

ABHAILE

FREE MORTGAGE ARREARS SUPPORT



Rialtas na hÉireann
Government of Ireland

Aid and Advice for Borrowers in Home Mortgage Arrears

Annual Report

January - December 2022




Total Abhaile Service Statistics

July 2016-2022

21,709

Households in long term mortgage arrears supported by Abhaile.

80%



Total percentage of households still in their home while they engage with the experts available through Abhaile.

- 33% (8,550) of the total of 25,647 borrowers who engaged with Abhaile either have a solution in place or are trialling one.
- A further 47% of borrowers who engaged with Abhaile financial advice (11,981) remained in their homes while they engage with ongoing support from their Abhaile financial adviser. The adviser is working with the borrower to get a solution into place.
- 17% no longer engaging with Abhaile services.
- 2% voluntary surrender or repossession executed.

31,551

Borrowers have received support from the court-based services of a Court Mentor or Duty Solicitor, or both.

- 21,333 Borrowers supported by a Court Mentor.
- 10,218 Borrowers supported by a Duty Solicitor.

2,912

Borrowers received additional specific legal advice from an Abhaile Consultation Solicitor.

3,032

Legal aid certificates granted to borrowers for a personal insolvency arrangement review under section 115a of the Personal Insolvency Act 2012, as amended.

80%

Estimated to be in mortgage arrears of more than two years – the priority Abhaile target group.

2022 in Numbers



1,225

Vouchers issued for financial advice and support from a PIP.



1,767

new borrowers received financial advice and support from a DMA adviser.



325

legal aid certificates granted to apply for a personal insolvency arrangement (PIA) review (asking the Court to consider, approve and impose a PIA on the creditors notwithstanding that they had rejected it).

Court-Based Supports:



2,702

unrepresented borrowers supported by Court Mentors at 368 possession hearings.



80%

of borrowers who availed of financial advice from a PIP were in mortgage arrears over 2 years.



105

accountant vouchers issued for additional specific financial advice and support.



454

consultation solicitor vouchers issued for specific legal advice and support.



1,136

unrepresented borrowers supported by a Duty Solicitor at 360 possession hearings.



September 2023

Note on Reporting Period and Data

Abhaile brings together a range of organisations, services and supports to assist borrowers resolve home mortgage arrears holistically.

Data produced in this report has been provided by the Insolvency Service of Ireland (ISI), the Money Advice and Budgeting Service (MABS), the Legal Aid Board (LAB) and the Citizens Information Board (CIB). These bodies work together to provide and administer the range of Abhaile services for borrowers.

The period covered by this report is 12 months and represents the Abhaile operating period January – December 2022 (Abhaile Year 6).

Summary data provided in the report refers to the six and a half years of Abhaile’s existence. Where data relates to a different period, that period is specified.

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Glossary of Terms

ARA

Alternative Repayment Arrangement. An ARA is a private contract between the borrower and their mortgage lender, agreeing to restructure mortgage payments, as provided under the Central Bank of Ireland’s Code of Conduct on Mortgage Arrears.

Arrears Capitalisation

Re-integration of any arrears into the principal sum for payment.

Borrower

A reference to the number of individual borrowers who receive help and support from Abhaile. Personal Insolvency Practitioners record each PIP voucher issued as a separate borrower against one PPR or household.

CBI

Central Bank of Ireland.

CCMA

Code of Conduct on Mortgage Arrears (revised version: 2013), which the Central Bank of Ireland requires all entities regulated by it to observe when dealing with borrowers concerning their mortgage arrears.

CIB

Citizens Information Board.

Consultation Solicitor

A solicitor from the Abhaile panel established by the Legal Aid Board who is providing the Abhaile Consultation Solicitor Service to a borrower. A Consultation Solicitor service is a specialised legal service that offers free consultations to individuals facing mortgage arrears and potential home repossession. These solicitors assess the legal situation, provide advice on proceedings, and may negotiate settlements.

Court Mentor

A MABS adviser who attends the court premises providing support and information to borrowers in the course of possession hearings by the County Registrar.

COVID-19

Coronavirus disease (COVID-19) is an infectious disease caused by THE SARS-CoV-2 virus.

Deep Dive

Detailed review of borrower circumstances, arrangement proposal (if any) and outcomes for Abhaile vouchers redeemed in Q3 of any given year. This is carried out annually by the Insolvency Service of Ireland (ISI).

DOJ

Department of Justice.

DMA Adviser

Dedicated Mortgage Arrears Adviser. A MABS DMA adviser is an expert in mortgage arrears and provides support, money advice, and assistance to identify the best available solution.

DSA

Debt Settlement Arrangement. A DSA is a statutory debt restructuring under the Personal Insolvency Acts, suitable for resolving unsecured, non-mortgage debt.

DSP

Department of Social Protection.

Duty Solicitor

A solicitor from the Abhaile panel established by Legal Aid Board, who is providing to a borrower the Abhaile Duty Solicitor Service. The Service provided by a duty solicitor refers to a free legal assistance programme where solicitors offer advice and assistance to defendants in repossession cases at the County Registrars’ Court.





ECB

European Central Bank.

Household

Refers to an individual Principal Private Residence (PPR) and could include more than one borrower. The MABS case management system records a case file as a household.

ISI

Insolvency Service of Ireland.

LAB

Legal Aid Board.

MABS

Money Advice and Budgeting Service.

MARP

The Mortgage Arrears Resolution Process, a minimum process that the Central Bank of Ireland requires all regulated entities to observe, under the Code of Conduct on Mortgage Arrears when dealing with borrowers about their mortgage arrears.

Mortgage to Rent (MTR)

A government scheme that allows homeowners in mortgage difficulty to switch from owning their home to renting their home as a social housing tenant.

Personal Insolvency Acts

The Personal Insolvency Acts 2012-2021.

PDH

Principal Dwelling House. PDH is the identifier used in Central Bank mortgage arrears statistics for a mortgaged property which is the borrower's primary residence.

PIA

Personal Insolvency Arrangement. A PIA is a statutory debt restructure under the Personal Insolvency Acts, designed for resolving secured debt (including mortgage arrears).

PIA Court Review

The independent review can be carried out by a court under section 115A in the

Personal Insolvency Acts. If creditors refuse a borrower's proposal for a Personal Insolvency Arrangement, including arrears on their home, the Court has the power to impose the rejected proposal on the creditors where it considers the proposal was fair and reasonable to all parties. In that case, the Court has the power to impose the rejected proposal on the creditors where it considers the proposal was fair and reasonable to all parties.

PIP

A Personal Insolvency Practitioner sometimes called a PIP, is a qualified practitioner under the Personal Insolvency Acts. They are usually a qualified accountant, solicitor, or barrister qualified to manage personal insolvency and mortgage arrears with their clients. They are regulated by the Insolvency Service of Ireland.

PPR

Principal Private Residence, defined by the Personal Insolvency Acts as the dwelling in which the borrower(s) ordinarily resides.

Protective Certificate (PC)

A court order, issued under the Personal Insolvency Acts, that prevents creditors from taking enforcement action against a borrower for a number of months, while a Personal Insolvency Practitioner is working to restructure the borrower's debts and return them to solvency (through a Personal Insolvency Arrangement or a Debt Settlement Arrangement).

RLEs

Reasonable Living Expenses. Under section 23 of the Personal Insolvency Act, the ISI must prepare and issue guidelines on what constitutes a reasonable standard of living and reasonable living expenses. These guidelines are published annually and used by insolvency practitioners to ensure a borrower maintains a reasonable standard of living when entering into an insolvency arrangement.

PART A: Introduction and Background



1. Introduction

This is the Sixth Operational Report on Abhaile, the National State-Funded Mortgage Arrears Resolution Service. Access to the service is provided free of charge to eligible borrowers at risk of losing their home. The service aims to assist insolvent mortgage holders identify and put in place sustainable solutions to their mortgage arrears and keep them, wherever possible, in their own homes.

Abhaile is jointly coordinated and funded by the Department of Justice and the Department of Social Protection. Abhaile supports are provided through the Citizens Information Board (which includes the Money Advice and Budgeting Service), the Insolvency Service of Ireland, the Legal Aid Board and the Courts Service.



Abhaile is overseen at a strategic level by a Joint Steering Board and at an operational level by a Joint Working Group. The membership of these Groups includes the Department of Social Protection, the Department of Justice, the Department of Housing, Local Government and Heritage, the Legal Aid Board, the Insolvency Service of Ireland, the Citizens Information Board and the Courts Service.

Established in 2016, Abhaile was a three-year Government initiative in response to the impact of the financial crisis on mortgage arrears in Ireland. A demand-led service, Abhaile provides free financial, insolvency, and legal advice and assistance to borrowers in home mortgage arrears. Abhaile aims to support borrowers in identifying and arranging solutions that will, wherever possible, enable them to remain in their homes.

In 2019, the government approved a three-year extension to Abhaile, until the end of 2022. A commitment was also made under the Programme for Government 2020 to continue to resource Abhaile.

By mid-2023, an independent consultant completed and published a full strategic review. The review identified several recommendations and a continued need for the services of Abhaile, resulting in an extension until the end of 2027.

In advance of the strategic review, published in July 2023, a Governance Review of Abhaile took place in 2021 to review the future governance structure of the scheme.

Appendix D sets out more detailed information on the governance structures and oversight arrangements for Abhaile.

Total Mortgage Arrears

The number of home mortgage accounts in arrears reached a peak in June 2013, when there were 142,892 home mortgage accounts in some level of arrears. This represented almost 19% of all Irish home mortgage accounts.

As the economy began to recover, and on foot of the introduction of the Personal Insolvency Act, this trend reversed. Abhaile came into operation in 2016 and has facilitated access to personal insolvency solutions. At the time of its establishment in Q2 of 2016, 82,882 home mortgage accounts were in some level of arrears.

By the end of Q4 2022, the number of home mortgage accounts in some level of arrears had fallen to 47,330 accounts – a decrease of 66.9% (n=95,562) since the peak. The latest statistics provided by the central bank to the end of 2022 represent a year-on-year increase of 268 accounts in some level of mortgage arrears compared to last year's annual report. However, long term mortgage arrears continued to decline in the same reporting period.

Abhaile Long Term Mortgage Arrears (720+ days)

The main focus of Abhaile continues to be on borrowers in long-term mortgage arrears with mortgage accounts in arrears of more than 720 days. At the peak of long term mortgage arrears in June 2015, the number of mortgage accounts in arrears of more than 720 days was 38,043. It has dropped steadily in each subsequent quarter, and by the end of

2022, stood at 19,221 - a decrease of 49.5% (n=18,822) since the peak.

While the drop in the number of mortgage accounts in arrears is encouraging, there are still many borrowers in long-term mortgage arrears.

The Irish economy was greatly impacted by COVID-19 in 2020, due to the restrictive public health measures implemented by the Government to contain the outbreak of the virus. These restrictions continued into 2021, subsequently impacting demand for Abhaile services, and were gradually withdrawn on a phased basis. The restrictions continued at a reduced rate into early 2022 until they were lifted entirely by the end of Q1 2022.

However, the Russian invasion of Ukraine, the subsequent energy markets emergency, and the increases in inflation and cost of living introduced new economic challenges. In response to increasing inflation, the European Central Bank (ECB) increased the base interest rate, increasing the cost of credit. The ECB had increased the base rate of interest to 2.5% by 21 December 2022. The base interest rate was zero percent up to 26 July 2022.

The challenges experienced by those living in Ireland are evident in figures for early mortgage arrears (up to 90 days). This category of mortgage arrears experienced a year-on-year increase of 2,600 accounts from 2021 to 2022. There is a chance these accounts could translate into long term mortgage arrears as time passes.

2. Services Available under Abhaile and Eligibility Criteria

2.1. Services Available

Advisory Services – The First Steps

The Money Advice and Budgeting Service (MABS), under the aegis of the Citizens Information Board (CIB), assists people who are over-indebted and need assistance and advice with debt problems. In particular, those on low disposable incomes or social welfare recipients.

Awareness campaigns and promotion of the relevant services continued throughout 2022. The main objective of these campaigns is to raise awareness and promote the services of Abhaile, and to encourage those in need to get in touch.

In the context of Abhaile, MABS serves as a key point of information and guidance for homeowners in mortgage arrears, providing valuable resources and assistance. It acts as a gateway for accessing aid and advice under Abhaile, offering a range of services and support to help individuals navigate their mortgage difficulties.

When a borrower contacts MABS, an adviser assesses the borrower's financial situation. If the borrower meets the eligibility criteria, MABS will support them in accessing the expert best suited to help resolve their situation.

Depending on the borrower's situation, this expert may be a MABS Dedicated Mortgage Arrears adviser (DMA), a Personal Insolvency Practitioner (PIP), a Solicitor, or an Accountant. An operational protocol helps to determine the referral between MABS advisers and PIPs.

MABS will provide the borrower with a voucher to access the relevant service(s) free of charge.

Priority is given to first obtaining financial analysis and advice, supplemented by legal advice where that is required.

In summary, Abhaile can provide a range of different services to assist the borrower, depending on his or her needs, such as:

- The Dedicated Mortgage Arrears (DMA) Service
- The Personal Insolvency Practitioner (PIP) Service
- The Accountant Service
- The Consultation Solicitor Service
- The Personal Insolvency Court Review Service
- The Duty Solicitor Service (court-based)
- The Court Mentor Service (court-based)

Advice under Abhaile can cover all options for resolving the borrower's home mortgage arrears. Depending on the borrower's circumstances, these options may include restructuring the repayment arrangement, personal insolvency, bankruptcy, sale, or surrender of the home—the preferred decision

on what option to take remains with the borrower. The professional services available to the borrower under Abhaile aim to ensure that the borrower can decide with the benefit of independent expert advice.

The Dedicated Mortgage Arrears (DMA) Adviser Service

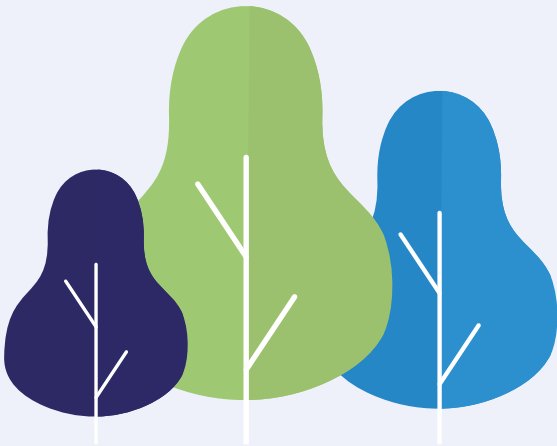
The DMA service was launched in July 2015, a year prior to the introduction of other Abhaile services. This service is accessible throughout the MABS network and serves as a resource for individuals facing home mortgage arrears. Its primary objective is to assist these individuals in assessing the various options available to them. Additionally, when necessary, the DMA service facilitates negotiations with lenders on behalf of the borrowers.

In most cases, a DMA Adviser acts as the initial point of contact for borrowers seeking assistance from Abhaile. When a PIA is deemed unsuitable or the borrower decides not to pursue a statutory debt solution, the DMA Adviser assumes the responsibility of representing the borrower's interests. With the borrower's consent, the adviser engages in negotiations to establish an alternative arrangement that aligns with the borrower's financial circumstances.

The Personal Insolvency Practitioner (PIP) Service

If the borrower wishes to explore statutory debt resolution options, MABS can give them a voucher for a free consultation from a member of the Abhaile Personal Insolvency Practitioner (PIP) panel. The voucher entitles the borrowers to an in-person or virtual face-to-face consultation with a PIP. The PIP will carry out a full assessment of the borrower's financial situation and prepare the Prescribed Financial Statement (PFS) required under the Personal Insolvency Acts. The PIP will explain to them all available options and the best option to deal with their mortgage arrears, confirming that advice to the borrower in writing.

If the PIP advises that the borrower's best option is a statutory debt solution, they will assist them in taking the next steps. If the PIP advises that the borrower's best option is bankruptcy, they will provide the borrower - under the voucher - with the letter required by the bankruptcy court. This confirms that the borrower has first been advised regarding their options under the statutory personal insolvency framework.



The Accountant Service

If the borrower's case involves more complicated financial issues but is not suited to personal insolvency, then MABS may direct the borrower to an Accountant, who is a member of the Abhaile Accountants' Panel. The borrower will need to first work with a MABS Adviser to complete the Standard Financial Statement (SFS) required by lenders under the Mortgage Arrears Resolution Process (MARP). The Accountant will need a copy of the SFS to give them financial advice. The borrower will have a face-to-face consultation with the panel Accountant. The Accountant will advise them on any financial issues relating to resolving their mortgage arrears and on possible solutions, confirming that advice to them in writing.

The Consultation Solicitor Service

After the borrower has completed their financial statement (Standard Financial Statement or Prescribed Financial Statement- see above) and received financial advice, their financial adviser (PIP, MABS adviser or Accountant) may recommend that they consult a solicitor for legal advice, where this is likely to be of benefit.

The financial adviser can then apply to MABS for a legal advice voucher for the borrower. The legal advice voucher will entitle the borrower to a face-to-face consultation with a solicitor from the Legal Aid Board's Abhaile solicitor panel. The solicitor will assess and explain their legal position and advise them on any repossession proceedings or legal issues arising for resolving their mortgage arrears. If the lender has already issued repossession proceedings, the Consultation Solicitor may, in

certain circumstances, be able to negotiate on the borrower's behalf to settle the proceedings out of court.

