



**An Roinn Coimirce Sóisialaí  
Department of Social Protection**

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**Free Independent Financial Advice for  
Borrowers in Mortgage Distress**

The Minister for Social Protection Joan Burton TD today (*6 September 2012*) announced the provision of free independent professional financial advice to borrowers in mortgage distress.

The Minister said: **“I am pleased to announce today that independent financial advice will be available to mortgage holders who are being offered long-term resolution proposals by their lenders. This advice will be provided by a panel of accountants drawn from members of the main accountancy institutes in Ireland who have agreed to participate and support this independent service.”**

**“When a lender is proposing longer-term mortgage resolutions the lender will advise the borrower to obtain independent financial advice on the proposed arrangement and that, if the borrower wishes to avail of this option, that the lender will pay €250 to an accountant of the borrower’s choosing for the provision of this advice,”** the Minister explained.

The Minister continued: **“This cost of the new service will be met wholly by the banks and other lending institutions and depending on the number of people who avail of this element of the Mortgage Arrears Information and Advice Service the costs could be in the region of €10 million.**

An operating protocol for the provision of this advice has been agreed between the accountancy bodies, the Institute of Chartered Accountants Ireland, the Association of Certified Chartered Accountants, the Institute of Certified Public



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Accountants and the lenders. The general scope of the advice will be limited to the borrower's principal private residence.

**"The Government is fully aware that there are no quick fixes or a one-size-fits-all solution to the mortgage debt problem. Each family in mortgage arrears faces unique difficulties and we must have a range of solutions which can be adapted to resolve each family's difficulties. The key message is engagement. People experiencing difficulties with their mortgage need to contact their lender."**

The Minister added **"The Government is acutely aware of the difficulties that many households are facing in meeting their mortgage repayments and addressing these difficulties is at the forefront of Government's agenda. This service providing distressed mortgage holders with independent financial advice taken together with the Personal Insolvency Service and the Mortgage to Rent initiatives clearly demonstrate the commitment of Government to tackling the personal debt burden being carried by ordinary people."**

This measure announced today is an integral part of the extensive measures in place through the Citizens Information Board (CIB), Money Advice and Budgeting Service (MABs) and other providers to better inform at-risk mortgage holders. The other measures include:

- The enhanced website, [www.keepingyourhome.ie](http://www.keepingyourhome.ie), maintained by the Citizens Information Board which offers detailed information and initial advice to distressed mortgage holders. This is the key online access portal for general mortgage arrears information and advice. Members of the public can access the website directly or through automated links to the site from



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all relevant organisations such as the NCA, CIB/MABS, the Central Bank, lenders etc. A mobile version of the site has also been developed and is accessible for all phone types.

- The Mortgage Arrears Information Helpline which has been operational since July 2012 provides general mortgage arrears information and guidance to mortgage holders in particular those borrowers who are in arrears or pre-arrears on their residential property. The Helpline also refers calls to other services such as the Money Advice and Budgeting Service, Free Legal Aid Centres and other relevant services. The Helpline number is 0761 07 4050, Monday to Friday 9.30am -5pm.

**ENDS**

**Note for Editors**

The panel of accountants to support the new mortgage advice service will come on stream in mid-September and complement the new Citizens Information Board (CIB) Mortgage Arrears Information Helpline and website, [www.keepingyourhome.ie](http://www.keepingyourhome.ie).

The Citizens Information Board Mortgage Arrears Information Helpline Service provides general mortgage arrears information and guidance to mortgage holders. The website, [www.keepingyourhome.ie](http://www.keepingyourhome.ie), offers detailed information and initial advice to distressed mortgage holders.

The type of longer term forbearance proposals covered will include, among others, options such as split mortgages; trade down forbearance; mortgage to rent and long-term interest only. The accountant will advise the borrower on



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the implications of the advanced forbearance options and this could involve up to two meetings between the borrower and the accountant.

Borrowers will be able to select an accountant from the panel of participating accountants which will be available on a county by county basis on the Citizens Information Board website [www.keepingyourhome.ie](http://www.keepingyourhome.ie). Approximately 1000 accountants are expected to join the panel which will be available by mid-September.

A full review of the operation of the service will be undertaken in June 2013 to ensure that it is delivering for people with mortgage debt problems. At that point it is envisaged that other interested parties who may wish to participate in the advisory framework and who meet the criteria in terms of qualifications, experience, professional indemnity insurance, independence etc. may be considered for inclusion.

The Government's action plan to assist those in mortgage difficulty is built around measures in four distinct areas:

**1. Resolution Strategies**

The Banks have submitted, to the Central Bank, a number of options they propose to address the problem of distressed mortgages.

**2. Innovative Personal Insolvency Framework**

The new personal insolvency regime including the reform of bankruptcy law will, in addition to providing new legal remedies, provide a significant incentive for financial institutions to develop and implement realistic agreements to resolve debt issues with their customers.



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**3. Keeping families in their homes**

The Mortgage to Rent scheme protects the home of the most distressed mortgage holders as ownership of the house passes to an Approved Housing Body. The existing owner then becomes a social housing tenant and the State will, where necessary, subsidise the rental. This scheme is currently underway with 50 cases in progress and 100 cases expected to complete by the end of this year.

**4. Comprehensive Mortgage Arrears Information and Advice**

A three phased approach has been adopted in establishing a comprehensive Mortgage Arrears Information and Advice Service to provide the necessary supports to assist people in mortgage distress. The approach differentiates between mortgage information and mortgage advice recognising that a 'one size fits all' solution will not resolve matters for individuals who have differing concerns that need to be addressed and who are at different stages in the process. The three phases involve the website [www.keepingyourhome.ie](http://www.keepingyourhome.ie), the establishment of the mortgage arrears information helpline and the independent financial advice service.

**ENDS**



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## How Independent Financial Advice Works

