

Chairman and committee members,

Thank you for the invite to address you on the topic of non-bank lenders and vulture funds. I am delighted to be here today with Padraic and Brendan, both of whom have advocated excellently and continue to advocate for consumers.

This is a topic close to my heart for all the wrong reasons. The IMHO has assisted approx. 20,000 borrowers in arrears over the past eight years with a total debt of circa €4.5 billion.

Many of us here today warned about the predatory nature of non-bank lenders and the vultures' behaviour. Some seemed deluded that they were charitable like organisations; indeed, some did set up a charity for different purposes. Some commentators and politicians were briefed by the Department of Finance and indeed The Central Bank that vultures were good for the economy and were nice people and would look after consumers. Indeed, we were told that consumer protections would follow the customer when a loan was sold to a vulture.

The Central Bank has a key role in protecting consumers and they have failed miserably. Yes, good work was done with the tracker scandal but despite thousands of families being affected and money taken, no one was charged, and no one lost their job, while many lost their homes and had a negative impact on their lives. The Central Bank is conflicted in protecting banks and vultures and is too caught up in their regulation to be independent in trying to protect consumers.

We as consumers transact billions and have borrowed billions and our regulatory saviour is the same as the lenders regulator from whom we have borrowed. Why in God's name would anything change!!

Vultures have and continue to torture those in mortgage arrears, many have been engaging with or should I say trying to engage with vultures to try and come to some resolution with their mortgage arrears. Vultures and non-bank lenders are despicable and are also disorganized and blame The Central Bank for bureaucracy. We were told lies that consumer protections carried from a main street bank to a vulture. This is not the case, and a massive disservice has been done to many as this false narrative was developed. Now we can see the truth.

There are just over 23,000 customers in long term mortgage arrears, and many are with vultures and non-bank lenders. The lenders including banks have told The Central Bank that they believe up to 16,000 homes will be repossessed or will have to voluntarily surrender (silent repossession). Unless these customers are getting a free house there is trouble ahead.

Vultures used a commercial third-party company to maximise its return even if not best for customers under the mortgage to rent program. Now 490 households are in limbo as the Department of Housing seems now to have concerns and seems to be seeking a new vulture.

The bastion of consumer protection, The Central Banks reply has been to get more staff to deal with the arrears.

People in mortgage areas who are vultures' customers, or should I more correctly say mortgage prisoners are not protected in the same way they were with banks. Those with mortgage restructures have had interest rates increases, pushing them further to the edge, those seeking mortgage arrears solutions are in difficulty as the rates push up any agreed repayments, vultures don't all provide the same solutions that the bank used to offer. Some vultures, its true to say have begun to think creatively. A sceptic might say they know many can't pay over 6% in interest.

Take consumer protection out of The Central Bank and legislate to protect customers. Those in mortgage arrears were stigmatised as sinners having borrowed too much and then they could not pay having lost their jobs or business, many are scared from being in debt.

This is not only about people in mortgage arrears. This is also not only about non-bank lenders and vultures gouging customers financially. Their slow levels of engagement with third parties and their lack of reality on doing deals also causes harm. I am saying this with first-hand experience and not anecdotally.

The Irish Mortgage Holders Organisation is now seeing significant numbers of people who are working and struggling and pre-empting going into arrears. Many of these are people who used to be with a bank and now are with vultures. They did not deserve this and are now under pressure. They deserved having the rates applied to their mortgage from the bank whom they originally took out their mortgage from.

When we were able to put €64 billion into banks, 298 pages of legislation into protecting consumers should not be too difficult if there is a willingness. The Central Bank has prioritised the economy, banks, and vultures and not consumers so giving them any powers is a waste of time. Given the significant borrowings we as consumers have an independent financial consumer office with full powers is required.

Thank You

David Hall

Co-Founder Irish Mortgage Holders Organisation