The Personal Insolvency Court Review Service

The PIA Court Review Service is available where the borrower has worked with a PIP and proposed a Personal Insolvency Arrangement ('PIA') to their creditors. In this case, the creditors have refused that proposal, although the borrower's PIP considers it fair and reasonable to all concerned. Under section 115A of the Personal Insolvency Acts, the PIP in this situation can ask the Courts, on behalf of the borrower, to review the PIA proposal. If the Court is satisfied that the criteria set out in Section 115A(9) of the Personal Insolvency Act 2012 applies (including that the proposal is fair and equitable) it has the power to impose the proposal on the creditors. Under the Personal Insolvency Court Review Service, the Legal Aid Board can provide the borrower with legal representation by a solicitor and barrister (if certain criteria are met). They can make the court review the application subject to the case meeting the criteria set out in the Civil Legal Aid Act, 1995.

For this service, the borrower's PIP applies on their behalf to the Legal Aid Board. The PIP must certify to the Legal Aid Board 'that the borrower has reasonable grounds for seeking the court review and satisfies the other conditions for review laid down by the 'Personal Insolvency Act'. If the Legal Aid Board is satisfied that the application meets the criteria under the Civil Legal Aid Act 1995, it can grant a Legal Aid Certificate to the borrower.

The Duty Solicitor Service

If the borrower is facing Circuit Court repossession proceedings against their home due to mortgage arrears, they may be able to receive assistance at court from the Duty Solicitor. The Duty Solicitor is a solicitor from the Abhaile Solicitor Panels, who will typically be on duty at a Circuit Court when the Circuit Court County Registrar repossession cases are listed.

The Duty Solicitor Service is a service to provide advice and assistance to unrepresented borrowers in court. The Duty Solicitor may speak for the borrower in court to explain what steps they are taking to deal with their mortgage arrears. The Duty Solicitor may be able to apply for the court proceedings to be adjourned if the borrower is trying to put a solution in place. They can also explain to the borrower what is happening in the proceedings.

The Duty Solicitor cannot act as the borrower's legal aid solicitor or defend the repossession proceedings on their behalf. Abhaile does not provide legal aid to borrowers, if a borrower has a valid legal defence to the repossession and wants to apply for legal aid, then he or she will need to apply to the Legal Aid Board separately. The Consultation Solicitor will explain to them how to do this.

The Court Mentor Service

The Abhaile Court Mentor service is a court-based service provided by MABS. It is a separate service from the Duty Solicitor service. The Court Mentor and Duty Solicitor work together in the Circuit Court to support unrepresented borrowers at repossession hearings.

A team of MABS Court Mentors are available at repossession proceedings nationally with the purpose of extending assistance to individuals experiencing financial distress. MABS staff attend all possession list hearings at Circuit Courts in the presence of the County Registrar. By assuming the role of a Court Mentor, they serve as a visible and readily available resource, offering free and impartial support to borrowers during their court proceedings.

The Court Mentor's responsibilities encompass several key aspects. Firstly, they ensure that borrowers are informed about their position on the list of cases and provide guidance on navigating the legal proceedings effectively. Additionally, they offer valuable advice on the most suitable approach for addressing the County Registrar. By doing so, the Court Mentor serves as a crucial intermediary, providing a gateway to the various forms of support offered by MABS and Abhaile. Consequently, the Court Mentor assumes a pivotal role as an entry point to the assistance provided by Abhaile, especially during the critical repossession stage.

2.2. Eligibility Criteria for Abhaile

To qualify for advice and assistance from Abhaile, a person must:

- a. be insolvent** (as defined under the Personal Insolvency Acts: 'unable to pay their debts in full as they fall due'),

b. be in mortgage arrears on the home in which they normally reside (their principal private residence), and

c. be at risk of losing their home (for example, they may have received from their mortgage lender repossession proceedings, a letter indicating that such proceedings will issue, a letter indicating that they are deemed non-cooperating, or an invitation to consider the sale, surrender or other loss of all or part of the home).
- A person will not be eligible for Abhaile if the above conditions are satisfied, but the home is disproportionate to the reasonable living accommodation needs of the borrower and his or her dependents, taking account of the criteria set out in section 104 of the Personal Insolvency Acts.
- Abhaile is focused on supporting people to deal with arrears related to their principal home or main property and is not designed to support mortgage arrears for investments or buy-to-let properties. However, a person in mortgage arrears on their home, who also owns a buy-to-let, will still be eligible if he or she satisfies the conditions above.

Abhaile services and the challenges of 2022

Relative normality returned during 2022 following the easing of public health restrictions following the COVID-19 pandemic and the re-opening of society.

In 2022, typical external motivating factors, such as possession hearings and letters from lenders, returned. The announcement of several pillar banks leaving the Irish market and selling their loan books to other banks and non-banking entities (NBEs) may have also increased these external factors during 2022.

Additionally, increases seen and reported by Abhaile services in 2022, compared to 2021, can be partly explained by the backlog created due to the pandemic.

Possession order hearings took place as scheduled during 2022, having been widely cancelled for much of 2021. There was a 51% increase in possession order cases in 2022 compared with 2021. This increase in possession order cases was in part due to the backlog of cases created as a result of the pandemic. A total of 9,763 possession hearings were listed in 2022, of which 2,204 were active MABS clients, representing 22.5% of all possession hearings listed.

Typically, the possession court is the first interaction a borrower has with any of the services of Abhaile. The possession court is deemed an essential point of contact with the supports. In 2022, according to Court

Mentor feedback, borrowers assisted by Court Mentors increased by 43% on the previous year. There was an increase of 30% in the number of possession hearings where MABS Court Mentors were present. The Duty Solicitor service also experienced an increase in demand by 69% compared with 2021.

Possession hearings allow the Abhaile court-based services to proactively engage with borrowers in long-term mortgage arrears.

In 2022, new DMA cases increased by 11.5% compared to 2021. This increase equates to 1,767 additional new DMA clients engaging with the service. There were several factors contributing to the uplift. There were more new client referrals from the court system due to courts reopening and possession hearings going ahead. Many loan owners appeared to be holding off starting legal proceedings against borrowers in arrears during the pandemic. This reprieve ceased in 2022. Legal correspondence often acts as a catalyst for borrowers to seek help immediately.

Headline inflation in 2022 was significantly higher than anticipated as the economy reopened following pandemic restrictions. Many commentators, including many central banks, expected inflation to be 'transitory' and short-lived; however, as the year progressed, it became evident this was not the case.

Significant increases to the general cost of living, fuelled by the invasion in Ukraine and the associated energy emergency persevered throughout 2022. These factors impacted mortgaged borrowers' affordability. Upward pressure on household disposable income was compounded further by the ECB baseline interest rates rising from 0% in July to 2.5% by the end of December.

Rising interest rates likely lead to new and returning clients presenting to the Abhaile services. Some Abhaile clients reported significant concern that previously agreed alternative repayment arrangements (ARAs) were becoming unaffordable.

Evidence, as measured through the MABS helpline, suggests that demand for the Abhaile services increased correspondingly.

The number of PIP vouchers redeemed in 2022 was 2.7% higher than in 2021. This trend has now seen a return to growth compared to the decreasing numbers for the preceding two years.

The number of borrowers who had successfully obtained arrangements was down by 3% compared to the ISI analysis for the 2021 Deep Dive. There has been an increase of 11% for formal solutions, and a decrease of 14% for informal solutions, put in place. The ISI has indicated that the significant reduction in accepted informal solutions may be related to the increase in formal solutions.

The average write-down achieved in successful PIAs in 2022 was €158,175, up from an average of €136,089 in 2021. This represents an increase of 16% on the previous year.

Demand for the PIA Review Legal Aid Service (s115A) continued to decline in 2022, decreasing by 23% when compared to 2021. This represents two consecutive years of decline. However, it is important to note this decline could be explained by an increase in positive outcomes at the creditors' meeting stage of the PIA process and the acceptance of precedence achieved through previous PIA review judgements.

PART B: Highlights and Detailed Report

3. Report Highlights

3.1. 2022 Achievements

During the reporting period from January to December 2022, Abhaile continued to deliver the following cost-free services to borrowers at risk of losing their homes. In 2022:

- 2,604 individual borrowers (2,328 households) received advice and support from either a DMA or PIP. Of these, 760 (29%) had a solution or trial solution in place. 1,389 (53%) were in progress to a solution. And 455 (18%) concluded without a solution.
- 1,225 borrowers were issued with a voucher for financial advice and assistance from a PIP.
- 1,767 new borrowers received financial advice and assistance from a DMA Adviser.
- DMA Advisers referred 132 existing borrowers who had a voucher to PIPs for further financial advice and assistance under Abhaile. This number represents redeemed vouchers only.
- 105 vouchers were issued for borrowers to receive financial advice and assistance from an Accountant.
- 454 vouchers were issued for borrowers to receive legal advice from a Consultation Solicitor.
- 325 borrowers were granted legal aid to apply for a personal insolvency review (s115A - asking the Court to consider, approve and impose a personal insolvency arrangement on the creditors, notwithstanding that they had rejected it).
- Duty Solicitors attended 360 repossession court lists before County Registrars across the country and provided 1,136 consultations to unrepresented borrowers.
- Court Mentors attended 368 repossession court lists before County Registrars across the country and provided 2,702 consultations to borrowers, referring them to further assistance from other Abhaile services.

Source: Data provided by MABS, Legal Aid Board and ISI¹

¹ A number of these may have been issued in the previous year. A client has up to three months to redeem the voucher once it has been issued. It can take up to a further three for the service provider to claim payment in respect of the vouchers received from a client. This number reflects the number of vouchers redeemed in 2022.

4. Take-up of Abhaile Services

The following sections provide more detail on the take-up of the various Abhaile services during the period January to December 2022, and since the establishment of Abhaile in July 2016 to December 2022.

4.1. Take-Up of the DMA Service

Between January and December 2022, DMA Advisers provided financial advice and assistance to 1,767 new borrowers under Abhaile.

The DMA service referred 132 of these clients to a PIP for further financial advice. This represents redeemed vouchers only. This brings the total number of borrowers referred by DMA Advisers to a PIP to 1,589 between July 2016 and December 2022.

Between July 2015* and December 2022, the DMA service had provided financial advice and assistance to a total of 13,597 borrowers (including 1,589 who were referred to PIPs and redeemed the voucher they had been issued).

*The DMA service launched in July 2015, a year before Abhaile was established.

4.2. Take-Up of the PIP Service

Between January and December 2022, the MABS voucher desk issued 1,225 Abhaile vouchers for financial advice and assistance from a PIP. A total of 972 or 79% were redeemed.

Between July 2016 and December 2022, the number of PIP vouchers issued was 18,524. A total of 13,639 or 74% had been redeemed.

4.3. Take-Up of the Consultation Solicitor Service

Between January and December 2022, the MABS voucher desk issued 454 vouchers for borrowers to consult an Abhaile Consultation Solicitor. A total of 299 or 66% had been redeemed.

Between July 2016 and December 2022, the number of Consultation Solicitor legal vouchers issued was 5,627. A total of 2,996 or 53% had been redeemed.

4.4. Take-Up of the Duty Solicitor Service

Between January and December 2022, Duty Solicitors were present at 360 court possessions hearings across the country. Duty Solicitors provided at least 1,136 consultations to unrepresented borrowers.

Between July 2016 and December 2022, the Duty Solicitor service had provided consultations to a total of 10,218 borrowers at 2,361 possession hearings before a County Registrar.

4.5. Take-Up of the Personal Insolvency Court Review Service

Between January and December 2022, the number of legal aid certificates granted for PIA reviews was 325.

Between July 2016 and December 2022, LAB had granted 3,032 legal aid certificates for personal insolvency reviews.

4.6. Take-Up of the Court Mentor Service

Between January and December 2022, MABS Court Mentors were present at 368 court possession hearings across the country. MABS Court Mentors provided at least 2,702 consultations to borrowers.

Between July 2016 and December 2022, the Court Mentor service had provided in-court support to 21,333 borrowers at 2,519 possession hearings before a County Registrar.

4.7. Take-Up of the Accountant Service

Between January and December 2022, MABS voucher desk issued 105 vouchers for borrowers to seek financial advice from an Accountant. A total of 26 or 25% had been redeemed.

Between January 2018 and December 2022, the number of financial vouchers issued to seek accountancy advice was 552. A total of 108 or 20% had been redeemed.

Note: In the case of all voucher-based services, the issuing of a voucher, which is not subsequently presented for payment or redeemed, does not incur any additional charge on the Abhaile budget.

5. Outcomes of Abhaile since establishment in 2016

This chapter focuses on outcomes for borrowers who have received financial advice and assistance from DMA Advisers, and financial and insolvency support from PIPs. These are the primary Abhaile services for putting solutions in place for borrowers in mortgage arrears.

- Section 5.1** provides an overview of these outcomes.

Section 5.2 looks at outcomes and progression for borrowers advised by DMAs.

Section 5.3 looks at outcomes and progressions for borrowers advised by PIPs.
- Section 5.4** looks at the primary outcomes of the other Abhaile services, which make a valuable contribution to achieving the solutions put in place for borrowers.

Section 5.5 looks at Public Awareness and Accessibility.

5.1. Outcomes of Financial Advice and Assistance from DMAs and PIPs (See Outcomes Table below on page 24)

Since the launch of the DMA scheme in July 2015 to the end of December 2022, the MABS DMA and PIP services have provided advice and support to 25,647 borrowers. Of this, the DMA service accounted for 12,008, and the PIP service accounted for 13,639.

5.1.1. Number of solutions in place for insolvent borrowers

By December 2022, **33% (8,550) of the total number of borrowers** supported by Abhaile (25,647) and at risk of losing their homes due to mortgage arrears had a solution either in place or on trial.

Solutions in place or on trial comprised 3,676 Personal Insolvency Arrangements (PIAs), 3,749 informal solutions (Alternative Repayment Arrangements (ARAs) between the borrower and their mortgage lender, agreeing to a restructure of mortgage payments, as provided under the Central Bank’s Code of Conduct on Mortgage Arrears, or participating in the Mortgage to Rent scheme) and 198 Bankruptcies.

Further detail on the solutions achieved for borrowers is contained in Sections 5.2. and 5.3.

5.1.2. Borrower cases being progressed to solution

A further **47% of borrowers (11,981 who were at risk of losing their homes) were in progress to a solution** and remain in their homes. These borrowers were receiving ongoing support and advice from their PIP or DMA, working with the borrower to get a solution in place.

PIPs and DMA Advisers work closely with the borrower to explore all possible solutions, with the aim of keeping the borrower in their home, wherever possible. A solution for a borrower in significant arrears tends to take at least 8 months and longer in some circumstances.

Mortgage to Rent (MTR) for Abhaile borrowers may take an average of 724 days (up to 2 years) from the start date to the outcome. MTR involves a complex set of legal and financial arrangements, all of which must be signed off before property transfer can occur.

Securing an ARA can take a similar period, as it can involve several trials and ongoing negotiation with a borrower’s lender to achieve an outcome.

Where the creditors approve a borrower’s proposal for a PIA, the process takes 210 days (almost 7 months), from the beginning of the PIA process to court approval of the accepted proposal, on average. A PIA can take considerably longer if creditors refuse the borrower’s proposal, and a court review is sought under Section 115A of the Personal Insolvency Act. Further detail on the solutions achieved for borrowers is contained in Sections 5.2 and 5.3.

5.1.3. Other outcomes for borrowers who have engaged with Abhaile

The remaining 20% (5,116 borrowers) are accounted for either by those who disengaged with their financial adviser after receiving financial advice at 17% (4,352 borrowers) or 2% (587 borrowers) who surrendered their home or had it repossessed. A further 1% (177 borrowers) had their case put on hold due to COVID-19.

A borrower’s disengagement with the Abhaile service can occur for several reasons, including illness, family difficulties including separation or divorce, a loss of employment or other significant reduction in income.

Table 5.1 summarises the outcomes, as of December 2022, for borrowers who received financial advice and support under Abhaile. The table outlines the achieved outcomes for the total cumulative borrowers, which amounted to 13,957 (2016-2022) individuals engaging with the DMA service.

These are typically referred to as ‘informal’ solutions, such as Mortgage to Rent (MTR) or an ARA. In such cases, a DMA may advise and negotiate directly with the creditors on behalf of the borrower. Of the solutions achieved by DMA Advisers, 85% enabled the borrower to remain in their home.

Outcomes	Received DMA advice	Received PIP advice	Total at December 2022	Total at December 2021	Change 2022 v 2021
	12,008 borrower households	13,639 est.* borrowers	25,647 borrowers	23,043 borrowers	2,604
Solution in place:					
- Personal Insolvency (PIA)	N/A	3,676	3,676	3,158	518
- Informal solution (ARA, MTR)	2,447	1,302	3,749	3,595	154
- Bankruptcy	N/A	198	198	202	-4
Trial solutions in place	927	N/A	927	835	92
Total solutions/ trial solutions in place	3,374 (28%)	5,176 (38%)	8,550 (33%)	7,790 (34%)	760
In progress to formal solution	N/A	3,132	3,132	2,889	243
In progress to informal solution	6,797	2,052	8,849	7,703	1,146
Total in progress solution	6,797 (57%)	5,184 (38%)	11,981 (47%)	10,592 (46%)	1,389
Concluded without solution	397 (3%)	190 (2%)	587 (2%)	567 (2%)	20
Not engaging after financial advice	1,440 (12%)	2,912 (21%)	4,352 (17%)	3,942 (17%)	410
On hold due to COVID-19	0	177 (1%)	177 (1%)	152 (1%)	25
Total	12,008 (100%)	13,639 (100%)	25,647 (100%)	23,043 (100%)	2,604

TABLE 5.1: Summary of cumulative totals of outcomes in place/in progress since July 2016 to the end of December 2022 – borrowers who received Abhaile financial advice from a DMA or PIP.

