

**HOME FOR LIFE -  
MORTGAGE TO RENT  
PRESENTATION TO  
Kildare County Council SPC  
on Housing  
7th March 2019**



# What is Mortgage to Rent



- Government Scheme that aims to keep distressed mortgage holders in their current homes.
- MTR is focussed on homeowners who are unable and are unlikely to be able to make their mortgage payments.
- Homeowner surrenders ownership of their Home
- Become tenants of their Local Authority paying “Differential Rent”
- Home for Life purchase the property and are responsible for repairs and maintenance on the property.
- Homeowners then have:
  - Security of tenure in their property
  - Mortgage Debt Resolved
  - An Affordable rent

# Eligibility Criteria



- Borrower(s) must have completed the Mortgage Arrears Resolution Process (MARP) with the lender.
- The property must be of a value no more than €365,000 for a house €310,000 for an apartment or townhouse.
- Must be eligible for Social Housing Support in the local authority in whose area the house is located.
- Property is in Negative equity or a small amount of positive equity.
- Key criteria is that Net Household Income doesn't exceed €35k for single person. Additional allowance for additional adults and children in the home. Max €42k net of Tax.
- Must not own any other property.
- Must be living in a property that suits the borrower(s) needs.
- Cannot have cash assets worth more than €20,000.

# Benefits of the Scheme



## For Homeowners:

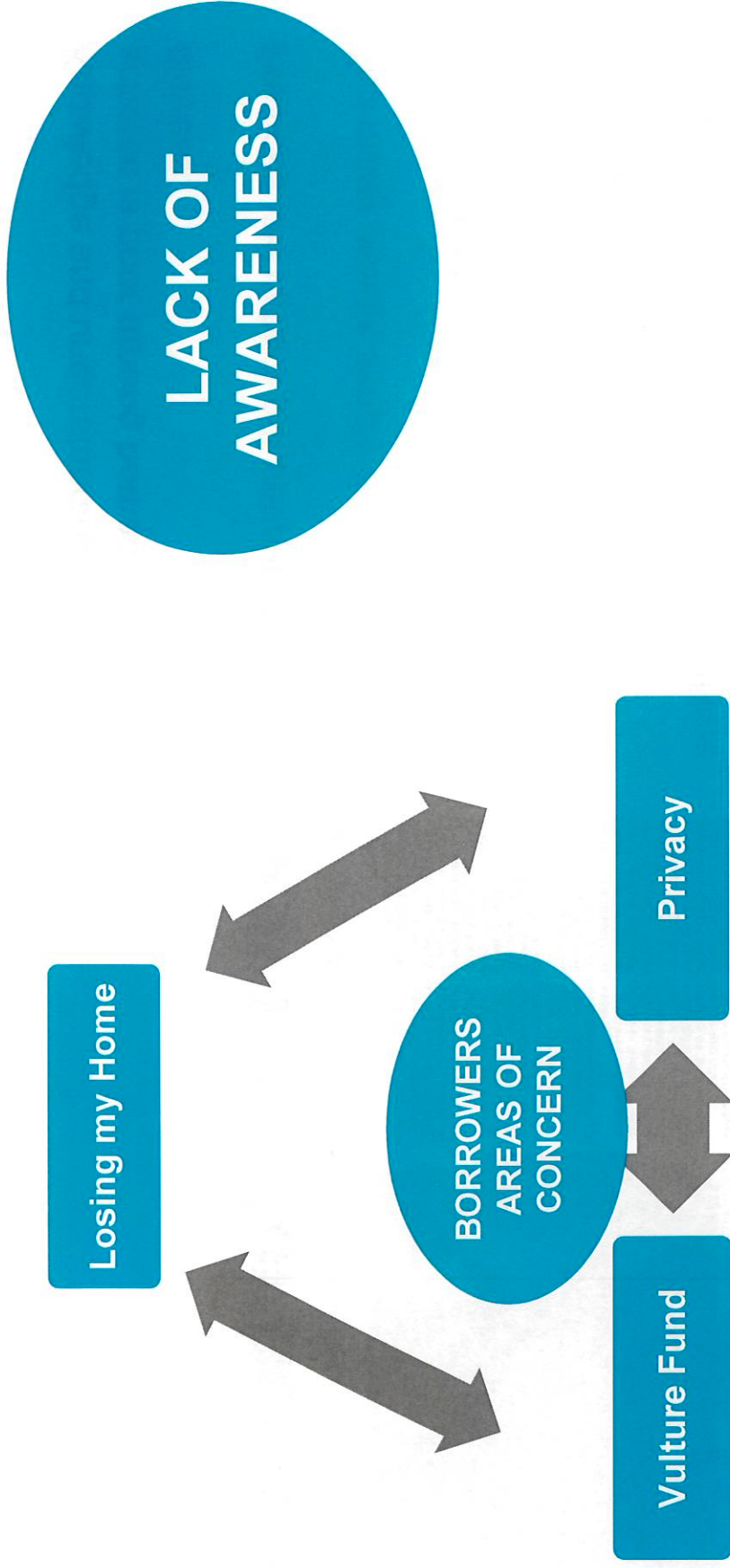
- Secure tenure
- Affordable, income based rent
- Private & Confidential
- Repairs & Maintenance
- Ability to Buy back the property.
- Condition and Location of Property no longer issue
- Debt Resolved

## For the State

- Streamlined Administration for applications
- Off Balance sheet solution
- Social Housing eligible individuals and families housed from non-Social Housing stock.



