

# MORTGAGE TO RENT SCHEME

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# What is Mortgage to Rent



Mortgage to Rent is a Government Scheme that aims to keep distressed mortgage holders in their current homes, mortgage debt free. These are homeowners who are at most acute risk of losing their homes through loan sales or Court processes as MTR is focussed on homeowners who are unable and are unlikely to be able to make their mortgage payments.

Under Mortgage to Rent the Homeowner surrenders ownership of their Home, has their mortgage debt written off and become tenants of their Local Authority.

Homeowner pays an affordable income based rent to the Local Authority “Differential Rent”.

# Eligibility Criteria



- Borrower(s) must have completed the Mortgage Arrears Resolution Process (MARP) with the lender.
- Must be eligible for Social Housing Support in the local authority in whose area the house is located.
- Key criteria is that Net Household Income doesn't exceed €35k for single person. Additional allowance for additional adults and children in the home. Max €42k net of Tax.
- Must not own any other property.
- Must be living in a property that suits the borrower(s) needs.
- Cannot have cash assets worth more than €20,000.
- The property must be of a value no more than €365,000 for a house €215,000 for an apartment or townhouse.
- Property is in Negative equity or a small amount of positive equity.

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# Mortgage to Rent to Date



- A total of 4,221 cases have been submitted for processing to date.
- 386 cases actually completed to date at Q3 2018. Additional 912 are actively being progressed.
- Many cases declined are now eligible because of changes to eligibility criteria around reasonable housing need and property Value
- Many cases previously declined because no AHB expressed an interest in acquiring the property.
- In Q3 2018 29 cases were completed with 39 completed in Q2 2018 and 10 completed in Q1 2018.
- Changes to MTR designed to inject pace and volume to the process working with the revised criteria and flexibility.

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# Changes that have occurred with MTR

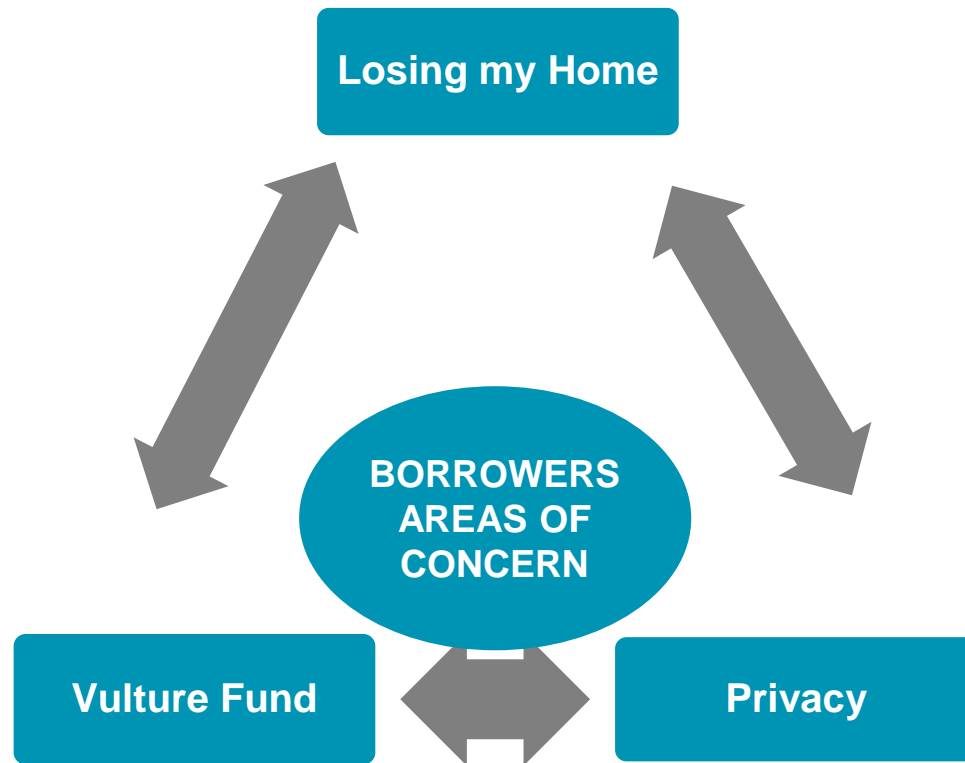


- **Streamlined Administration for applications**
- **Broad eligibility criteria.**
- **Government support / Off Balance sheet solution**
- **Condition and Location of Property no longer issue.**
- **Significantly improved in value and size of properties**
- **All lenders offering MTR as part of their unsustainable debt solution**

# KEY ASPECTS OF THE REVISED MTR SCHEME



# BORROWER CONCERNS IN RELATION TO THE SCHEME



If there are court proceedings this are ceased. The process is quick can be completed within 6 months. All lenders Banks and Funds are now offering MTR as a solution for eligible Borrowers. Courts will often direct Homeowners to apply for MTR before an order is granted.

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# Greater Awareness of MTR



- Whilst MTR has been in place since 2012 and it is a practical, useful solution for people and families who find themselves in exceptionally difficult situations awareness of the scheme itself and the eligibility criteria around it is very poor.
- MTR has suffered from slow progress since 2012 – we are seeking to rebuild that by informing people about the eligibility changes and the ability to now progress MTR at speed and at volume.
- Local Authorities are a vital stakeholder in building this awareness.
- Homeowners have engaged with Politicians, Debt Advisors, MABS, Solicitors and Banks because of a lack of awareness of MTR, Homeowners have not been made aware of MTR as a possible solution. MTR is the best solution when the borrower has no ability to make mortgage repayments.



# MTR is a needed solution to Long term Mortgage Arrears



County	Arrears (720 days+)	Completed MTR
Carlow	323	13
Cavan	493	8
Clare	588	3
Cork	1732	26
Donegal	903	0
Dublin	4316	111
Galway	899	9
Kerry	494	3
Kildare	1197	23
Kilkenny	407	11
Laois	473	13
Leitrim	222	2
Limerick	793	10

County	Arrears (720 days+)	Completed MTR
Longford	208	1
Louth	924	33
Mayo	462	0
Meath	1409	39
Monaghan	313	2
Offaly	461	12
Roscommon	350	1
Sligo	239	0
Tipperary	777	17
Waterford	572	23
Westmeath	432	7
Wexford	736	12
Wicklow	661	7

Many of those in long term mortgage arrears are social housing eligible and would require to be housed by the relevant LA if they were to be evicted.

MTR deals with this problem in a positive, efficient and dignified way.

The above figures are from Central Bank Sept 2018

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# What Role Local Authorities Play in MTR



- Local authorities have a key role in the MTR scheme.
  - Tenants are provided with a Local Authority lease
  - Local authority receive and collect the differential rent
  - Conduct annual and periodic rent reviews
  - Will be contacted if issues arise with the property. (But not responsible for upgrade works or repairs to the property.)
  - Local Authorities decide if Housing need exist and will only a Current Tenant Only Lease be offered or will the Local Authority seek a full long term lease.
- Local authority housing officials act often as a point of information for those in mortgage arrears and facing housing difficulties.

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# What we are Asking of Local Authorities and Councillors



- Raise and improve awareness of MTR across the Local Authority community.
- We want to build and develop constructive and positive relationships as we develop and build our Mortgage to Rent offering.
- We are seeking the opportunity to address all Councillors at a Council Meeting or the Housing & Communities committee to provide the background to MTR and how we can work to increase MTR numbers in your county.
- If the LA or Councillors are approached by individuals in mortgage arrears that they are informed that MTR may be an option for them.

**Thank You**  
**Any Questions?**

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