*Due to the large numbers of borrowers involved and different data collection possibilities, the ISI outcome data used here for borrowers who took up PIP advice over the whole period July 1 2016 – December 31, 2022, is a projection.

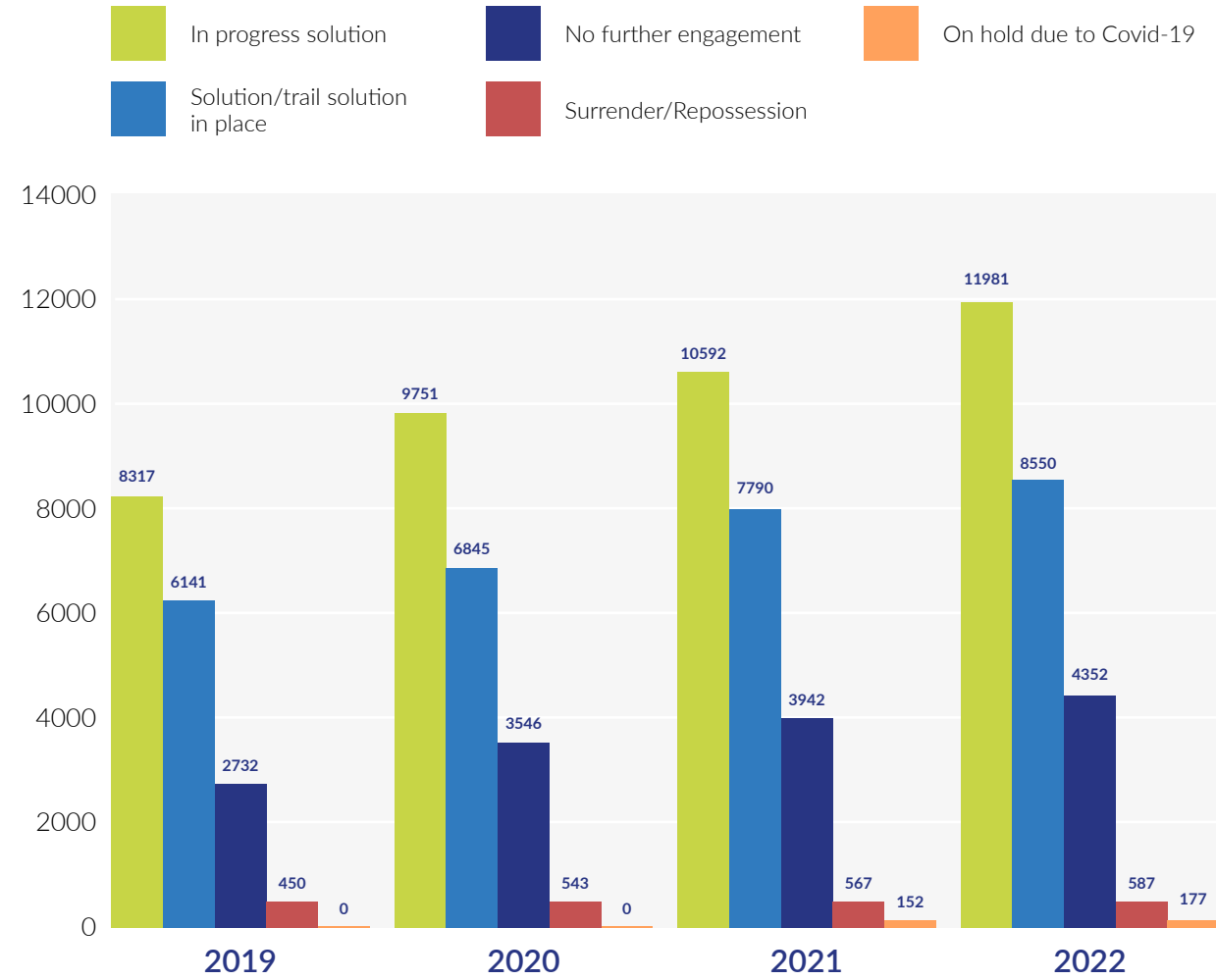


FIGURE 5.1.A Summary of cumulative totals of outcomes in place/in progress since July 2016 to the end of December 2022 displayed for each year 2019 – 2022 – borrowers who received Abhaile financial advice from a DMA or PIP.

“ Yes I certainly would [recommend the services of Abhaile], it was my second time, and all I needed was the assurance I could do it.

Abhaile client



Note to Table on Outcomes Data

The data used in this chapter and table on outcomes of Abhaile financial advice is based on an extensive, in-depth analysis by MABS and ISI.

This projection is based on outcome and progression trends identified in six extensive and detailed sample surveys undertaken by ISI. After further statistical analysis and cross-checks with other related data, ISI is satisfied that the results of these samples are highly comparable and that they appear to be representative of the intervening quarters and a likely predictor of the following quarters.

Further detail on ISI's Deep Dive Analysis is contained in Appendix B.

5.2. Outcomes Achieved by the DMA Service

Since the DMA service was established (July 2015) up to the end of 2022, DMA Advisers have provided financial advice and assistance to 13,597 borrowers overall. Of these, 1,589 had a redeemed voucher and were referred on to a PIP under Abhaile. For the 12,008 borrowers who continued to work with their DMA Advisers, the outcomes achieved are presented below.

The DMA service provides advice and assistance to Abhaile borrowers on the different types of solutions suited to the borrower's financial circumstances.

These are typically referred to as 'informal' solutions, such as an Alternative Repayment Arrangement (ARA). In such cases, a DMA may advise and negotiate directly with the creditors on behalf of the borrower.

Over 85% of the solutions achieved by DMA Advisers enable borrowers to remain in their homes.

The balance of 15% (1,837) stopped engaging with the service (12%, 1,440), voluntarily

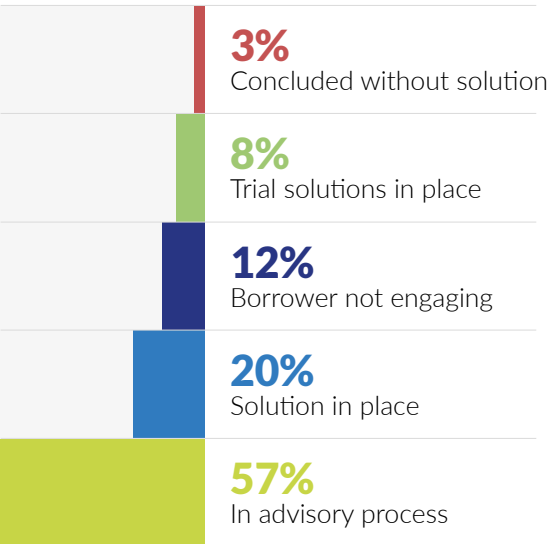
surrendered the home, or had it repossessed (3%, 397). In cases where the home is surrendered voluntarily, MABS will work with the client to ensure the best available outcome. In some cases, voluntary surrender may be the favoured outcome by the client.

By the end of December 2022, the outcomes achieved for the 12,008 total cumulative borrowers who engaged with the DMA service are outlined below.

- 20% (2,447 borrowers) have long term solutions in place: This means a solution to the borrower's mortgage arrears is now in place, such as an arrears capitalisation, term extension, split mortgage, or write down.
- 57% (6,797 borrowers) are in advisory process, in progress to solution: These borrowers are supported and advised by DMAs in exploring all options and negotiating solutions. Depending on the complexity of clients' situations and readiness to engage, this can take some time.

- 8% (927 borrowers) have trial solutions in place: Many lenders require a borrower to complete a test period in a proposed restructure arrangement before it is agreed. A trial period can be from 6 to 12 months or longer in some instances. A DMA Adviser works closely with the borrower to assist them in managing the arrangement.
- 3% (397 borrowers) have no solution: This means that the borrower consented to an order for possession. The possession order was granted, or the DMA Adviser considers the arrangement unsustainable in the long term
- 12% (1,440 borrowers) are not engaging: These borrowers have stopped actively engaging with the DMA Adviser. Non-engagement can be for several reasons, for example, a change in personal circumstances or an ARA not sustainable in the long term. The DMA Adviser will reach out to such borrowers periodically, offering support and encouragement to re-engage with their lender.

The 2,447 solutions concluded by DMA Advisers include many types of ARAs, such as interest rate reductions, entry into the MTR scheme, voluntary sale or surrender of the home, or a lump sum settlement for less than the outstanding balance on the mortgage.

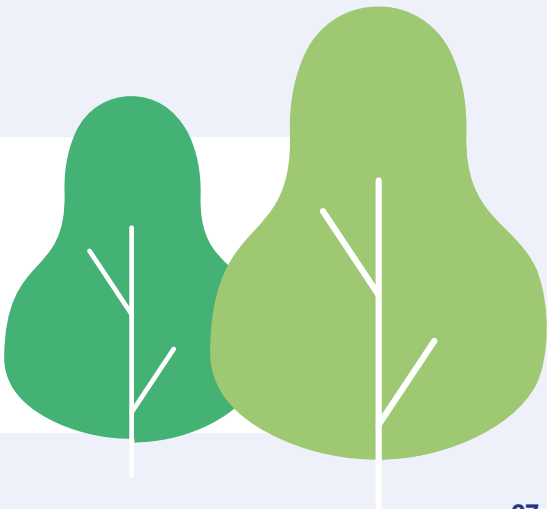


Outcome	No.	%
Concluded without solution	397	3%
Trial solution in place	927	8%
Borrower not engaging with Abhaile	1,440	12%
Solution in place	2,447	20%
In advisory process	6,797	57%

Figure 5.2: A visual breakdown in percentage of the cumulative DMA outcomes since launch in July 2015 to December 2022.

“The [DMA] service was excellent and really helpful to me at very difficult times in my life. MABS supported me by showing me a way to go. I am still in my home. Thank you.

Abhaile client



5.3. Solutions and Restructures concluded by PIPs

Outcomes achieved by the Personal Insolvency Practitioner (PIP) service to end December 2022

Depending on the borrower’s financial circumstances, PIPs can provide assistance and advice on a range of insolvency solutions designed to meet a range of financial circumstances:

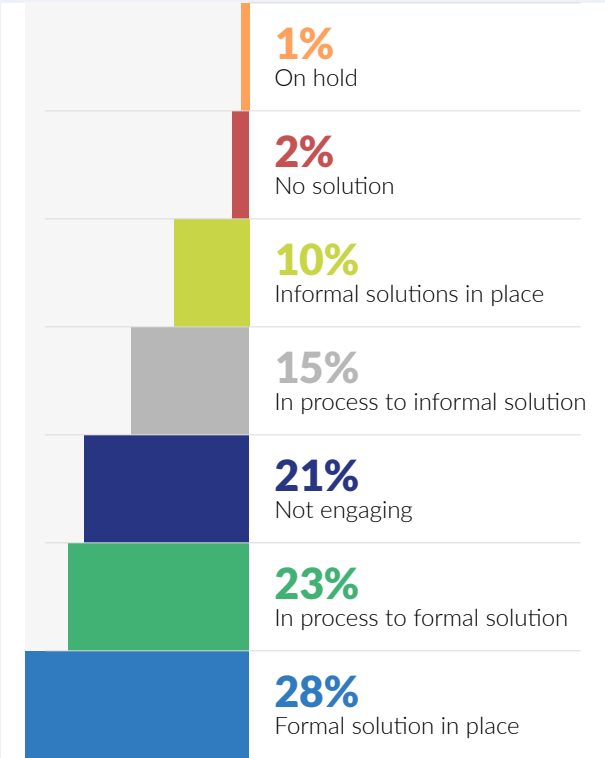
- **‘formal’ or statutory solutions** (under the Personal Insolvency Acts or the Bankruptcy Acts) - most commonly a PIA or, in a small number of cases, bankruptcy; or
- **‘informal’ or non-statutory solutions** such as MTR or an ARA. This is where a PIP may advise and negotiate directly on behalf of the borrower or may refer the borrower back to a DMA for assistance.

“ We had a positive outcome regarding our experience with the PIP service, which Abhaile instigated. It brought us back from the brink.

A couple’s response when asked about their experience of Abhaile.

The most common type of solution achieved by borrowers, who availed of a PIP voucher, is a Personal Insolvency Arrangement (PIA). By the end of December 2022, the outcomes achieved for the 13,639 borrowers who engaged with the PIP service are as follows:

- **38% of this cohort of borrowers (estimated 5,176 borrowers) have solutions in place.**
- **23% (estimated 3,132 borrowers) are in progress to a formal solution** (e.g. in the PIA court review process, considering or applying for a personal insolvency arrangement, or (a very small group) considering bankruptcy).
- **15% (estimated 2,052 borrowers) are in progress to an informal solution** (e.g. working with a PIP to conclude an informal mortgage restructure arrangement with the lender or working with a PIP to take up MTR. A small number of cases are referred back to MABS under Abhaile if the DMA seems better placed to assist the borrower.
- **21% (estimated 2,912 borrowers) are not engaging** with the PIP after receiving financial advice.
- **2% (estimated 190 borrowers) have surrendered their homes** to their lender or have had their homes repossessed by the lender.
- **1% (estimated 177 borrowers) had their progress towards a solution put on hold as a result of COVID-19.**



Outcome	No.	%
On hold	177	1%
No solution	190	2%
Informal solutions in place	1,302	10%
In process to informal solution	2,052	15%
Not engaging	2,912	21%
In process to formal solution	3,132	23%
Formal solution in place	3,874	28%

Figure 5.3: Cumulative PIP Outcomes between July 2016 and December 2022 as a % of Total Borrowers (13,639) supported by a PIP.

Of the formal solutions achieved, 95% of these will allow borrowers to remain in their homes.

Further analysis of outcomes achieved by Personal Insolvency Practitioners is set out in Appendix B.

5.4 Outcomes of Legal and Court-based Abhaile Services

5.4.1. Court Mentor and Duty Solicitor Services

In 2022, the legal and court-based Abhaile services continued to provide support for borrowers to address their home mortgage arrears. However, activity was slow to return to normal in the first half of the year following pandemic related health restrictions.

The services include the Personal Insolvency Court Review, the Consultation Solicitor, the Duty Solicitor and the Court Mentor Service.

Court Mentors can refer borrowers to the Abhaile Duty Solicitor at the court. The Duty

Solicitor can provide legal explanations and clarification. They also may be able to speak for the borrower in court, in certain circumstances. The Duty Solicitor can refer the borrower, via MABS, to further advice from a Consultation Solicitor.

Court sittings in 2022 totalling 2,702 were up 62% when compared to the 2021 total of 1,669. However, the total number of sittings was down 47% compared pre-pandemic 2019 total of 5,094.

5.4.2. Consultation Solicitor Service

As in all previous years (other than 2017), the number of borrowers requesting the services of the Consultation Solicitor service under Abhaile decreased further. A total of 454 vouchers were issued in 2022 while 299 were redeemed, a redemption rate of about 66%.

The service supports the borrower by providing legal advice concerning options that the borrower may be considering. Common topics on which advice was sought include personal insolvency, mortgage to rent, alternative repayment arrangements, and the legal process.

This legal advice is an important support to borrowers in ensuring that they are aware of the consequences of the avenue chosen.

5.4.3 Outcomes of Personal Insolvency Court Reviews

The number of Legal Aid Board certificates granted for personal insolvency court reviews again decreased significantly in 2022. A total of 325 certificates (including 87 certificates to pursue appeals) were granted in 2022. One development was that the Scheme funded its first appeal to the Supreme Court in 2022. The appeal turns upon issues of whether or not agricultural land can be taken into account for the purposes of deciding whether or not a person is insolvent. The judgment is expected to be handed down in mid-2023.

By December 2022, 3,032 such certificates had been granted since the commencement of the Scheme in July 2016. Our indications show that of the cases concluded in 2022 about 52% of the court review cases decided by the court were decided in favour of the borrower. This figure does not include court review cases settled by agreement between the borrower and the creditors in favour of the borrower. This means that their creditors had refused the borrower's proposal for a PIA. The court evaluated the proposal as fair and reasonable to all parties and imposed the proposed arrangement on the creditors. This allowed the borrower to stay in their home.

There were several important judgments in 2022. As with previous judgments, these cases have helped clarify the type of arrangements that the courts may consider fair and reasonable and may impose under section 115A of the Personal Insolvency Acts. For example:

- In Re Chambers & Personal Insolvency Acts [2022] IEHC 180 Sanfey, J., found that a debt to a local authority (in this case a development levy) was not an excludable

debt because the local authority was not an "emanation of the State" for the purposes of the 2012 Act, and furthermore that an excludable debt could not be the subject of a PIA unless it was a permitted debt.

- In Re O'Regan & Personal Insolvency Acts [2022] IEHC 373 Ferriter, J., found that a creditor's appeal of an s115A order (decided in the debtor's favour in the Circuit Court) was not moot even in circumstances where the PIA had actually been completed in the meantime, provided there were still issues of live controversy between the parties.
- In Re McEvoy & Personal Insolvency Acts [2022] IEHC 380 Sanfey, J., found that a PIA which included a debt for equity swap that reduces the value of the mortgage principal sum below the market value of the PPR without the consent of the secured creditor was not permissible even if there was positive equity (ie the amount outstanding on the home loan was less than the value of the property).
- The judgment in Re Bourke & Personal Insolvency Acts [2022] IEHC 371 Sanfey, J., primarily concerns the ethical standards by which Personal Insolvency Practitioners should conduct themselves in terms of their prosecution of section 115A applications before the Court. The substantive proceedings were withdrawn and the debtor adjudged bankrupt in separate proceedings.

