



17th January 2019

Initiative from AIB, IMHO and iCare will keep over 500 families in their homes

- Enhanced Mortgage to Rent scheme has 571 cases approved, 250 proposed.
- Proven execution capability - 19 cases completed in full to date.
- AIB Corporate Finance has acted as financial adviser to and sourced funding for iCare on enhanced Mortgage to Rent scheme
- Eligible customers who complete the Mortgage To Rent process will continue to live in their homes as long-term tenants of iCare Housing, and can also buy back their home at the discounted price paid by iCare Housing

AIB Group, the Irish Mortgage Holders Organisation and iCare Housing have announced their joint initiative aimed at keeping customers in difficulty with their mortgage, and who qualify for social housing in their own homes, has approved 571 cases across a number of financial institutions. Recently iCare successfully completed 19 cases, meaning these people will remain in their homes.

iCare Housing, a not-for-profit Approved Housing Body was set up in 2017 for the purpose of providing and managing social rented housing for customers who are eligible for Mortgage to Rent.

AIB Corporate Finance has acted as financial adviser to the IMHO and iCare on the enhanced Mortgage to Rent solution for the last year to identify, prepare and deliver a commercial funding package which was supported by AIB Corporate Banking. AIB Corporate Banking has provided an initial €15m Term Loan Facility to iCare for the purchase of housing from mortgagees (which includes a variety of banks and funds). Ultimately iCare lease the property back to the owner/occupants on a long lease, ensuring the former owners that were at risk of losing their home can stay in it long term and pay an affordable rent.

Jim O’Keeffe, AIB’s Chief Customer and Strategic Affairs Officer said “AIB in championing this initiative with IMHO and iCare recognised the need to provide solutions for customers who cannot afford their mortgage. The scale of the response has been significant and reassures customers who engage with us that we will work hard to find a suitable solution. Overall we have c90,000 solutions in place, which has played a key part in bringing our non performing exposures to 7.2bn. We encourage customers to engage meaningfully with us and provide us the opportunity to seek a solution to their financial difficulty.”

David Hall, CEO of the IMHO and iCare said “This is a ground-breaking example of the private sector and the housing charity sector coming together to provide a practical sustainable solution to an acute social crisis. The purchase of 19 homes and approved status of 571 additional houses for mortgage to rent will ensure that c. 2,000 Irish citizens will not become another statistic. Instead, after a long journey, today’s announcement is a case of promises made; promises kept.”

Under the enhanced Mortgage To Rent solution:

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

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

IMHO on 1890 623 624.

AIB on 1800 200 811.

More information is available at www.icarehousing.ie and www.aib.ie/icare-housing and www.ebs.ie/icare-housing.

ENDS

Media inquiries:

AIB - Stephen O'Shea, 0870941077, stephen.p.o'shea@aib.ie

IMHO - Communicate Ireland on behalf of iCare, 087 9241284 (John Drennan)

Notes:

iCare is acquiring the property from multiple institutions and this Loan Facility is not just for the acquisition of residential property from AIB.

The Irish Mortgage Holders Organisation is a not for profit organisation which aims to facilitate independent mortgage/debt resolution between lenders/creditors & mortgage holders. Its aim is to help homeowners deal with indebtedness and allow them to move forward. The IMHO is a registered Charity, regulated by the Charities Regulatory Authority.

***Mortgage to rent eligibility criteria**

- Borrowers must have completed the Mortgage Arrears Resolution Process with the lender and must be eligible for Social Housing Support in the local authority where the property is located.
- Must not own any other property.

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