



An Bille um Chosaint Sealbhóirí Cuntais Morgáiste Cónaithe, 2014
Protection of Residential Mortgage Account Holders Bill 2014

Mar a tionscnaíodh

As initiated



AN BILLE UM CHOSAINT SEALBHÓIRÍ CUNTAIS MORGÁISTE CÓNAITHE, 2014
PROTECTION OF RESIDENTIAL MORTGAGE ACCOUNT HOLDERS BILL 2014

Mar a tionscnaíodh

As initiated

CONTENTS

Section

1. Interpretation
2. Continued application of codes of practice to residential mortgages after the sale and/or transfer of such mortgages to entities that are not subject to the supervision of the Central Bank
3. Continued right of recourse to the Financial Services Ombudsman after the sale and/or transfer of such mortgages to entities that are not subject to the supervision of the Central Bank
4. Short title and commencement

ACTS REFERRED TO

Central Bank Act 1942 (No. 22)

Central Bank Act 1989 (No. 16)

Central Bank and Financial Services Authority of Ireland Act 2003 (No. 12)



AN BILLE UM CHOSAINT SEALBHÓIRÍ CUNTAIS MORGÁISTE CÓNAITHE, 2014
PROTECTION OF RESIDENTIAL MORTGAGE ACCOUNT HOLDERS BILL 2014

Bill

entitled

An Act to protect residential mortgage account holders whose mortgage loans are owned 5
by financial institutions or entities supervised by the Central Bank of Ireland by
providing that it would be a precondition to the sale or transfer of residential mortgage
loans to persons or entities not supervised by the Central Bank of Ireland that the
persons or entities that acquire the personal mortgage loans agree to be bound by codes
of practice issued by the Central Bank of Ireland. 10

WHEREAS vital assistance was provided by the State to maintain the functioning of
IBRC and other financial institutions to support the financial stability of the State;

AND WHEREAS vital assistance was provided by the Central Bank of Ireland to
maintain the functioning of IBRC and other financial institutions to support the stability
of the Irish financial system; 15

AND WHEREAS it was considered that the maintenance of the functioning of IBRC
was no longer necessary to support the financial stability of the State or the stability of
the Irish financial system;

AND WHEREAS it was considered that the winding up of IBRC was necessary to help
to restore the financial position of the State and to help to enable the State to re-establish 20
normalised access to the international debt markets;

AND WHEREAS it was considered necessary in the public interest to ensure that the
financial support provided by the State to IBRC is, to the extent achievable, recovered
as fully and efficiently as possible;

AND WHEREAS it was considered that the winding up of IBRC was necessary to 25
resolve the debt of IBRC to the Central Bank of Ireland;

AND WHEREAS the special liquidator of IBRC is under instruction to sell IBRC
assets;

AND WHEREAS residential mortgages owned by the IBRC are assets of the IBRC;

AND WHEREAS the Central Bank of Ireland has drawn up codes of practice to be observed by licence holders or persons supervised by it to protect the interests of customers and the general public;

AND WHEREAS the Financial Services Ombudsman protects the interests of customers and the general public; 5

AND WHEREAS the sale or transfer by the special liquidator of IBRC of residential mortgages to entities or persons not subject to the supervision of the Central Bank of Ireland will damage the interests of customers and the general public by removing the protection residential mortgage holders currently enjoy from codes of practice issued by the Central Bank of Ireland and the right of recourse to the Financial Services Ombudsman; 10

AND WHEREAS there is a concern that the same issue could arise in relation to other financial institutions or entities supervised by the Central Bank of Ireland;

AND WHEREAS it is considered necessary to ensure that residential mortgage holders continue to enjoy the protection of codes of practice issued by the Central Bank of Ireland and the right of recourse to the Financial Services Ombudsman. 15

Be it enacted by the Oireachtas as follows:

Interpretation

1. In this Act— 20

“borrower” means all of the parties named on a mortgage loan account;

“Central Bank” means the Central Bank of Ireland;

“code of practice” means a code of practice issued by the Central Bank pursuant to section 117 of the Central Bank Act 1989;

“mortgage holder” means a borrower whose mortgage loan is secured by his or her primary residence; 25