It should be noted that a borrower remains protected under the Personal Insolvency Acts against repossession while awaiting the outcome of a PIA s115A court review.



“The relief of the stress was immense.”

5.5 Public Awareness and Accessibility

The Citizens Information Board manages the awareness-raising and public information campaigns of the Abhaile services on behalf of the Government. The campaigns are targeted at borrowers in long term mortgage arrears, providing information about Abhaile and how to access the services available.

These targeted public information campaigns use a range of traditional mediums, such as radio, outdoor advertising, and TV advertising. The campaigns are supported with social media and digital distribution platforms to increase reach, providing a message of support and hope, encouraging those at risk of losing their homes due to long term mortgage arrears to take action.

The communications strategy delivered in support of Abhaile during the period of this report was implemented in line with this broad framework:

The primary call to action for the awareness campaigns is to call the MABS Helpline. The Abhaile queue - referring to the MABS Helpline call management system - registered 1,334 calls in 2022.

Abhaile queued calls to the helpline reduced by 24% compared to 2021. However, this is against increased overall calls to the MABS Helpline of 14% compared to 2021. The Abhaile section of the MABS website achieved over 121,083 views, increasing 8.6% compared to 2021, representing another year of traffic growth to the Abhaile section of mabs.ie.



- **Year 1 (2017)** – Launched Abhaile and raised awareness of the services available and how they could be accessed.
- **Year 2 (2018)** – Built on the awareness and continued to provide timely and transparent information to the target population. The message for borrowers was that Abhaile was there to assist and encourage those in home mortgage arrears to avail of Abhaile's services.
- **Year 3 (2019)** – Used tailored messaging to target further those in the long-term home mortgage arrears category. The campaign built on the trust achieved over the previous years, reminding borrowers that Abhaile could assist them to keep their home.
- **Year 4 (2020)** – Built on brand awareness achieved over the previous years, and developed the "Abhaile World" graphical look to support a consistent identifier for Abhaile. This was used across a variety of traditional and digital channels. The consistent and regular placement of this unique brand visual would assist Abhaile in achieving cut through.
- **Year 5 (2021)** - Maintained brand awareness for Abhaile throughout what turned out to be the second year of the COVID-19 pandemic and associated public health restrictions. Remained agile and dynamic in a changing environment and made sure that people in long-term mortgage arrears knew the services of Abhaile were available and ready to support.

- **Year 6 (2022)** – Re-engaged with those in long-term mortgage arrears now that relative normality had returned post-pandemic and society had reopened. The "Abhaile World" advertising collateral was updated to include more of a human element to help Abhaile connect with the intended audience. Media buying and associated collateral focused on young families and those who were aged 60+ as demographic personas.

The communications campaigns continued to help drive engagement and take up of the services of Abhaile throughout a number of challenging years, including 2022. Although public health restrictions lifted and relative normality returned in 2022, challenges remained.

“ They [the services of Abhaile] were so understanding and had great communication. They helped me through everything all I didn’t know; I would highly recommend.

Abhaile client



6. Budget

The following section sets out the total expenditure on Abhaile over the past 5 years (2017-2022) and the estimated allocation for 2023. The data presented here provides an overview of the financial resources that have been committed to Abhaile and how these resources are being used to support borrowers.

An initial Government decision provided a 3-year (indicative) budget, a total €15 million, to finance Abhaile from January 2017 - December 2019. Funding was based on an expected take-up by 9,400 households over the initial lifetime of the service and the principle that Abhaile is demand-led. As such, the funding provision would be examined by Government annually, based on take-up and reported outcomes achieved.

In September 2019, the Government renewed its commitment to resource Abhaile for a

further 3 years until the end of 2022. A further commitment to continue to resource Abhaile has been made under the current programme

for Government. Expenditure in the period January 2017 to December 2022 is set out in the table below.

Expenditure on Abhaile	2017 €	2018 €	2019 €	2020 €	2021 €	2022 €	Total over 5 years 2017-2022 €
Financial advice, provided through ISI (DSP-funded)	3.0m	1.5m	1.2m	1.04m	0.58m	0.62m	7.94m
Communications led by CIB (DSP- funded)	0.5m	1.5m	1.1m	0.45m	0.45m	0.4m	4.4m
CIB Resources to support the new National Service (DSP-funded)	0.2m	0.1m	0.1m	0.16m	0.27m	0.25m	1.08m
MABS Dedicated Mortgage Arrears Service	2.4m	1.8m	1.8m	2.18m	2.01m	2.28m	12.47m
Subtotal: Department of Social Protection Vote	6.1m	4.9m	4.2m	3.83m	3.31m	3.55m	25.89m
Legal advice, assistance and legal aid provided through the Legal Aid Board (DJE funded)	1.1m	2.3m	3.4m	2.97m	2.64m	2.75m	15.16M
Subtotal: Department of Justice Vote	1.1m	2.3m	3.4m	2.97m	2.64m	2.75m	15.16M
Total:	7.2m	7.2m	7.6m	6.8m	5.95m	6.30m	41.05m

Estimated funding allocations over the year covering 2023 is set out:	
Estimated Allocation for Abhaile	Total €
Financial advice, provided through ISI (DSP-funded)	0.985m
Communications lead by CIB (DSP-funded)	0.5m
CIB Resources to support the National Service (DSP-funded)	0.28m
MABS Dedicated Mortgage Arrears service	2.4m
Subtotal: Department of Social Protection Vote	4.165m
Legal advice, assistance and legal aid provided through the Legal Aid Board (DOJ-funded)	2.2m
Provision for accruals - legal aid (DOJ-funded)	2.0m
Subtotal: Department of Justice Vote	4.2m
Total:	8.365m

The Abhaile budget is closely monitored and reviewed each year as part of each contributing Departments' Annual Estimates and public accountability procedures.



7. Conclusions

There were significant economic challenges experienced in 2022 following the lifting of the pandemic related public health restrictions, compounded by geopolitical developments and inflationary pressures. These factors exerted an influence on engagement with Abhaile services.

The Government gradually lifted public health restrictions in early 2022, allowing for the return of normal daily activities. New economic challenges emerged due to the Russian invasion of Ukraine, rising energy costs, and increasing inflationary pressures on disposable incomes. The European Central Bank (ECB) raised the base interest rate to counter increasing inflation, which impacted the cost of credit.

Consequently, these factors have contributed to the continued need for Abhaile services over the last 2 years. From January to December 2022, the number of households benefiting from these services exhibited a notable increase of 12.0%, reaching a total of 21,709. The following headline statistics serve to illustrate the sustained demand observed during this period.

Abhaile is reaching its target group. The priority target group for Abhaile is borrowers who are in home mortgage arrears of more than 720 days. The ISI Q4 2022 Abhaile report shows that, of the PIP vouchers redeemed between July 2016 and December 2022, more than three quarters (76.0%) of borrowers have been in mortgage arrears for 2 or more years. This represents an increase of 0.8% over the period covering to the end of 2022 compared to the corresponding period in 2021.

Abhaile is helping to keep people in their homes. The main objective of Abhaile is to assist mortgage holders in arrears find the best solutions and keep them in their own homes. The following statistics illustrate successful solutions achieved or in progress to a solution where this is possible:

- As of the end of December 2022, 33% of the total 25,647 borrowers who engaged with Abhaile either had a solution in place or were trialling one. 8,550 solutions are now in place, or on trial, for insolvent borrowers at risk of losing their home due to mortgage arrears.
- A further 47% of borrowers who engaged with Abhaile financial advice (11,981 borrowers) were still in their homes. They were receiving ongoing support from their Abhaile financial adviser, who worked with them to get a solution in place.
- 17% of borrowers did not engage after receiving financial advice under Abhaile. Information on outcomes is not available for borrowers who have disengaged. Where possible, PIPs and MABS advisers seek to follow up with these borrowers and encourage them to re-engage with available supports.

- 2% of borrowers who engaged with financial advice have surrendered their home to creditors. Where this is the only viable option, MABS and PIPs work with and support the borrower throughout the process.
- 95% of the Personal Insolvency Arrangements negotiated by PIPs under Abhaile are keeping borrowers in their homes. (Average across the six Deep Dive samples).
- 85% of the solutions achieved by DMA Advisers enabled borrowers to remain in their homes.

Abhaile in 2023

2023 marks the first full year without any COVID-19 restrictions in place. The World Health Organisation (WHO) officially downgraded the pandemic in May 2023. However, a distinct set of challenges is emerging in the escalating cost of living and the increasing interest rate environment.

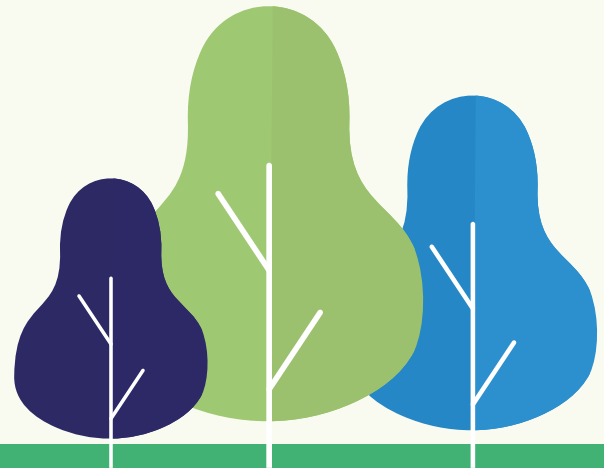
Since July 2022, the European Central Bank (ECB) has undertaken a series of interest rate hikes, a trend that has persisted throughout the year. Furthermore, additional rate increases are expected in the foreseeable future. Consequently, a strain has been placed on mortgage holders in Ireland, as their annual repayments have increased considerably over a short period. This impact is particularly pronounced for tracker mortgage holders and those with non-performing loans that have been transferred to non-banking entities.

Recent data underscores an increase in the use of Abhaile services in 2023 compared to the previous year. However, it should be noted pandemic restrictions were in place for part of 2022. This engagement is evident through increased volumes of MABS helpline calls,

increased traffic to the Abhaile section of the MABS website, and increases in cases managed through the DMA process and the issuance of PIP vouchers.

As a result, 2023 has demonstrated to be both active and intricate for individuals relying on the resources offered by Abhaile.

One factor remains resolute: the adaptability of the services of Abhaile in the face of evolving circumstances. Throughout 2023, the services of Abhaile have continued to provide free, independent, and expert financial, insolvency, and legal advice to create sustainable solutions to keep people in their homes, wherever possible.



PART C: Appendices



Appendix A – Profile of Abhaile Borrower

Both ISI and MABS collect data on the demographic profile of borrowers who have received advice and assistance under Abhaile since its establishment. Additionally, ISI gathers data on the length of time borrowers have been in mortgage arrears. This information is presented below.

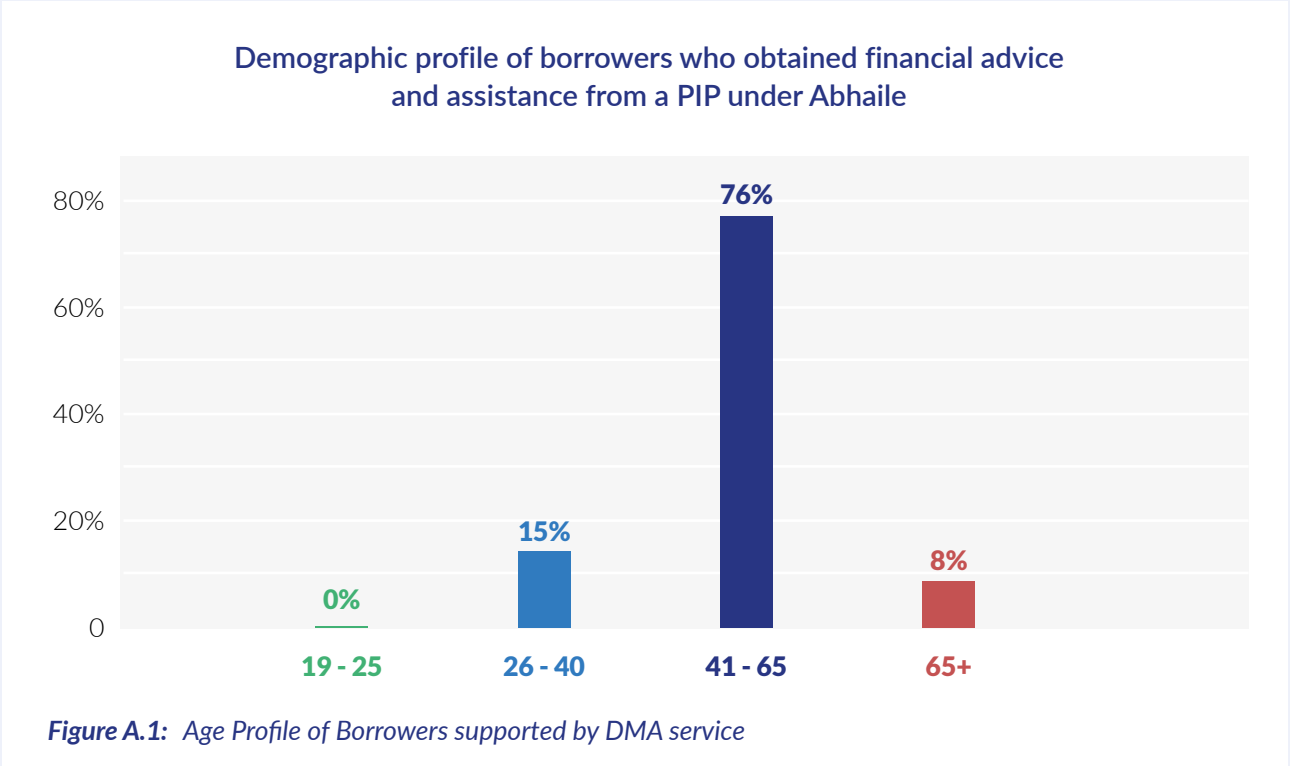
Demographic of Borrowers Engaging with Abhaile

Information gathered by DMA Advisers shows that most borrowers engaging with Abhaile through the DMA service were either in paid employment (46%) or self-employed (5%). This data suggests that many borrowers in mortgage arrears struggle to pay their debts, despite being in employment. Other borrowers (29%) were on some form of social welfare payment. COVID-19 supports introduced in 2020, such

as the Pandemic Unemployment Payment (C-PUP) and other wage subsidies, accounted for 1.3% of income sources in 2022.

The age profile of borrowers receiving assistance under Abhaile is displayed below in the figures:

Figure A.1 shows the age profile at which



borrowers presented to DMA advisers from 2015 to 2021. Due to updates in DMA data collection for 2022, the latest demographic information available is up to the end of December 2021. Many of the borrowers (76%) fell into the 41-65 age bracket, while a smaller number (15%) were younger, and much fewer (8%) were older. Like 2020, the data highlights the profile of the DMA client base continues

to get older. The percentage of those aged between 26- 40 was reduced by 1 percentage point.

While the percentage of those aged 41-65 remained unchanged, those over 65 increased by 1 percentage point compared to the previous year.

Demographic profile of borrowers who obtained financial advice and assistance from a PIP under Abhaile

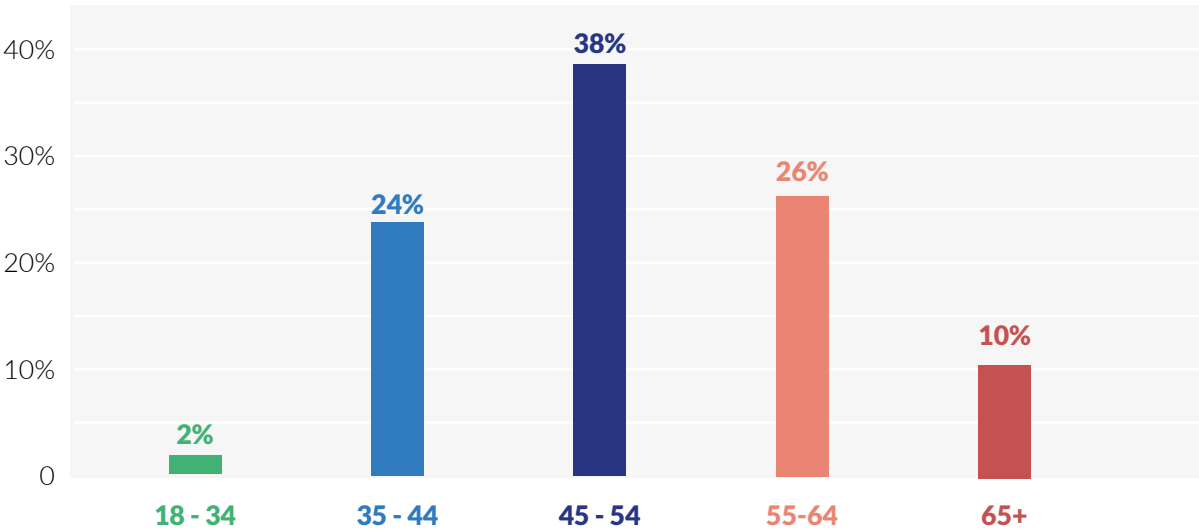
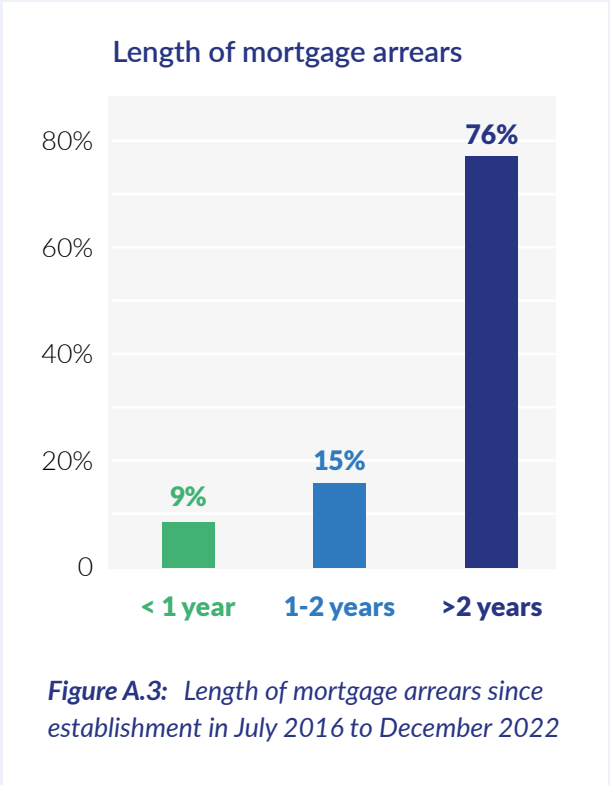


Figure A.2: Demographic profile of borrowers who obtained financial advice and assistance from a PIP under Abhaile

Figure A.2 shows the age profile of borrowers who obtained financial advice and help from a PIP under Abhaile. The majority of borrowers (88%) were in the 35 – 64 age brackets, while

a small number were younger (2%), up 1 percentage point from 2021, and a tenth (10%) were older, down from 12% at the end of 2021.

