

(Supplementary Order Paper)

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DÁIL ÉIREANN

Dé Máirt, 17 Bealtaine, 2016
Tuesday, 17th May, 2016

2.30 p.m.

I dTOSACH GNÓ PHOIBLÍ
AT THE COMMENCEMENT OF PUBLIC BUSINESS

Billí a thionscnamh : Initiation of Bills

Tíolactha:
Presented:

- 3** Bille an Bhainc Ceannais (Morgáistí Ráta Athraithigh), 2016 — Ordú don Dara Céim.
Central Bank (Variable Rate Mortgages) Bill 2016 — Order for Second Stage

Bille dá ngairtear Acht do dhéanamh socrú maidir le bearta chun aghaidh a thabhairt ar mhainneachtana margaidh sa mhargadh d'iasachtaí morgáiste ar phríomhthithe cóinthe, agus do dhéanamh socrú i dtaobh nithe gaolmhara.

Bill entitled an Act to provide for measures to address market failures in the market for principal dwelling house mortgage loans, and to provide for related matters.

—Michael McGrath.

Leasú ar an Tairiscint don Dara Léamh:
Amendment to Motion for Second Reading:

1. To delete all words after “That” and substitute the following:

“the Bill be read a second time this day six months to allow for scrutiny by an appropriate Select Committee to examine and address the following issues:

- a) There are major constitutional issues which fall to be considered in relation to interference in vested property rights, the retrospective application of the proposals and the absence of an appeal mechanism.
- b) Under the EU Treaties there is an obligation to seek an advisory opinion from the European Central Bank where domestic legislation is proposed which affects the workings of the Central Bank. This has not taken place. A failure to consult the European Central Bank is an infringement of Decision 98/415/EC and could lead to infringement proceedings against Ireland.
- c) The Central Bank has not sought the proposed powers to regulate variable rate mortgages. The Central Bank is independent and the Bill provides only that it

“may” issue directions in respect of interest rates. The Central Bank cannot be required to exercise the proposed powers. The Bill requires the Central Bank to assess whether market failure exists in the Principal Dwelling House mortgage market but assessment of competition issues comes within the remit of the Competition and Consumer Protection Commission.

- d) Competition and the provision of choice for consumers is the best way to achieve a sustainable long term solution to the issue of high mortgage repayments and the proposed Bill is likely to restrict or limit competition in the mortgage market. Following meetings with the banks last year and ongoing pressure, the banks have made a number of reductions to their mortgage offers and some welcome competition is coming into the market.
- e) Regulation of interest rates in the manner proposed in the Bill could have unintended consequences on the availability and cost of credit which would lead to consumer detriment in the longer term.

—*An tAire Airgeadais.*