“primary residence” means a property which is—

(a) the residential property which the borrower occupies as his or her primary residence in this State, or

(b) a residential property which is the only residential property in this State owned by the borrower. 30

Continued application of codes of practice to residential mortgages after the sale and/or transfer of such mortgages to entities that are not subject to the supervision of the Central Bank

2. (1) It shall be a precondition to the sale or transfer of residential mortgage loans by financial institutions regulated by the Central Bank to persons or entities that are not subject to the supervision of the Central Bank that such persons or entities shall agree to be bound by such codes of practice that govern residential mortgages that are in force at the time of the sale and/or transfer or are subsequently introduced by the Central Bank. 5
- (2) It shall be a precondition to the sale or transfer of residential mortgage loans by persons or entities who acquire, either by purchase or transfer, residential mortgage loans from financial institutions regulated by the Central Bank to other persons or entities that are not subject to the supervision of the Central Bank that such persons or entities shall agree to be bound by such codes of practice that govern residential mortgages that are in force at the time of the sale and/or transfer or are subsequently introduced by the Central Bank. 10 15

Continued right of recourse to the Financial Services Ombudsman after the sale and/or transfer of such mortgages to entities that are not subject to the supervision of the Central Bank

3. It shall be a precondition to the sale or transfer of residential mortgage loans by financial institutions regulated by the Central Bank to persons or entities that are not subject to the supervision of the Central Bank that such persons or entities shall agree to submit to the jurisdiction of the Financial Services Ombudsman as set out in Part VIIB of the Central Bank Act 1942 (as inserted by section 28 of the Central Bank and Financial Services Authority of Ireland Act 2003) in respect of complaints made about residential mortgages. 20 25

Short title and commencement

4. (1) This Act may be cited as the Protection of Residential Mortgage Account Holders Act 2014.
- (2) This Act shall come into operation on the day of its passing. 30

An Bille um Chosaint Sealbhóirí Cuntais
Morgáiste Cónaithe, 2014

BILLE

(mar a tionscnaíodh)

dá ngairtear

Acht do chosaint sealbhóirí cuntais morgáiste cónaithe a bhfuil a n-iasachtaí morgáiste ar úinéireacht ag forais airgeadais nó ag eintitis airgeadais a ndéanann Banc Ceannais na hÉireann maoirsiú orthu trí shocrú a dhéanamh go mbeadh sé ina réamhchoinníoll le díol nó aistriú iasachtaí morgáiste cónaithe chuig daoine nó eintitis nach ndéanann Banc Ceannais na hÉireann maoirsiú orthu go gcomhaontódh na daoine nó na heintitis a fhaigheann na hiasachtaí morgáiste pearsanta a bheith faoi cheangal ag cóid chleachtais arna n-eisiúint ag Banc Ceannais na hÉireann.

An Teachta Micheál Mac Craith a thug isteach,
19 Feabhra, 2014

Protection of Residential Mortgage Account
Holders Bill 2014

BILL

(as initiated)

entitled

An Act to protect residential mortgage account holders whose mortgage loans are owned by financial institutions or entities supervised by the Central Bank of Ireland by providing that it would be a precondition to the sale or transfer of residential mortgage loans to persons or entities not supervised by the Central Bank of Ireland that the persons or entities that acquire the personal mortgage loans agree to be bound by codes of practice issued by the Central Bank of Ireland.

Introduced by Deputy Michael McGrath,
19th February, 2014

BAILE ÁTHA CLIATH
ARNA FHOILSIÚ AG OIFIG AN tSOLÁTHAIR
Le ceannach díreach ó
FOILSEACHÁIN RIALTAIS,
52 FAICHE STIABHNA, BAILE ÁTHA CLIATH 2.
(Teil: 01 - 6476834 nó 1890 213434; Fax: 01 - 6476843)
no trí aon díoltóir leabhar.

DUBLIN
PUBLISHED BY THE STATIONERY OFFICE
To be purchased from
GOVERNMENT PUBLICATIONS,
52 ST. STEPHEN'S GREEN, DUBLIN 2.
(Tel: 01 - 6476834 or 1890 213434; Fax: 01 - 6476843)
or through any bookseller.

€1.27

ISBN 978-1-4468-0640-1



9 781446 806401