Length of Mortgage Arrears (borrowers engaging with PIP)



An examination of financial advice vouchers redeemed by PIPs to end 2022 shows that the take-up of Abhaile has been high amongst the cohort of borrowers in long-term arrears of over 720 days.

From figure A.3, it is clear to see that in this cohort who have availed of the PIP Abhaile service, more than three quarters (76%) have been in mortgage arrears for 2 or more years. This cohort is the priority target for Abhaile, showing that the overall objective of Abhaile is still being met. In fact, the percentage of those in long term mortgage arrears asking for assistance from Abhaile increased by 0.8 percentage points by the end of 2022.

“ I felt very supported through the whole process and not in a judgmental way but in an understanding way. I have recommended the service to friends, I am so happy that I contacted MABS to ask about Abhaile.

Abhaile client

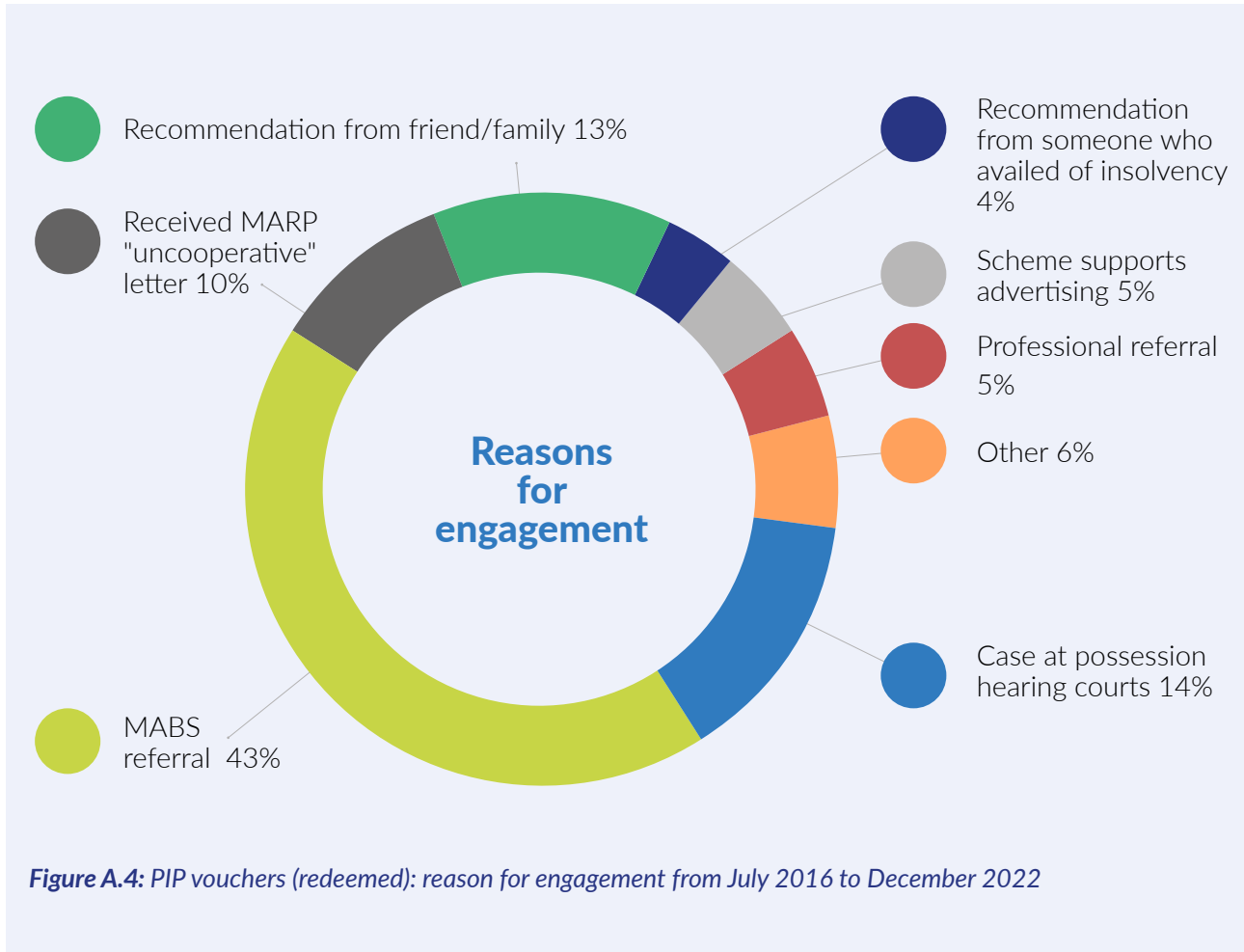


Reason for Borrower Engagement with PIP

Vouchers redeemed by PIPs in the period July 2016 – December 2022 show that borrowers consulted a PIP under Abhaile for various reasons. Figure A.4 illustrates this below.

Almost 6 in every 10 borrowers (57%) were either before the Repossession Courts (14%) or had been referred from MABS (43%). 10% of borrowers received a MARP “uncooperative” letter.

Please note that the category ‘Professional Referral’ was introduced with the revised terms and conditions on March 2, 2020, on the foot of a PIP request. This was due to the number of borrowers who avail of the service being referred by other professionals, such as accountants and solicitors.



Appendix B – Statistical note: calculation of outcomes by ISI

B.1 Overview

This section presents the outcomes achieved for Abhaile borrowers who received financial advice from PIPs since the launch of Abhaile. Due to the volume of vouchers that have been redeemed since July 2016 (13,639), the figures for overall progression and the outcomes for these cases have been estimated.

This has been done by using a projection based on 6 extensive and detailed data samples undertaken by ISI, representing roughly 20% of the total number of vouchers redeemed.

- Sample 1** – follows all borrowers whose financial advice PIP vouchers were redeemed in Q3/2016 (the quarter in which the Abhaile PIP Service was launched), numbering 652.
- Sample 2** – follows all borrowers whose financial advice PIP vouchers were redeemed in Q3/2017, totalling 803.
- Sample 3** – follows all borrowers whose financial advice PIP vouchers were redeemed in Q3/2018, totalling 571.

- Sample 4** – follows all borrowers whose financial advice PIP vouchers were redeemed in Q3/2019, totalling 536.
- Sample 5** – follows all borrowers whose financial advice PIP vouchers were redeemed in Q3/2020, totalling 374.
- Sample 6** – follows all borrowers whose financial advice PIP vouchers were redeemed in Q3/2021, totalling 282.

ISI examined progression and outcomes in detail for these samples, based on detailed information supplied by PIPs as of August 2022. This latest data indicates the current status of all the borrowers in Sample 1, Sample 2, Sample 3, Sample 4, Sample 5 and Sample 6 (total 3,218) and will be compared to the status of the samples in the 2021 annual report.

It is important to note that the outcomes identified here are only an interim set of outcomes, representing a snapshot of an evolving process. Given that a large proportion of the cases were identified as ‘in progress to a solution’ at that point, outcomes continue to be

concluded for borrowers who took up advice in all quarters since Q3/2016.

This appendix presents an analysis of the August 2022 data on all 6 samples. A comparison is made to the August 2021 data to identify the overall trends and level of consistency between these results. It also sets out the projected outcomes of all Abhaile PIP advice where vouchers were redeemed up to the end of December 2022 (a total of 13,639 borrowers). This is based on percentages calculated by averaging the data collected for the samples.

B.2 Outcomes for Borrowers in Sample 1

Figure B.2.1 presents an analysis by the ISI of the current status (in August 2022) of Sample 1 (the 652 borrowers whose vouchers for PIP financial advice and assistance under Abhaile were redeemed in Q3/2016). The current status of sample 1 is compared with last year’s status (August 2021).

Analysis of results 2022	Analysis of results 2021
Of the 363 borrowers who had solutions in place; 255 were formal, 228 PIAs and 27 adjudicated bankrupt while 108 were informal and had Alternate Repayment Arrangements (ARAs) in place.	Of the 309 borrowers who had solutions in place; 234 were formal, 207 PIAs and 27 adjudicated bankrupt, while 75 were informal and had Alternate Repayment Arrangements (ARAs) in place.
Out of 31 in process to a formal solution; 16 were in 115A review, 7 were considering a PIA, 8 had proposals rejected and plan to reapply while no-one was considering bankruptcy.	Out of 66 in process to a formal solution; 28 were in 115A review, 37 were considering a PIA and 1 was considering bankruptcy.
Out of 56 in process to an informal solution; 6 were working towards an ARA, 7 were pursuing Mortgage to Rent (MTR), 38 were referred back to MABS and 5 were referred to a 3rd party in pursuit of their informal solution.	Out of 70 in process to an informal solution; 7 were working towards an ARA, 36 were pursuing Mortgage to Rent (MTR), 26 were referred back to MABS and 1 was referred to a 3rd party in pursuit of their informal solution.
Out of 22 where no solution was identified; 20 were voluntary surrenders while 2 homes were repossessed.	Out of 6 where no solution was identified, all were voluntary surrenders.
1 case was closed due to the passing of the borrower.	1 case was on hold due to Covid-19 related income issues.
The remaining 179 did not further engage with the PIP either after the recommendation was made or after a certain point in the process.	The remaining 201 did not further engage with the PIP either after the recommendation was made or after a certain point in the process.

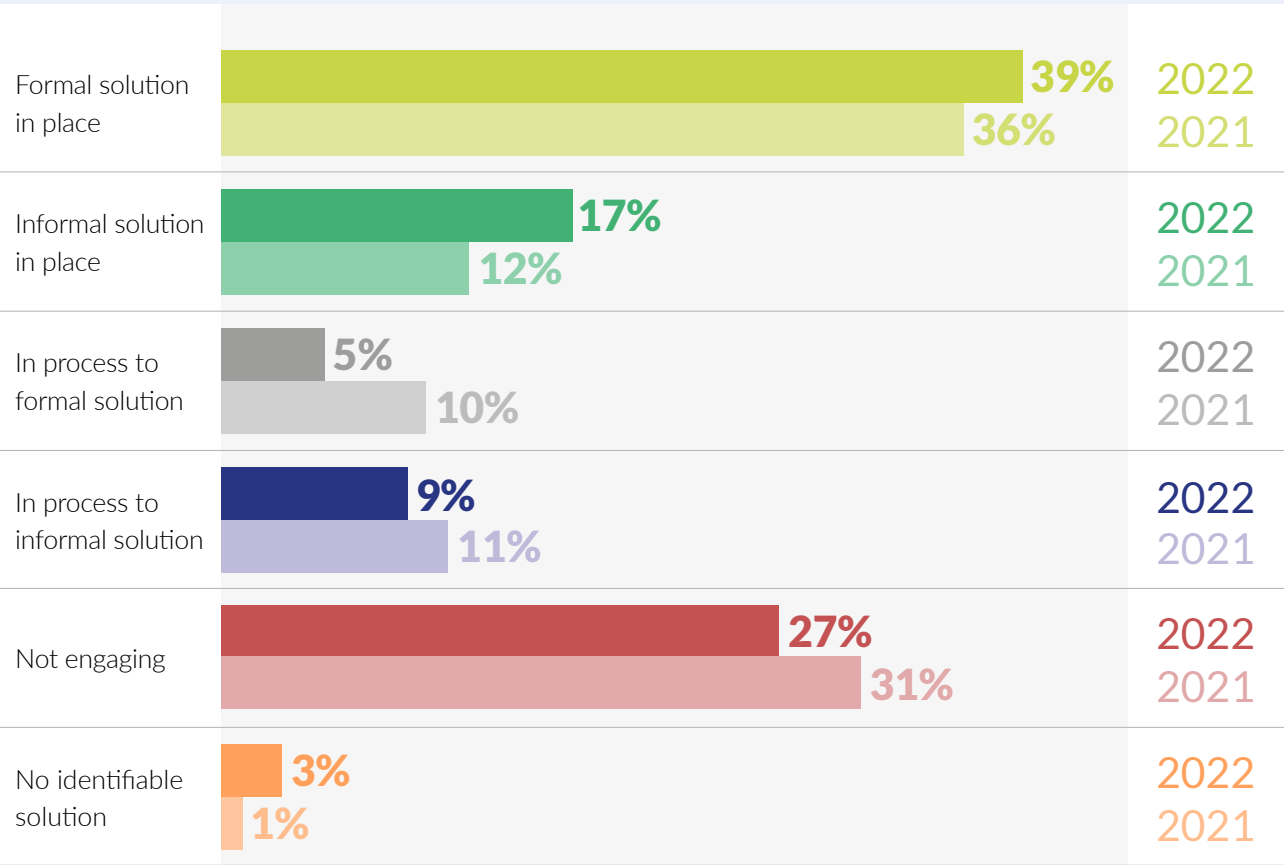


Figure B.2.1: Sample 1 Outcomes for borrowers in 2021 compared to 2022

B.3 Outcomes for Borrowers in Sample 2

Figure B.3.1 presents an analysis by the ISI of the current status (in August 2022) of Sample 2 (the 803 borrowers whose vouchers for PIP financial advice and assistance under Abhaile were redeemed during Quarter 3/ 2017). The current status of sample 2 is compared with last year’s status (August 2021).

Analysis of results 2022	Analysis of results 2021
Of the 381 borrowers who had solutions in place; 257 were formal, 234 PIAs and 23 adjudicated bankrupt while 126 were informal and had Alternate Repayment Arrangements (ARAs) in place or succeeded in their Mortgage to Rent application.	Of the 344 borrowers who had solutions in place; 233 were formal, 210 PIAs and 23 adjudicated bankrupt while 111 were informal and had Alternate Repayment Arrangements (ARAs) in place or succeeded in their Mortgage to Rent application.
Out of 37 in process to a formal solution; 13 were in 115A review, 8 were considering a PIA, 14 had proposals rejected and plan to reapply while 2 were considering bankruptcy.	Out of 81 in process to a formal solution; 34 were in 115A review, 15 were considering a PIA, 20 had proposals rejected and plan to reapply while 12 were considering bankruptcy.
Out of 86 in process to an informal solution; 5 were working towards an ARA, 2 were pursuing Mortgage to Rent (MTR), 75 were referred back to MABS and 4 were referred to a 3rd party in pursuit of their informal solution.	Out of 103 in process to an informal solution; 14 were working towards an ARA, 12 were pursuing Mortgage to Rent (MTR), 74 were referred back to MABS and 3 were referred to a 3rd party in pursuit of their informal solution.
Out of 24 where no solution was identified 17 were voluntary surrenders while 7 homes were repossessed.	Out of 10 where no solution was identified 4 were voluntary surrenders while 6 homes were repossessed
3 cases were on hold due to Covid-19 related income issues.	5 cases were on hold due to Covid-19 related income issues.
The remaining 271 did not further engage with the PIP either after the recommendation was made or after a certain point in the process.	The remaining 261 did not further engage with the PIP either after the recommendation was made or after a certain point in the process.

