



## **Mortgage Holders initiative by IMHO and AIB Group has proved to be a success**

**2nd February 2014**

- More than 100 long term sustainable solutions agreed

The ground-breaking initiative between the Irish Mortgage Holders Organisation (IMHO) and AIB Group designed to help distressed mortgage holders has resulted in:

964 mortgage holders receiving information and activation packs containing an introductory letter explaining the core procedures for dealing with arrears, a plan of action for the borrower, a standard financial statement (SFS), a mortgage resolution guide, an link to an online video on how to complete a financial statement, an authorisation letter for IMHO to act on the borrower's behalf, a pre-paid self addressed envelope for return communications, and a check list

Of these, 340 completed packs have been received back from the borrowers

Follow ups on SFS and related documentation resulted in 218 proposals being sent to the bank to-date. The remainder are being assessed by IMHO

Of these proposals, 103 long-term sustainable solutions have been fully agreed to-date, while others are at various stages of the resolution process

“Given that the pilot scheme has been in operation for just 55 working days since the launch, this is a very significant result and confirms our contention that this free and independent service would be successful,” said David Hall, Director of IMHO. “We are very pleased that the scheme has worked so well and believe that this scheme is a template for a trusted third party to act on borrowers behalf to engage with banks to achieve long-term sustainable solutions for their mortgage challenges.”

“AIB Group has acted in good faith and worked assiduously with us to reach those sustainable solutions that are so necessary,” said Mr. Hall.

According to Constantin Gurdgiev, Director of IMHO, “The latest data from the IMHO-AIB pilot programme is the first, independently verifiable data on the importance and the efficacy of independent professional supports to the distressed borrowers in Ireland. This data confirms that the pilot scheme offers significant help to distressed borrowers, increases their engagement with the lenders and delivers meaningful impact in terms of arrears resolution deals achieved. It also offers insights for Irish policymakers and regulators into how the process of engaging with distressed borrowers can be improved”.

Head of the Financial Solutions Group at AIB, Brendan O'Connor said: “The pilot programme with IMHO is meeting the expectations we had for this initiative when launched. The interaction with IMHO and their staff has proved to be professional and constructive with a focus on achieving sustainable and practical resolutions for those AIB Group customers who have chosen IMHO to act in

an advisory capacity for them in their negotiations with the bank. This initiative is another way for customers to engage with the bank and the pilot has demonstrated the value for some consumers of having access to a trusted advisor who can provide them with practical and objective advice in their pursuit of a resolution to their mortgage difficulties.”

Lessons learned from the process according to the IMHO include:

Factors need to be taken on board in a broader regulatory and legislative review of the mortgages crisis resolution policies

Some 42% of clients contacted by the IMHO required assistance in completing their standard financial statements. This shows an urgent need to establish a consumer-led working group to review the standard financial statement and to make it more consumer-friendly. In addition, new channels for assisting mortgage holders in completing their SFS are needed. For example, MABS could be used more actively in this task to feed through completed SFS to independent and professionally staffed organisations, such as the IMHO for structuring proposals and negotiating with the banks.

“The IMHO pilot experience shows that how people are deemed to be uncooperative needs urgent review. Many borrowers are currently being categorised as uncooperative, just as the risk of action by the banks against distressed home borrowers is increasing as the banks set about meeting Mortgage Arrears Resolution Targets (MARTs),” said Mr Hall.

**-ENDS-**

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