# BORROWER CONCERNS IN RELATION TO THE SCHEME



# Awareness of the Scheme

- Knowledge and understanding of the scheme is poor among homeowners in distress.
- Previous low uptake put people off.
- Too many people simply don't know about it.
- HFL working to make all stakeholders aware of the changes to the scheme and the potential for homeowners to resolve their difficulties.
- Working closely with Kildare MABS offices on a number of cases.
- Meeting with debt advisors, Insolvency Practitioners and other professional advisors in the area.
- Generating awareness in Kildare

## New hope for homeowners

■ State-approved provider offers rental option to hold onto home

MORE than 1,000 distressed mortgage holders in County Wick may have been thrown a lifeline - thanks to an innovative state-backed finance scheme.

Became Home For Life, a Government-approved mortgage provider, is set to launch a drive to enable mortgage holders in areas of high unemployment to remain in their current homes despite the current economic downturn.

New figures from the Central Bank's Long-Term Mortgage Arrears in Ireland Report state that L24 households in County Wick are in mortgage arrears for over two years, while over half of those have been in arrears for at least five years.

Despite the scale of the repayment problem by mortgage holders, figures from the Department of Housing show that only nine households in the county reached the criteria to be eligible for the Government's Mortgage to Rent scheme.

many cases of serious mortgage arrears.

The company works with local authority to keep unsaleable mortgage holders in their current homes, pending approval for finance.

Under the scheme, a property is sold to Home For Life and then leased back to the mortgage holder. The mortgage holder then pays an affordable income-based rent to their local authority.

As part of the scheme in County Wick, the local authority would then undertake to provide for the ongoing rent with housing needs of the applicant and other eligible residents of the property for as long as the housing need exists.

"I was surprised to find that of the 1,024 cases in County Wick, only nine had reached a point where they could apply for the Mortgage to Rent (MTR) scheme," said Mr. John Linn (CEO) Paul Cunningham.



HFL CEO Paul Cunningham, FTI CEO Anthony Clarke and HFL Chairman Charles Chubbey speak at the recent Home For Life Advisory Board meeting at the FTI Wickery Hotel headquarters in Dublin.

scheme up to recently won the design in getting individual cases over the line.

"However, we have now refined the timeline in dealing with all documentation and agree so that a case can be completed normally within its normal," he said.

HFL works with all banks and banks and can facilitate private mortgage providers to provide a service to their clients.

At a JPR, Anthony heard nothing but work, for Peter McVeery said he was "all in favour" of any initiative that helps people in their homes.

"I fully support projects that help to resolve the incredible amount of mortgage arrears and keep people becoming homeless," said Mr. McVeery.

Minister of State with Special Responsibility for Housing and Urban Development, Martin English described the mortgage of Home For Life as the most important step in the process of helping homeowners in areas of high unemployment to remain in their homes.

the old Mortgage To Rent

# MTR is a needed solution to Long term Mortgage Arrears



County	Arrears (720+ Days)	Completed MTR
Carlow	404	14
Cavan	616	8
Clare	735	3
Cork	2,165	31
Donegal	1,129	0
Dublin	5,395	123
Galway	1,124	11
Kerry	618	7
Kildare	1,496	30
Kilkenny	509	11
Laois	591	15
Leitrim	278	2
Limerick	991	15
Total	16,051	270

County	Arrears (720+ Days)	Completed MTR
Longford	260	1
Louth	1,155	36
Mayo	578	1
Meath	1,761	42
Monaghan	391	4
Offaly	576	13
Roscommon	438	2
Sligo	299	0
Tipperary	971	18
Waterford	715	30
Westmeath	540	8
Wexford	920	12
Wicklow	826	8
Total	9,430	175

Arrears figures based on Q3 2018 Central Bank figures. Completed MTR's correct as at Q4 2018



# What Role Local Authorities Play in MTR



- Local authorities have a key role in the MTR scheme.
  - Tenants are provided with a Local Authority lease.
  - Local authority receive and collect the differential rent.
  - Conduct annual and periodic rent reviews.
  - Will be contacted if issues arise with the property. (But not responsible for upgrade works or repairs to the property.
  - Local Authorities decide if Housing need exist and will only a Current Tenant Only Lease be offered or will the Local Authority seek a full long term lease.
- Local authority housing officials act often as a point of information for those in mortgage arrears and facing housing difficulties.



**Thank You  
Any Questions?**

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# Home for Life Contacts



**Paul Cunningham**  
Chief Executive Officer

**T:** 086 8243700

**E:** [paul@homeforlife.ie](mailto:paul@homeforlife.ie)

**Stephen Curtis**  
Head of Operations

**T:** 085 7286818

**E:** [Stephen@homeforlife.ie](mailto:Stephen@homeforlife.ie)