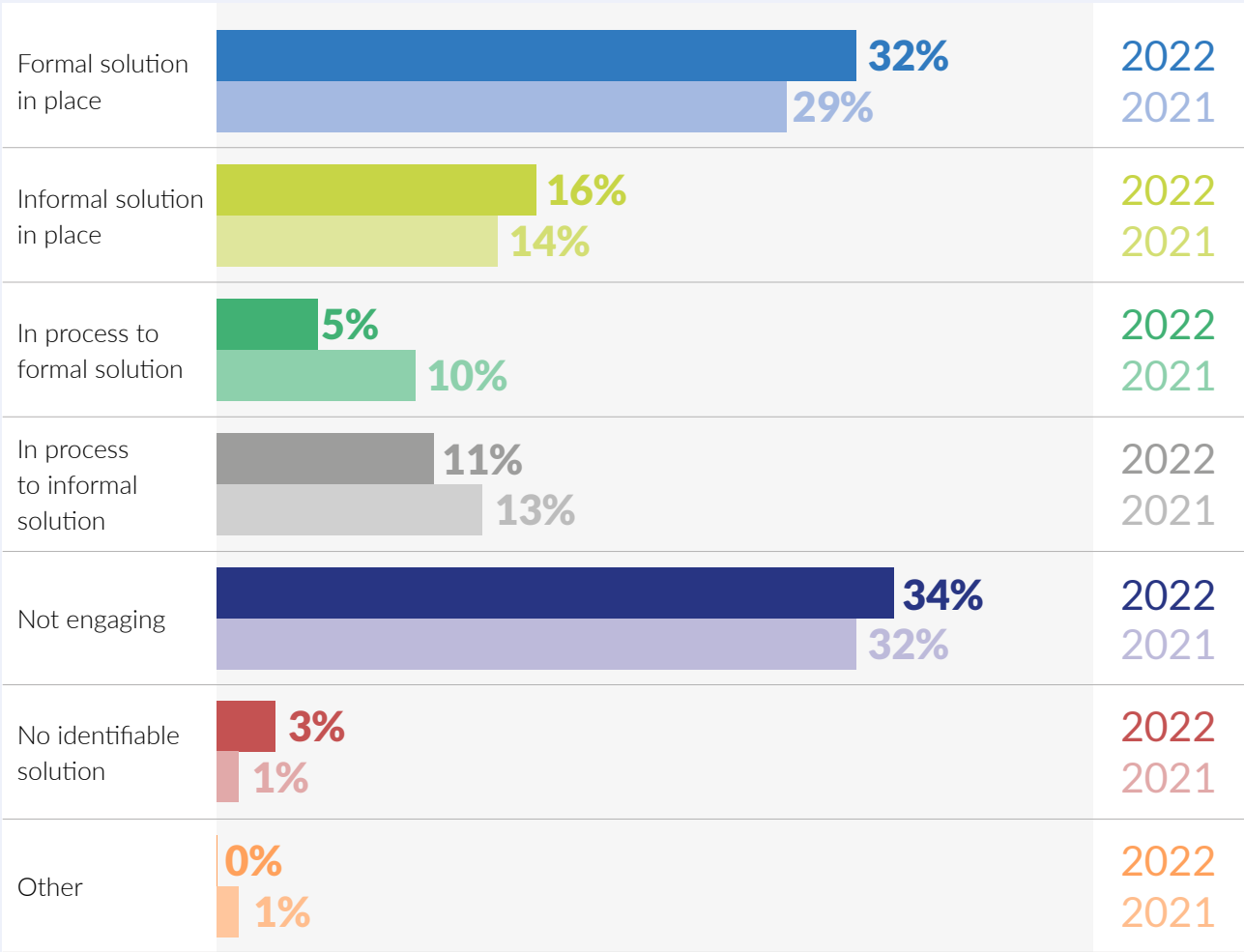


Figure B.3.1: Sample 2 Outcomes for borrowers in 2021 compared to 2022

B.4 Outcomes for Borrowers in Sample 3

Figure B.4.1 presents an analysis by the ISI of the current status (in August 2022) of Sample 3 (the 571 borrowers whose vouchers for PIP financial advice and assistance under Abhaile were redeemed during Quarter 3/2018). The current status of sample 3 is compared with last year’s status (August 2021).

Analysis of results 2022	Analysis of results 2021
Of the 381 borrowers who had solutions in place; 211 were formal, 202 PIAs and 9 adjudicated bankrupts while 98 were informal and had Alternate Repayment Arrangements (ARAs) in place or succeeded in their Mortgage to Rent application.	Of the 278 borrowers who had solutions in place; 189 were formal, 180 PIAs and 9 adjudicated bankrupt while 89 were informal and had Alternate Repayment Arrangements (ARAs) in place or succeeded in their Mortgage to Rent application.
Out of 41 in process to a formal solution; 18 were in 115A review, 9 were considering a PIA, 13 had proposals rejected and plan to reapply while 1 was considering bankruptcy.	Out of 67 in process to a formal solution; 33 were in 115A review, 13 were considering a PIA, 19 had proposals rejected and plan to reapply while 2 were considering bankruptcy.
Out of 53 in process to an informal solution; 6 were working towards an ARA, 13 were pursuing Mortgage to Rent (MTR), 31 were referred back to MABS and 3 were referred to a 3rd party in pursuit of their informal solution.	Out of 69 in process to an informal solution; 20 were working towards an ARA, 15 were pursuing Mortgage to Rent (MTR), 31 were referred back to MABS and 3 were referred to a 3rd party in pursuit of their informal solution.
Out of 11 where no solution was identified 9 were voluntary surrenders while 2 homes were repossessed	Out of 6 where no solution was identified 5 were voluntary surrenders while 1 home was repossessed.
The remaining 157 did not further engage with the PIP either after the recommendation was made or after a certain point in the process.	3 cases were on hold due to Covid-19 related income issues.
	The remaining 148 did not further engage with the PIP either after the recommendation was made or after a certain point in the process.

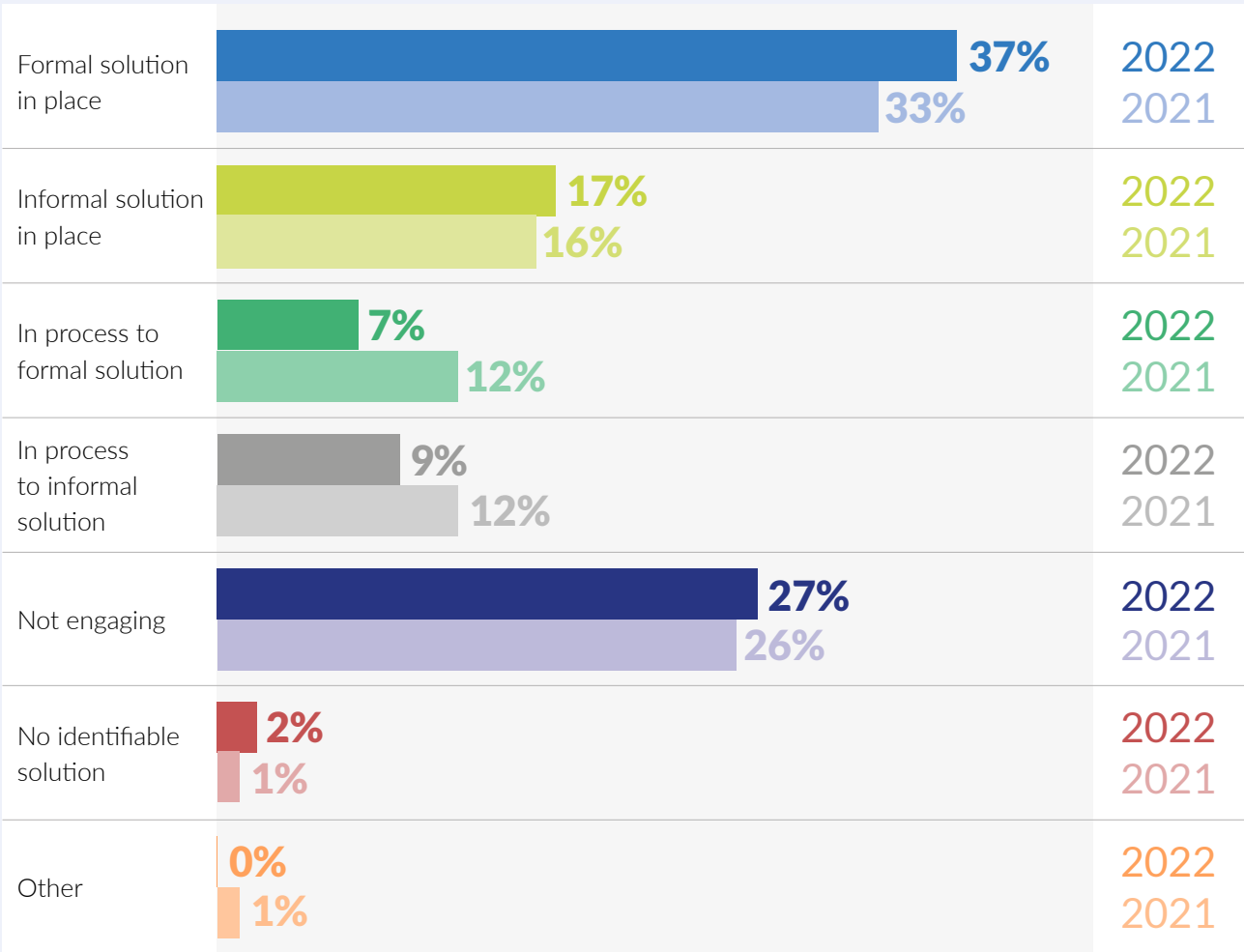


Figure B.4.1: Sample 3 Outcomes for borrowers in 2021 compared to 2022

B.5 Outcomes for Borrowers in Sample 4

Figure B.5.1 presents an analysis by ISI of the status (in August 2022) of Sample 4 (the 536 borrowers whose vouchers for PIP financial advice and assistance under Abhaile were redeemed during Quarter 3/2019). The current status of sample 4 is compared with last years status (August 2021).

Analysis of results 2022	Analysis of results 2021
Of the 234 borrowers who had solutions in place; 201 were formal, 197 PIAs and 4 adjudicated bankrupt while 33 were informal and had Alternate Repayment Arrangements (ARAs) in place or succeeded in their Mortgage to Rent application.	Of the 204 borrowers who had solutions in place; 183 were formal, 180 PIAs and 3 adjudicated bankrupt while 21 were informal and had Alternate Repayment Arrangements (ARAs) in place or succeeded in their Mortgage to Rent application.
Out of 59 in process to a formal solution; 27 were in 115A review, 15 were considering a PIA, 17 had proposals rejected and plan to reapply while none were considering bankruptcy.	Out of 93 in process to a formal solution; 58 were in 115A review, 15 were considering a PIA, 20 had proposals rejected and plan to reapply while none were considering bankruptcy.
Out of 47 in process to an informal solution; 8 were working towards an ARA, 1 was pursuing Mortgage to Rent (MTR), 29 were referred back to MABS and 7 were referred to a 3rd party in pursuit of their informal solution.	Out of 52 in process to an informal solution; 9 were working towards an ARA, 12 were pursuing Mortgage to Rent (MTR), 27 were referred back to MABS and 4 were referred to a 3rd party in pursuit of their informal solution.
Out of 7 where no solution was identified 6 were voluntary surrenders while 1 home was repossessed.	Out of 6 where no solution was identified 5 were voluntary surrenders while 1 home was repossessed.
10 cases were on hold due to Covid-19 related income issues.	15 cases were on hold due to Covid-19 related income issues.
The remaining 179 did not further engage with the PIP either after the recommendation was made or after a certain point in the process.	The remaining 166 did not further engage with the PIP either after the recommendation was made or after a certain point in the process.

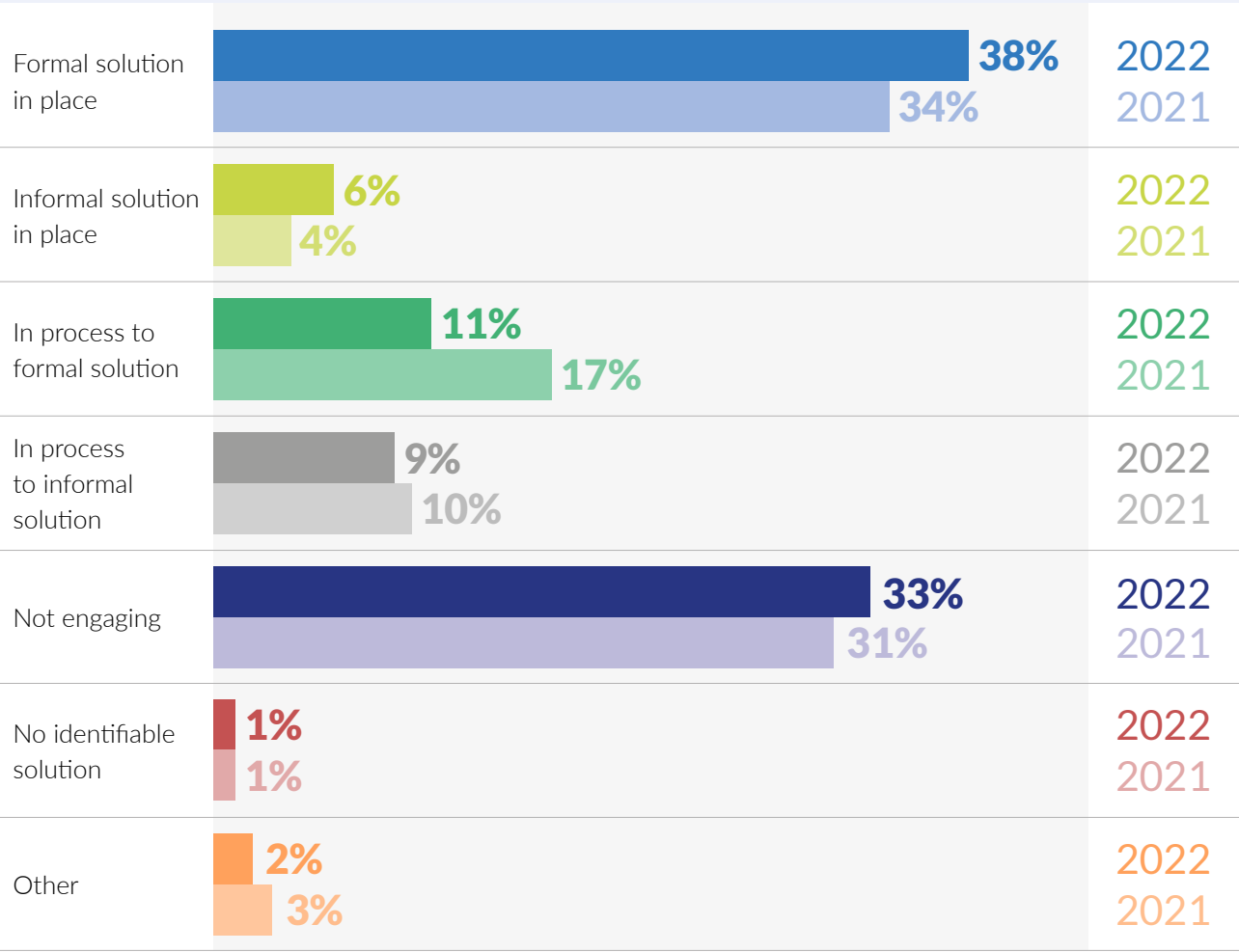


Figure B.5.1: Sample 4 Outcomes for borrowers in 2021 compared to 2022

B.6 Outcomes for Borrowers in Sample 5

Figure B.6.1 presents an analysis by the ISI of the current status (in August 2022) of Sample 5 (the 374 borrowers whose vouchers for PIP financial advice and assistance under Abhaile were redeemed during Quarter 3/2020). The current status of sample 5 is compared with last year’s status (August 2021).

Analysis of results 2022	Analysis of results 2021
Of the 187 borrowers who had solutions in place; 124 were formal, 119 PIAs and 5 adjudicated bankrupt while 63 were informal and had Alternate Repayment Arrangements (ARAs) in place or succeeded in their Mortgage to Rent application.	Of the 160 borrowers who had solutions in place; 102 were formal, 101 PIAs and 1 adjudicated bankrupt while 58 were informal and had Alternate Repayment Arrangements (ARAs) in place or succeeded in their Mortgage to Rent application
Out of 63 in process to a formal solution; 26 were in 115A review, 19 were considering a PIA, 18 had proposals rejected and plan to reapply while none were considering bankruptcy.	Out of 82 in process to a formal solution; 47 were in 115A review, 24 were considering a PIA, 10 had proposals rejected and plan to reapply while 1 was considering bankruptcy.
Out of 32 in process to an informal solution; 8 were working towards an ARA, 2 were pursuing Mortgage to Rent (MTR), 16 were referred back to MABS and 2 were referred to a 3rd party in pursuit of their informal solution.	Out of 33 in process to an informal solution; 15 were working towards an ARA, 2 were pursuing Mortgage to Rent (MTR), 14 were referred back to MABS and 2 were referred to a 3rd party in pursuit of their informal solution.
3 cases were on hold due to Covid-19 related income issues.	22 cases were on hold due to Covid-19 related income issues.
The remaining 89 did not further engage with the PIP either after the recommendation was made or after a certain point in the process.	The remaining 79 did not further engage with the PIP either after the recommendation was made or after a certain point in the process.

