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Opening Statement by Colm Kincaid, Deputy Governor of Central Bank of Ireland at the Joint Oireachtas Committee on Finance, Public Expenditure, Public Service Reform and Digitalisation, and Taoiseach

18 March 2026 Speech



Role of Non-Bank Entities in the Irish Housing Market regarding residential mortgages

Go raibh maith agat a Chathaoirligh agus gabhaim buíochas leis an gcoiste as ucht an cuireadh a bheith anseo inniú. I am joined by my colleagues Domhnall Cullinan, Director of Banking and Payments, and Aisling Menton, Head of Retail Credit and we welcome the opportunity to continue this important discussion on the role of non-bank entities in the Irish mortgage market.

As outlined in updated figures we published last week and have shared with the Committee the Irish (PDH) residential mortgage market comprises 698,445 loan accounts provided by a range of competing firms¹ – banks (85.1%), non-bank lenders (5.3%) and firms who service existing mortgages but do not themselves lend, who I will call 'non-lending firms' (9.6%).²

Each of these firms, and firm types, bring particular features and options to our market. A key difference between banks and non-bank lenders is that whereas banks have access to deposits to fund lending, non-banks tend to access their funding in wholesale markets. This can make non-bank lenders more agile in their pricing options at certain times in the cycle but also more sensitive than banks to swings in wholesale funding rates. Accordingly, bank and non-bank lenders can (at any point in the cycle) bring different competing mortgage options to the market.

Non-lending firms provide specialist services with respect to existing loans, typically (though not exclusively) mortgages in arrears. Consistent with their focus on arrears, non-lending firms tend to have the widest suite of Alternative Repayment Arrangements for mortgages in arrears and specialist expertise in handling and resolving arrears.

All of this lending and servicing activity is subject to Irish financial consumer protection legislation, supervision by Central Bank of Ireland and consumer access to the Financial Services and Pensions Ombudsman (FSPO). A key aspect of the Irish framework (which is not the case in all other jurisdictions) is that these regulatory protections apply to the mortgage regardless of who owns the loan over its term.

Since the global financial crisis, Irish financial consumer legislation has been significantly enhanced, including in the area of mortgage affordability and arrears.

1. Affordability

The Central Bank introduced loan-to-value and loan-to-income limits through our 2015 Mortgage Measures and our Consumer Protection Code 2012 required firms to stress test an individual application to a 2% interest rate increase. These measures aim to ensure that borrowers can afford their mortgage over its term, including in the face of interest rate increases. We have seen the benefit of these measures borne out in the resilience of loans granted since the implementation of the Central Bank's 2015 Mortgage Measures.

2. Supports for borrowers in or facing arrears

Compared to the immediate period of the financial crisis, the State has introduced a modernised personal insolvency framework overseen by the Insolvency Service of Ireland, a range of supports for households including Abhaile and Mortgage-to-rent, complementing the important support provided by the Money Advice and Budgeting Service (MABS).

The Central Bank, for its part, introduced the Code of Conduct on Mortgage Arrears in 2009 which was significantly enhanced in 2013. The Code regulates the specific engagement between the lender and the borrower to achieve an agreed solution. Crucially, it placed a requirement on the lender to engage with the borrower through a prescribed Mortgage Arrears Resolution Process (MARP) to find an agreed solution where possible, before that lender could move to seek repossession.

These measures on affordability and arrears were necessary, with principal dwelling house mortgage accounts in arrears over 90 days peaking in September 2013 at 98,736 accounts. As of December 2025, on foot of the measures I have described, that figure is down to 21,833 (including a reduction of 5,067 in 2025).

