11,088	2,397,826	-	14,023	3,300,439	-	13,436	3,180,336	-	13,141	3,204,362	-

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.