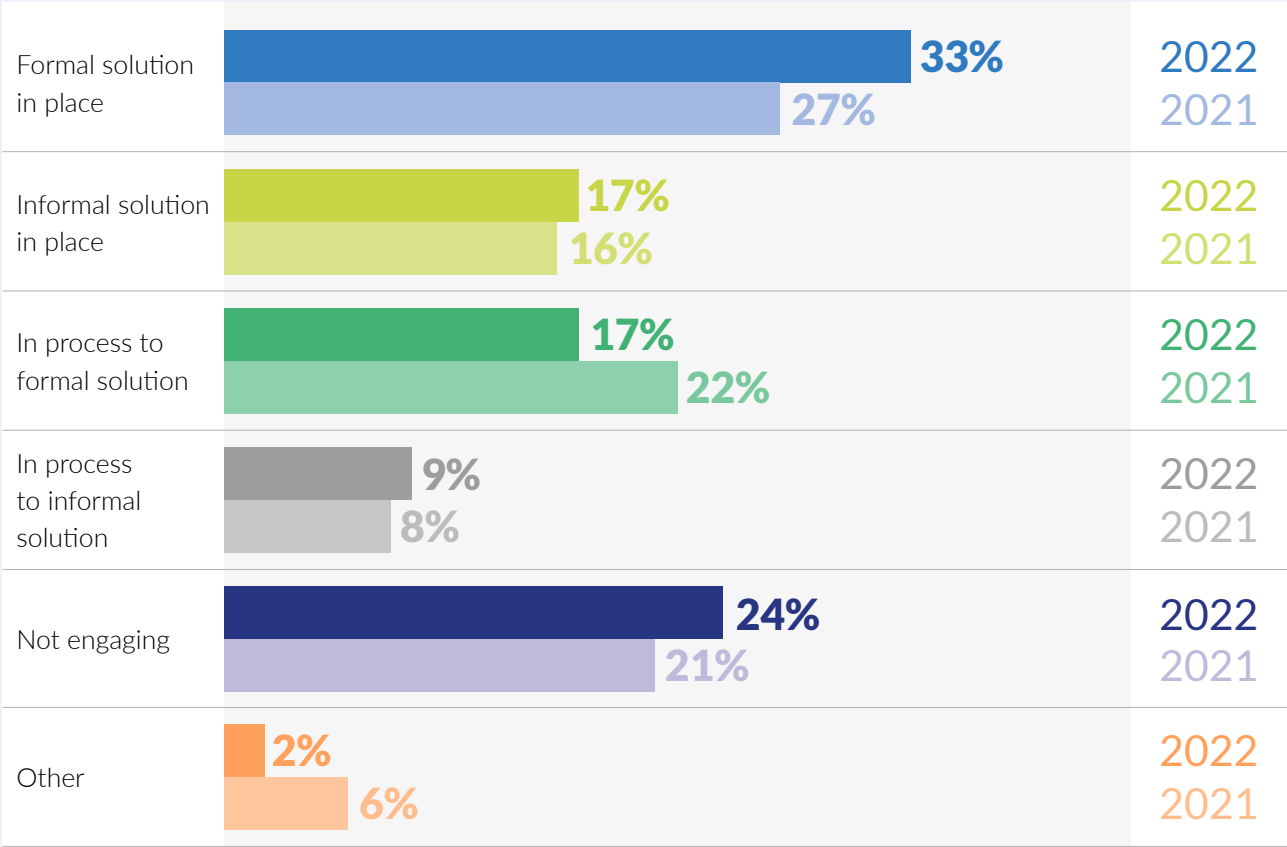


Figure B.6.1: Sample 5 Outcomes for borrowers in 2021 compared to 2022

The analysis conducted in the 2022 Deep Dive reveals a noteworthy increase in the implementation rate of solutions, with an average growth of 6 percentage points observed across all samples. This upsurge can primarily be attributed to a simultaneous increase in both formal and informal arrangements compared to the previous year. Several factors may account for these improvements, including changes in clients' circumstances, the establishment of precedents that have paved the way for new solution avenues, and the evolving suitability of alternative solutions over time. Additionally, it is important to note that there has been an average 2 percentage point rise in the proportion of borrowers who are not actively

engaging with the provided solutions over the past year.

A discernible decline in the number of borrowers actively seeking resolution is observed, characterised by an average reduction of 5 percentage points for formal solutions in progress and an average reduction of 2 percentage points for informal solutions in progress in comparison to the figures recorded in 2021. This trend may be attributed to the relaxation of restrictions, which has facilitated a more expeditious process, resulting in decreased processing times and an overall upswing in the number of successful resolutions.

B.7 Outcomes for Borrowers in Sample 6

Figure B.7.1 presents an analysis by the ISI of the current status (in August 2022) of Sample 6 (the 282 borrowers whose vouchers for PIP financial advice and assistance under Abhaile were redeemed during Quarter 3/2021).

- **There are 112 (40%) borrowers that have solutions in place; both formal (38%) and informal (2%)** – of these solutions, 106 are PIAs, 4 are informal solutions (including 3 who successfully applied for Mortgage to Rent) and 2 cases where the borrower has been adjudicated bankrupt.
- **67 borrowers (24%) are working with their PIP to find a formal solution** – of these 27 are in the section 115A review process, 34 are considering a formal solution, 5 plan to reapply for PIA's after their initial proposal for an arrangement were rejected, while 1 borrower is considering petitioning for bankruptcy.
- **29 borrowers (10%) are in the process of seeking an informal solution** – of these 18 are working with their PIP on securing an informal arrangement and 4 are pursuing Mortgage to Rent. In addition, 7 have been referred back to MABS for support.
- **68 borrowers (24%) did not engage further following receipt of the PIP's recommendation.** Please note that PIPs continue to try and engage this cohort on an ongoing basis.
- **5 borrowers (2%) are classified as on hold due to Covid-19 related income issues.** In each instance the recommended solution for these borrowers was to proceed with a PIA application.

“ They [the services of Abhaile] helped me overcome a very difficult situation that was causing me a lot of stress. All this was done in a helpful and confidential way.

Abhaile client

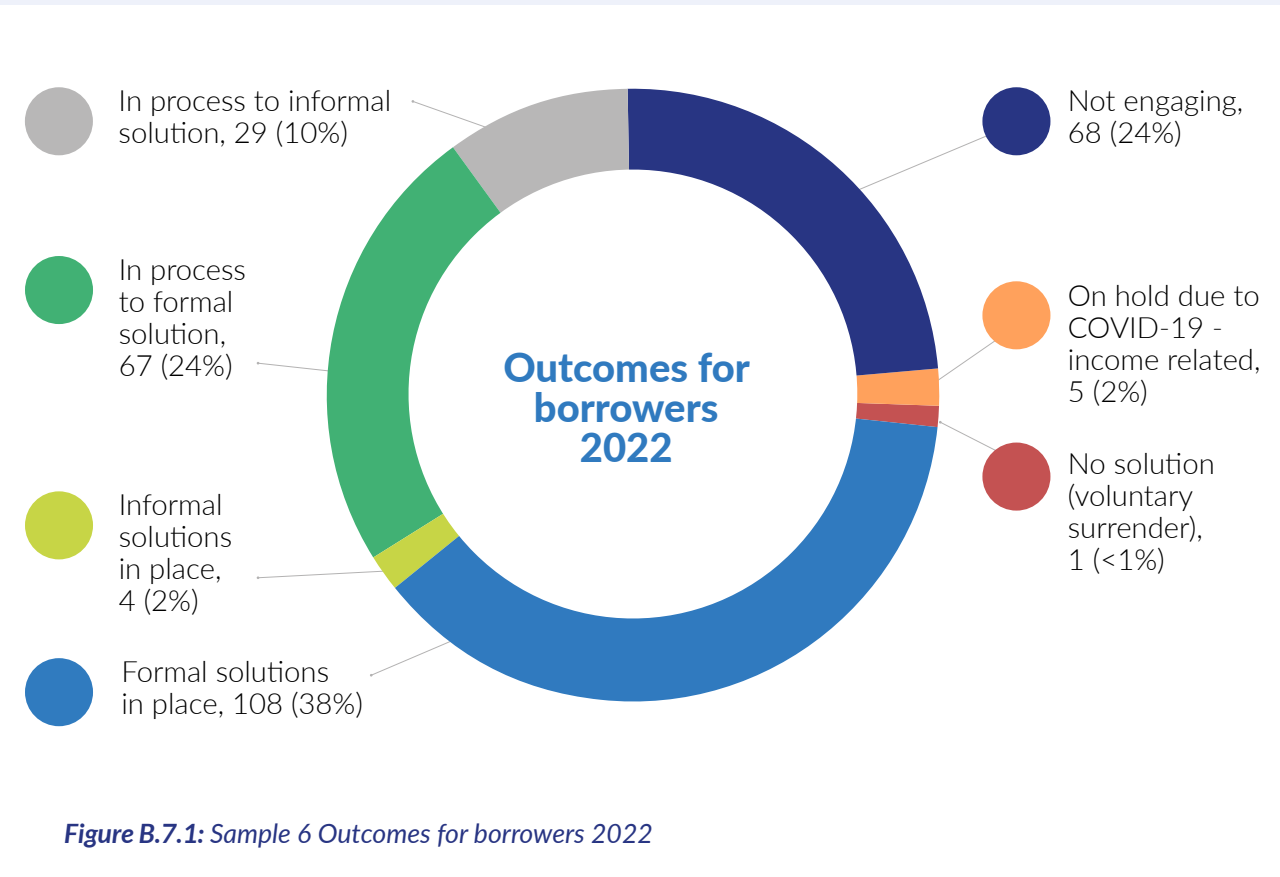


Figure B.7.1: Sample 6 Outcomes for borrowers 2022

The percentage of solutions in place has decreased 3 percentage points compared to the analysis carried out for the 2021 Deep Dive.

There has been an increase of 11 percentage points for formal solutions, and a decrease of 14 percentage points for informal solutions, being put in place. As the percentages for the other categories are broadly similar to those seen in the 2021 Deep Dive it is likely that the significant decrease in informal solutions being accepted may be related to the increase in formal solutions.

The percentage of borrowers not engaging increased by 3 percentage points and the percentage of those where no solution could be identified remained the same as the 2021 Deep Dive at <1%.

It is also interesting to note that of the borrowers who are either in progress towards or already have their solution in place, 80% are from the target cohort who have been in mortgage arrears for more than 2 years.

B.8 Comparison of Sample Outcomes for Borrowers

B.8 Comparison of Sample outcomes for Borrowers. Figure B.8.1 sets out a comparison of borrowers' outputs, outcomes, and status in each of the six samples as at the original date of analysis. The analysis is then used to extrapolate the current status of all redeemed PIP vouchers up to the end of Q4 2022. The

sample surveys, carried out by ISI in August 2022, provide up-to-date data.

They represent an extensive data gathering exercise that cannot be carried out more than once a year and only on samples of Abhaile borrowers.

Solution/ Arrangement Status	*Sample 1 Q3/2016 = 652 borrowers	*Sample 2 Q3/2017 = 803 borrowers	Sample 3 Q3/2018 = 571 borrowers	Sample 4 Q3/2019 = 536 borrowers	Sample 5 Q3/2020 = 374 borrowers	Sample 6 Q3/2021 = 282 borrowers	Projections Q3/2016 - Q3/2021 (Averages)
In progress to informal solution	104 (16%)	184 (23%)	135 (23.5%)	51 (9%)	31 (8%)	29 (10%)	2,052 (15%)
In progress to formal solution	109 (17%)	159 (20%)	135 (23.5%)	171 (32%)	81 (22%)	67 (24%)	3,132 (23%)
Solution in place	267 (41%)	301 (37%)	217 (38%)	153 (29%)	160 (43%)	112 (40%)	5,176 (38%)
No longer engaging	152 (23%)	142 (18%)	74 (13%)	154 (29%)	79 (21%)	68 (24%)	2,912 (21.3%)
No solution identified	20 (3%)	17 (2%)	10 (2%)	7 (1%)	0 (0%)	1 (0.3%)	190 (1.4%)
On hold	-	-	-	-	23 (6%)	5 (1.7%)	177 (1.3%)
Total	652 (100%)	803 (100%)	571 (100%)	536 (100%)	374 (100%)	282 (100%)	13,639 (100%)

Figure B.8.1: A summary of the Solution/Arrangement Status and projections of borrowers.

*It is worth noting that figures provided for samples 1 and 2 give the status as at Q3 2019. They are not directly comparable to samples 3, 4 and 5, which relate to the respective status in Q3 of the year following voucher redemption.

The question was whether the trends identified in these samples might provide a sufficient basis for estimating the overall outcomes and progression of Abhaile borrowers advised by PIPs.

Of the 6 samples, 41% of borrowers in sample 1, 37% in sample 2, 38% in sample 3, 29% in sample 4, and 43% in sample 5 and 40% in sample 6 had a solution in place. These proportions are very comparable.

Regarding a borrower's journey towards a solution (outcomes), 33% of borrowers in sample 1, 43% in sample 2, 47% in sample 3, 41% in sample 4, 30% in sample 5 and 34% in sample 6 were in progress to a solution.

Borrowers were continuing to work with their PIP or, in a small number of cases, referred back to DMAs within MABS. The breakdown between those in progress to a formal solution (in a PIA court review, working towards a PIA, or considering bankruptcy) was similar between all samples.

The proportion not engaging with the PIP, after receiving financial advice, was 23% for borrowers in Sample 1, 18% for sample 2 and 13% for sample 3. This trend reversed in sample 4 at 29%.

There is evidence in the sampling that the initial shock of COVID-19 had a considerable impact on the flow of borrowers through the insolvency system. There was evidence in sample 5 (21%) the trend for this category was returning to typical norms experienced in

previous years, however sample 6 (24%) shows a slight increase making it unclear at this point if the downward trend in non-engagements seen in earlier years will return.

The number of borrowers who had surrendered their homes (2% of borrowers on average over 4 years where the data is available) or had their homes repossessed by the lender (less than 0.5%) was highly comparable in the first 4 samples. Overall, the analysis shows that the service continues to assist our target cohort.

The ISI also performed further statistical analysis on the trends indicated by these samples and cross-checked them with the most up-to-date and comprehensive data set available in the ISI (progression of PIAs and number of PIAs concluded). On this basis, the ISI is satisfied that the August 2022 (sample 6) results, with sample 1, sample 2, sample 3, sample 4 and sample 5 are highly comparable.

They appear to be representative of outcomes for the intervening quarters. Figure B.8.1 averages those proportions which already correspond closely. It uses these to predict the outcomes and status of the total 13,639 borrowers whose Abhaile vouchers for PIP financial advice were redeemed up to the end of December 2022.

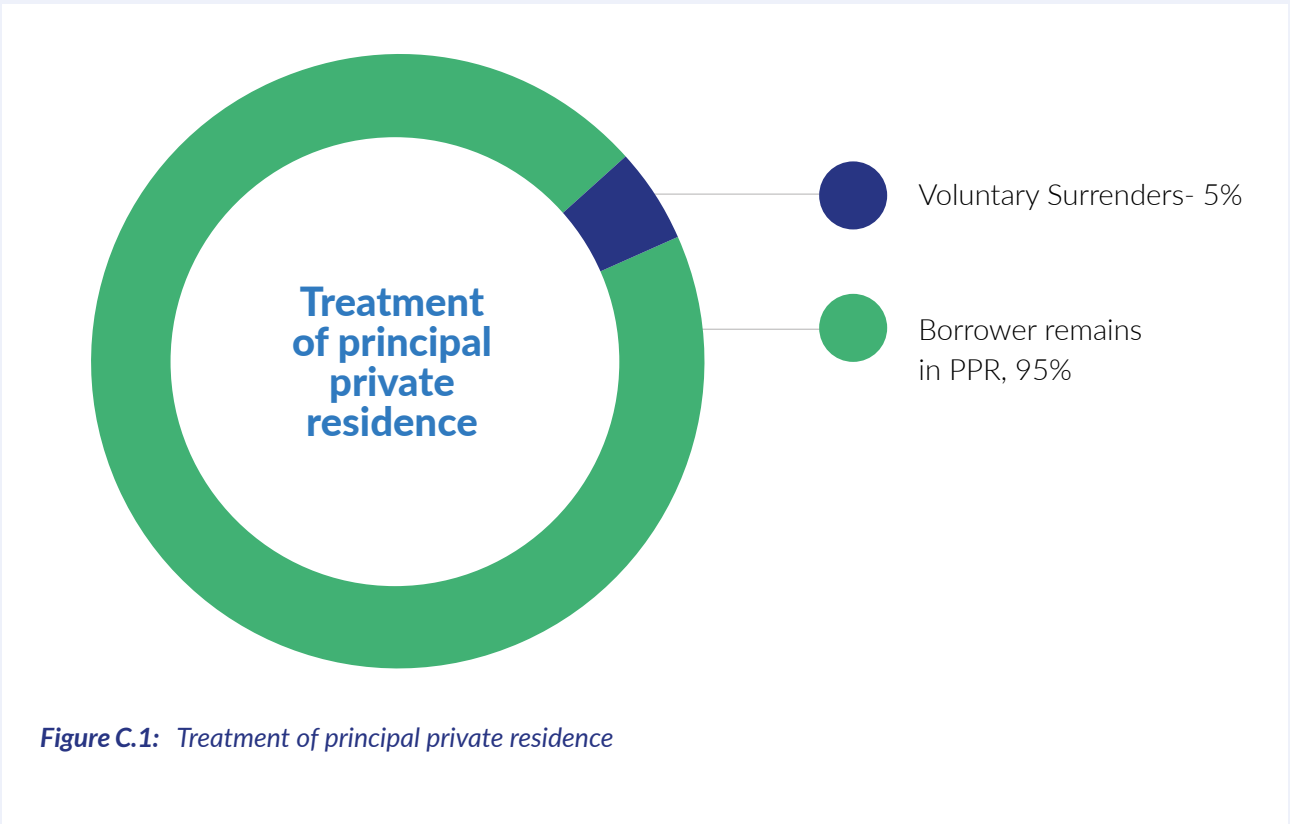
Appendix C – An analysis of the treatment of the PPR where a PIA has been put in place - ISI

The most common type of solution achieved by borrowers who availed of PIP financial advice vouchers was a PIA.

