

27<sup>th</sup> September 2017

### **New initiative from AIB, IMHO and iCare aimed at keeping people in their homes**

- **Enhanced Mortgage to Rent solution to benefit AIB, EBS and Haven customers in long-term arrears who qualify for social housing**
- **Eligible customers who complete the Mortgage to Rent process will continue to live in their home as long-term tenants of iCare Housing**
- **Customers can buy back their home at the discounted price paid by iCare Housing if their circumstances improve**

AIB Group, the Irish Mortgage Holders Organisation and iCare Housing today announced a joint initiative aimed at keeping customers in difficulty with their mortgage, and who qualify for social housing, in their own homes. iCare Housing, a not-for-profit Approved Housing Body was set up for the purpose of providing and managing social rented housing for customers who are eligible for Mortgage To Rent.

Under the enhanced Mortgage To Rent solution:

- AIB, EBS and Haven customers can contact their lender or avail of free financial advisory services from the IMHO.
- If a customer's mortgage debt is deemed unsustainable following an affordability assessment completed by the Bank, the Mortgage to Rent solution may be suitable.
- If a customer is eligible for, and completes, the Mortgage to Rent process:
  - Ownership of the customer's home transfers to iCare Housing
  - The customer becomes a long-term tenant of iCare Housing
  - Any remaining residual mortgage debt, following property sale, is fully written off
  - The customer has the option to buy back their home, at any time, at the price that iCare Housing paid for the property, including any discounts negotiated between iCare Housing and the Bank.

Jim O'Keeffe, AIB's Head of Financial Solutions Group said "This initiative is primarily about keeping our mortgage customers who are in difficulty in their homes wherever possible. We have made good progress in reducing our non-performing loans from c.€29 billion three years ago to c.€7.8 billion at half year 2017, including c40,000 mortgage customers with solutions in place. We remain very aware that there are still customers who have very limited ability to meet their mortgage payments, and this enhanced Mortgage to Rent initiative is being provided to extend our range of solutions to support customers in this position. As always, I would encourage any customer who is in difficulty with their mortgage to engage with us to find a suitable way forward."

David Hall, CEO of the IMHO and iCare said "Today is a hugely significant day for those who have been struggling with unsustainable mortgage debt for the last number of years. For AIB, EBS & Haven customers an option now exists, for those who qualify for mortgage to rent, to remain in their homes, have their residual mortgage debt written off and have the option to buy their home back in the future for a price that is discounted from today's market value. Having been involved in advocating and helping people in mortgage arrears for the last seven years, this is the most significant solution I have been involved in. For people who are in trouble with their mortgage I would encourage them to contact us - solutions exist that allow families get their lives back and allow them stay in their home".

As an Approved Housing Body, iCare will be funded via the Housing Agency, rent roll from the local authority, and commercial lending. iCare Housing will be supported with commercial funding from AIB Corporate Banking. AIB Corporate Banking has significant experience in financing of the Social Housing Sector. It is working with a number of other approved housing bodies on funding for acquiring social housing.

AIB, EBS and Haven, and the IMHO, urge customers to engage with them to find out more about iCare Housing. Customers who want to discuss their mortgage arrears can contact:

IMHO on 1800 988 977

AIB on 1800 200 811

More information at [www.icarehousing.ie](http://www.icarehousing.ie) and [aib.ie/icare-housing](http://aib.ie/icare-housing) and [ebs.ie/icare-housing](http://ebs.ie/icare-housing)

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#### **ENDS**

#### **Notes to Editors**

Since 2013, c.2,700 AIB, EBS and Haven customers who engaged with the bank through the IMHO have reached an agreed solution to their mortgage arrears.

\*Mortgage to rent eligibility criteria

- *Borrowers must have completed the Mortgage Arrears Resolution Process with the lender and must be eligible for Social Housing Support in the local authority where the property is located.*
- *Must not own any other property.*
- *The property must be of a value no more than €365,000 for a house and €310,000 for an apartment or townhouse in the areas of Dublin, Kildare, Meath, Wicklow, Louth, Cork and Galway. The maximum values for the remainder of the country are €280,000 for a house and €215,000 for an apartment or townhouse.*
- *The property must suit the borrowers needs i.e. not be over or under-accommodated, in accordance with Local Authority guidelines plus two bedrooms.*
- *Net household income must not exceed €25,000, €30,000 or €35,000 a year for a single person, depending on what part of the country borrower(s) live in, plus an allowance of 5% per dependent adult and 2.5% per child subject to a 10% limit for each category of dependent.*
- *Cannot have capital assets worth in excess of €20,000.*
- *Property is in negative or marginal positive equity – margin of max €15,000 and not more than 10% of Original Market Value.*
- *Borrowers must have a long-term right to remain in Ireland.*

The IMHO is a debt charity that works to advocate for distressed mortgage holders and to provide practical advice and assistance in negotiating with banks. The IMHO has represented thousands of borrowers in negotiations with banks and has an experienced and dedicated team in place to work with and on behalf of borrowers to guide and assist them in successfully accessing this enhanced Mortgage to Rent solution free of charge