3. Continuing to enhance our framework

Notwithstanding this progress, work remains to be done to keep our framework up to date and enhance it in certain respects. The Central Bank supports and participates in the coordination of this work at the Interdepartmental Mortgage Arrears Forum including the implementation of the recommendations of the September 2024 Report issued by the previous iteration of the group.³

For the Central Bank's part specifically:

1. We have intervened with the firms we regulate to require them to expand their range of Alternative Repayment Arrangements, to improve their systems for anticipating early arrears, and to engage with borrowers in long term mortgage arrears to ensure there is a clear plan not just for the borrower to meet a monthly repayment but for the full sum of the mortgage to be repaid at the end of its term.
2. When wholesale interest rates increased, we reviewed the rate setting practices of firms to ensure they are in line with contractual terms and conditions and underlying funding arrangements, consistent with the firms' Variable Rate Policy Statement required under our Code and relevant market rates.⁴
3. We have required firms, including non-lending firms, to provide redress to consumers where they charged interest incorrectly or miscalculated mortgage balances.
4. Where necessary, we have required non-lending firms to set targets for the reduction of long-term mortgage arrears, which they have been consistently meeting or exceeding.
5. We have reviewed the practices of banks and non-bank lending firms to make sure they are not discriminating in their lending decisions against borrowers with non-lending firms, including leading to the welcome initiative of the BPFi to bring greater transparency on the criteria lenders apply for mortgage switching.⁵
6. We have intervened in cases where firms' customer service fell short of what we expect; and improvements in customer service continues to be an area of supervisory focus for us. This includes file reviews, on-site inspections, engagements with CEOs and boards, observing at Court proceedings, listening to phone calls between firms and their customers, and considering the information provided to us by consumers, their advocates and our wider stakeholder networks.
7. We opened our approach to consumer protection to independent external scrutiny by the OECD, with the Central Bank of Ireland becoming the first regulator in the world to be reviewed by the OECD against the G20/OECD High Level Principles on Financial Consumer Protection, the report on which was published in December 2024.⁶
8. Most recently, we enhanced our Consumer Protection Code to incorporate the Code of Conduct on Mortgage Arrears, to put it into the form of statutory regulations and modernise its features, with effect from 24 March. The revised Code strengthens protections for mortgage holders including:

1. A requirement for firms to provide additional information to borrowers about the reasons why the firm is (or is not) offering the consumer an Alternative Repayment Arrangement (ARAs), to provide greater transparency for borrowers in their engagements with firms
2. A requirement for the provision of information on the sale of property post repossession, to increase the transparency about the sale and the calculation of any remaining liability or residual debt
3. The introduction of a 12-month validity period for a completed Standard Financial Statement, to ease the burden on the consumer having to update their information
4. The inclusion of the borrower's future repayment capacity as well as their current repayment capacity as a consideration when assessing potential ARAs, to enable a wider suite of ARAs to be considered for the lifetime of the loan
5. The allowance of an unsolicited visit once every six months under specific circumstances
6. A requirement to provide additional information on the implications of a personal insolvency arrangement for a borrower on his/her mortgage loan account.

The Central Bank is engaged with the firms we regulate to ensure these reforms are implemented and that firms are proactive in seeking to reach agreed solutions. This will continue to be an area of supervisory focus for us, while recognising the importance of also having mechanisms for a fair and just outcome where an agreed solution cannot be found (be that through personal insolvency or other Court proceedings).

Conclusion

Having a range of different providers in the mortgage market provides competition and a wider range of options for consumers, to the long-term benefit of our society. Crucial to realising those benefits is that all providers are subject to the same regulatory requirements, that those requirements are properly supervised and that borrowers themselves have avenues to bring complaints to an independent ombudsman and to have debts they cannot pay resolved by an independent party in a fair manner. I believe all these features exist in our framework in Ireland, while recognising that each can be improved and that, for the Central Bank's part, we must remain vigilant to ensure that the firms we regulate adhere to the regulations we are charged with overseeing.

I thank the Committee Members for your attention. I and my colleagues are happy to address your questions.

[1] Residential Mortgage Arrears & Repossessions Statistics – Q4 2025 (PDF 701.76KB).

[2] Residential Mortgage Arrears & Repossessions Statistics – Q4 2025 (PDF 701.76KB) and Retail Interest Rates – December 2025 (PDF 738.48KB).

[3] Mortgage Arrears Forum.

[4] Letter from Governor to Minister for Finance in relation to mortgage interest rates, dated 6 June 2023 (PDF 3.08MB).

[5] BPFII Switching Information.

[6] The OECD Report observes that, “The Central Bank is a mature and sophisticated oversight body and has appropriate policies and practices in place to effectively monitor financial markets, identify risks to consumers and improve outcomes for consumers”.