The ISI conducted a point in time exercise (August 2022) which examined in detail the data on outcomes obtained for 282 borrowers who had PIP advice vouchers redeemed in Q3 2021.

The outcomes included 106 PIAs put in place.

“Big smile so nice to me; they were professional in every way I couldn’t have asked for more from anyone. It was a bit too much for me to take in, but you made me take it step by step.”



Treatment of the borrower’s home in Personal Insolvency Arrangements

The figure above presents how the borrower’s home was treated as part of these 106 PIAs.

- In this sample 95% of the borrowers who entered into a PIA have been able to remain in their family homes as part of the solution to their financial difficulties.
 - There were five voluntary surrenders, outside of Mortgage to Rent which allows the borrowers to remain in their home.
- There was a decrease of 5% in the overall percentage of borrowers who availed of a PIA and remained in their home compared to the 2021 Deep Dive analysis, while voluntary surrenders (where the borrower vacates their home) increased to 5%.

Breakdown of Mortgage Restructures in Personal Insolvency Arrangements

The below sections set out the types of restructures which were used in the approved Personal Insolvency Arrangements. It provides a comparison between the types approved by the traditional versus non-traditional lenders.

The average mortgage debt across the 106 PIAs was €230,396.

The analysis shows that 44.3% (47) of borrowers secured a reduction in the principal sum of their mortgage ('write-down'), and the average write-down was €158,174.

The number of restructure types is higher than the number of arrangements, as some of the restructure types involve a hybrid, for example, arrears capitalisation and term extension. Arrears capitalisation and term extension were the most used restructure types.

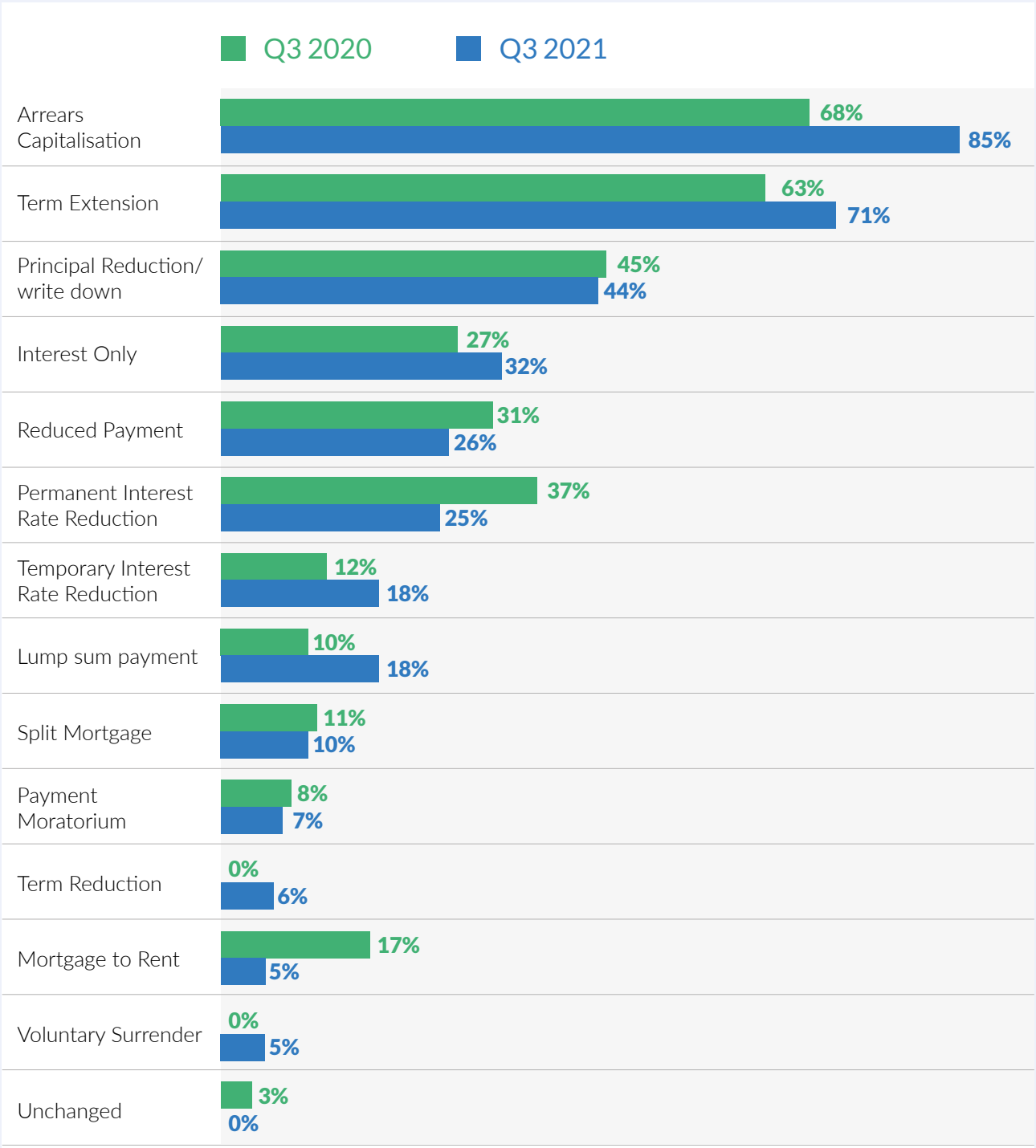


Figure C.2 Comparative analysis of PIA restructure types: Q3 2021 & Q3 2020

Mortgage restructure types have been further broken down by creditor type for the 106 arrangements:

Arrears capitalisation was the most prevalent restructure type found in arrangements, with term extension being the second most prevalent restructure type.

The number of combinations of restructure types is greater than the number of arrangements as some of the restructure types involve a hybrid e.g. arrears capitalisation and a term extension. From figure C.2 it can be seen that the percentage of each restructure type has remained broadly the same for a number of categories since the 2021 Deep Dive with the following exceptions:

- There were no voluntary surrenders or term reductions in the 2021 Deep Dive while in the 2022 Deep Dive these have increased to 4.7% and 5.7% respectively.
- The number of arrangements that include Mortgage to Rent or permanent interest rate reductions have both decreased by 12.1 percentage points.

From this analysis, we can conclude that there was a trend across all creditors for the top two restructure types. We can see an apparent trend in more permanent restructure types such as permanent interest rate reduction for non-traditional creditors while the traditional creditors seem to favour temporary reductions or lump sum payments. For the three least used restructure types, there is a broad variance between traditional and non-traditional creditors. It is interesting to note that these trends are in general continuing on from the 2019, 2020 & 2021 deep dives.

Non-traditional creditors had more lump sum payments than traditional creditors. Arrears capitalisation had both higher traditional and non-traditional creditors when compared the second most common restructure type, term extension. The third most popular restructure type – principal write-down is outright third for both traditional and non-traditional creditors.

Permanent interest rate reduction, reduced payment, and split mortgage are types of restructure seen in more arrangements involving non-traditional creditors.

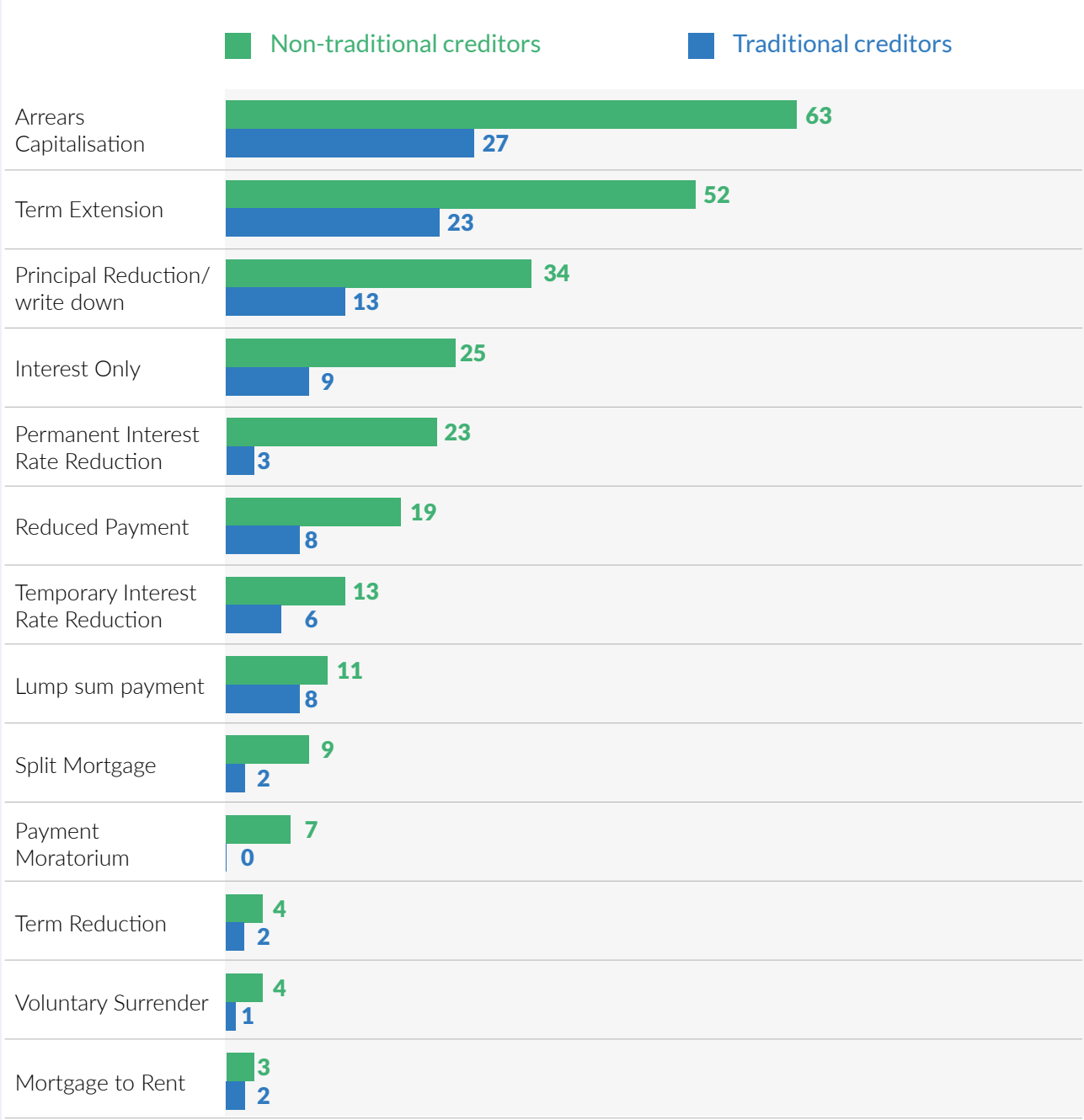


Figure C.3 A point in time analysis of 106 PIAs with restructure (Q3 2021): Breakdown of restructure by lender type

Appendix D – Abhaile Governance and Oversight 2022

The Department of Justice and the Department of Social Protection jointly coordinate and fund Abhaile. Scheme supports are provided by implementing bodies: the Citizens Information Board (CIB) (which includes the Money Advice and Budgeting Service (MABS)), the Insolvency Service of Ireland (ISI), the Legal Aid Board (LAB), and the Courts Service.

Abhaile is not a statutory body but an inter-departmental and inter-agency coalition of funding and implementing partners.

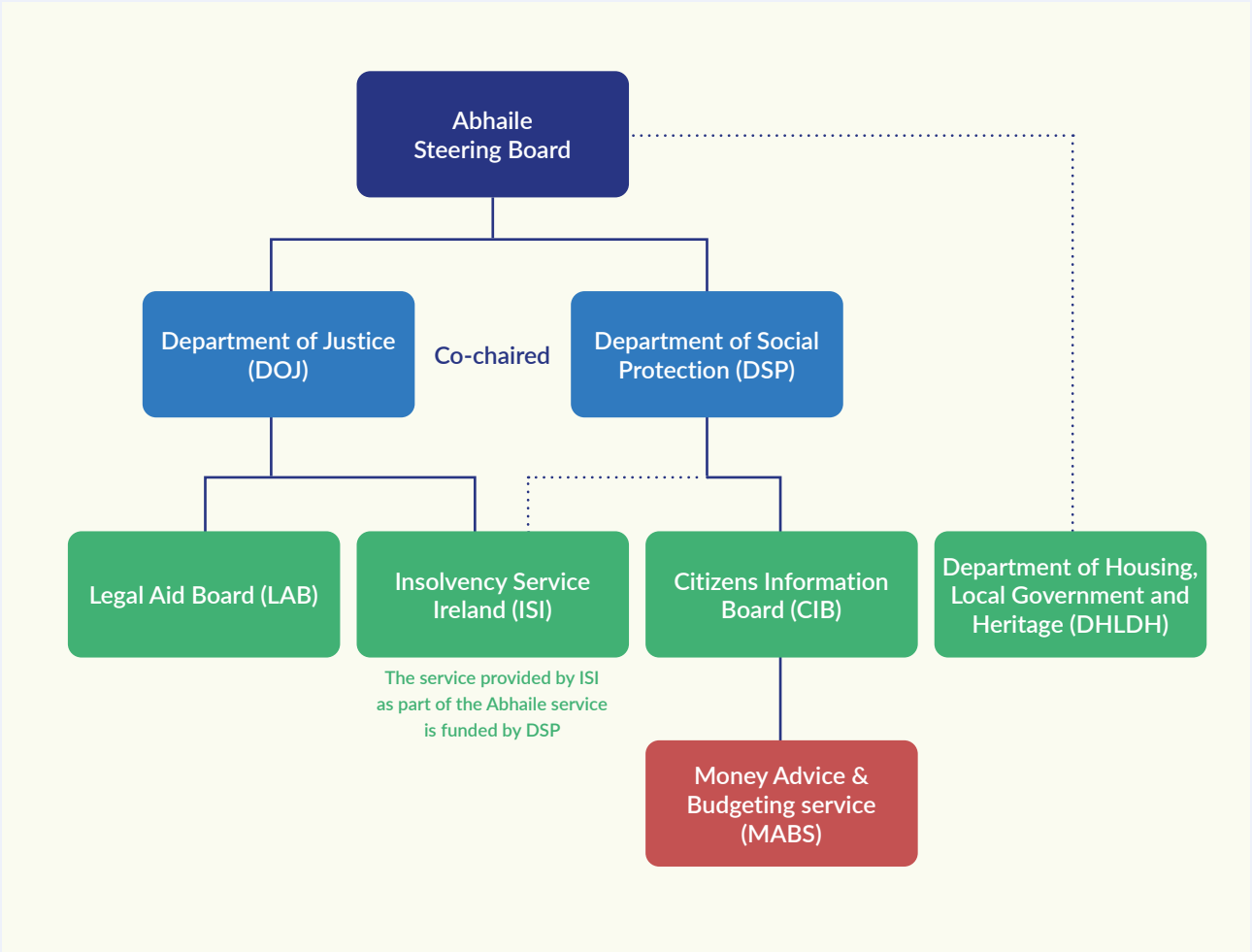
A Steering Board, co-chaired at Director/ Assistant Secretary Level by the Department of Justice and the Department of Social Protection, oversees Abhaile at a strategic level, in accordance with the Government Decision of 5 July 2016. There is also representation on the Steering Board from the Department of Housing, Local Government and Heritage, the Citizens Information Board (which includes MABS), the Insolvency Service of Ireland, the Legal Aid Board, and the Courts Service. Excepting where matters of particular importance arise, that require its specific attention, the Board meet on a quarterly basis and assess all matters in relation to the Oversight, Governance, and Strategy of the Abhaile scheme.

There is also a Joint Working Group co-chaired by the Departments of Justice and Social Protection at Principal Officer Level. The Joint Working Group membership comprises of representation from CIB, MABS, LAB, ISI, and

the Courts Service. Similar to the Steering Board, unless matters of particular importance arise that require its specific attention, the Working Group also meet on a quarterly basis. The Joint Working Group focuses on the operation and the efficient and effective delivery of the services of Abhaile. While the Steering Board focuses on high-level policy, resource and strategic matters. The Joint Working Group is accountable to the Abhaile Steering Board.

In July 2023, the Government granted an extension to Abhaile until 2027 based on a recommendation made by an external strategic review. Any additional future extension would be subject to a review of market trends and service use in advance.

Given the continued high level of mortgage arrears, the rising interest rate environment, and the specific challenges with addressing long-term mortgage arrears, an independent review found that the Abhaile service, including the DMA service, where still valuable to the Irish public and should be extended.



The extension should be for a time-limited period. Abhaile has already had two extensions following the original three-year mandate of three years (2020-2022) and one year (2023).

The report commissioned by the steering board provides many recommendations for the scheme, including the increased focus on securing sustainable solutions for long-term mortgage arrears in Ireland.

It recommends prioritising borrowers in very long-term arrears (mortgage arrears greater than five and ten years), discontinuing the accountant service due to low usage, and reviewing the need for Court Mentor and Duty Solicitor services.

Additionally, the report suggests reducing advertising investment for the Abhaile brand, improving performance measurement through strategic targets, and reviewing the effectiveness of the DMA service. It also proposes enhancing data systems and reporting, allowing a second voucher after three years, and tracking the distribution of vouchers.

The report advocates adapting to changes in the mortgage market and enhancing engagement with non-bank lenders. Furthermore, it suggests developing a research strategy to coordinate efforts, monitor findings, and inform policy decisions related to mortgage arrears.



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