Tánaiste Frances Fitzgerald & Minister Leo Varadkar

Launch of Abhaile: nationwide Mortgage Arrears Resolution Service

- New service helps at-risk homeowners in mortgage arrears
- Offers free financial and legal advice and help
- Priority is to keep people in their home
- National info campaign will promote scheme to most-at-risk homeowners
- €15m allocated to support new service

3 October 2016: An innovative mortgage arrears resolution service Abhaile was officially launched today by the Tánaiste and Minister for Justice and Equality, Frances Fitzgerald T.D., and the Minister for Social Protection, Leo Varadkar T.D.

The new nationwide service marks a departure in State assistance by providing free, independent expert advice and support on financial and legal issues. The number one objective is to help people to stay in their home wherever possible. The scheme started in late July and is already proving very effective.

This launch implements a number of Programme for a Partnership Government commitments, to help keep families in their homes by identifying sustainable solutions in mortgage arrears cases. Eligible clients are given vouchers to obtain expert advice from financial and legal advisers in order to resolve their debt issues. They can get assistance in court where needed, have access to solicitors, and get help obtaining legal aid. They can also get financial advice from a Dedicated Mortgage Arrears advisor, a Personal Insolvency Practitioner (PIP), or an accountant.

The Tánaiste and Minister for Justice and Equality, Frances Fitzgerald TD, said: ‘The Government is committed to ensuring that homeowners who are struggling with mortgage arrears, and are at risk of losing their homes, can access independent expert advice and help on getting solutions into place.

“Abhaile is a new nationwide service to help these homeowners. Today’s launch puts in place two very significant components of this service – an important new Scheme for getting free, independent, expert advice and help, and a major new information and communication campaign to reach those at risk of losing their homes due to mortgage arrears.’

Minister Varadkar said: “The Government wants to ensure that people who cannot pay their own mortgage can stay in their homes or move to new accommodation that they can afford. We do not want to see anyone foreclosed into homelessness. Mortgage arrears of more than 90 days are falling rapidly and are down to 7.8% from a peak of 12.9%. But they are still too high. For this reason, we are going to double
down on our efforts to support more people to restructure or resolve their mortgage debt which lifts both the burden of debt from individuals and families, as well as the enormous emotional burden that comes with the fear of losing one’s home.”

The first component of Abhaile, the aid and advice Scheme, was developed by the Department of Justice and Equality and the Department of Social Protection and implemented from July last.

Under this component, the Money Advice and Budgeting Service MABS acts as the first port of call for homeowners, directing borrowers to the most relevant advice for their individual situation. The expert help is provided free to the homeowner under a ‘voucher’ issued by MABS, working closely with the Insolvency Service of Ireland, the Legal Aid Board and the professional accountancy bodies.

The second component, a significant information campaign managed by the Citizens Information Board, will launch in a few weeks’ time to promote the Scheme to households most in need.

The Tánaiste and the Minister added ‘Many stakeholders and reports have underlined the importance of ensuring that people in financial distress can access independent expert advice and help. It can relieve the stress and isolation they are experiencing. It can break overwhelming financial problems down to manageable solutions. Most importantly, it can help people get out of debt and, wherever possible, to stay in their own homes.

“The Government is now able to offer this service. We would strongly encourage anyone worried about mortgage arrears on their home to contact MABS, the Government gateway for accessing free expert help and advice.’

Further components of Abhaile which will require legislative change are currently being prepared by the Government, in accordance with the Programme for Government Commitments and the Action Plan for Housing and Homelessness.

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Notes to Editors

The new mortgage arrears resolution service, Abhaile, encompasses a new Scheme of aid and advice for mortgage arrears and a new national information campaign. This package of support for those in mortgage arrears was agreed by Government in July under a proposal brought by the Tánaiste and Minister for Justice and Equality, Frances Fitzgerald T.D., and the Minister for Social Protection, Leo Varadkar T.D. It is expected to cost up to €15 million euro over 2017-2019. Funding for the current year is being provided by the Departments concerned.

Details of the Abhaile aid and advice scheme
The overall objective of the Scheme is to help people who are insolvent (unable to pay their debts in full as they fall due), and are in serious mortgage arrears on their homes, to access independent expert financial and/or legal advice and assistance, which will help them to find and put in place the best possible solutions, with priority to remaining in their homes where possible. The Scheme is expected to operate for a maximum period of 3 years, and will be reviewed after 6 months and yearly thereafter in the light of take-up and outcomes. Under the Scheme, a borrower in serious mortgage arrears who is at risk of losing their home can access the following services via MABS, depending on their circumstances:

- Financial analysis, written advice and negotiation help from a personal insolvency practitioner (‘PIP’), or accountant, as appropriate.
- A consultation and written legal advice from a solicitor on any legal aspects of putting solutions in place,
- Assistance at court for unrepresented borrowers facing repossession proceedings, by a ‘duty solicitor’ rostered by the Legal Aid Board,
- Legal aid for the new Court review under s. 115A Personal Insolvency Acts, where a borrower’s proposal for a Personal Insolvency Arrangement including mortgage arrears on their home is refused by their creditors.

The voucher and legal aid elements of the Scheme went live nationwide on 22 July 2016. Initial take-up has been encouraging, with MABS issuing a total of 1,340 vouchers for financial or legal advice, or legal aid, up to 30 September. The duty solicitor service in Circuit Courts around the country started operating in mid-September.

Financial advice services, to be provided by accountants, on referral by MABS advisers, are also under discussion with the professional accountancy bodies.

Professional advisers under the Scheme are drawn from qualified and regulated panels, established and maintained by the Insolvency Service of Ireland and the Legal Aid Board. The panel of accountants will similarly be drawn from qualified professionals regulated by the professional accountancy bodies.

**Building on previous measures to support those in Mortgage Arrears**

The new Service builds on previous measures to support those in mortgage arrears on their homes, including:

- Enactment and commencement in 2015 of the Personal Insolvency (Amendment) Act 2015, providing a new avenue (‘section 115A’) for a borrower to seek independent review by the Courts if banks refuse a reasonable personal insolvency proposal on the borrower’s home;
- Development of the Money Advice and Budgeting Service (MABS) as Government’s ‘one-stop shop’ point of information and guidance for homeowners in mortgage arrears, working closely with the Insolvency Service;
• Development of network of specialised MABS in-house Dedicated Mortgage Arrears (DMA) advisers, located in MABS offices with nationwide coverage;

• Presence of MABS ‘court mentors’ at courthouses to provide information and ‘signposting’ support for householders issued with repossession proceedings against their homes (operating nationwide since 1 October 2015, after successful pilot in July 2015 in partnership with the Insolvency Service). This initiative is facilitated by the Courts Service, and is currently provided for all Circuit Court repossession hearings. The court mentors can provide information and support, but cannot provide legal advice or legal assistance – the new duty solicitor service will seek to do this.

**MABS helpline details**
0761 072000
Mon-Fri 9a.m. to 8p.m.