

Speech by Tara Cheevers, PIP and Secretary to APIP, at the official launch of 'Abhaile' in Pearse Street Library, Dublin 2 on 3rd October 2016

Good afternoon,

My name is Tara Cheevers. I am Personal Insolvency Practitioner / PIP based in Trim Co. Meath. I am also the secretary of APIP which is the Association of Personal Insolvency Practitioners. I am one of a network of professional advisors based throughout the country and regulated by the Insolvency Service of Ireland to assist those individuals who are experiencing debt problems.

Firstly, I would like to thank the Tánaiste, Minister Fitzgerald and Minister Varadker for officially launching 'Abhaile', the Mortgage Arrears Resolution Service and for the opportunity to participate in this important launch today.

The purpose of the Service is to help people in serious arrears to find the best available solutions, with the help of professionals like PIPs who have the expert knowledge of mortgages, insolvency, bankruptcy and/or repossession. The priority will always be to find a sustainable solution that will keep a person in their home, where possible.

The journey in providing help to debtors has been an evolving process with a number of important developments over the past 18 months making the Insolvency Service of Ireland's debt solutions more assessable to those with unmanageable debt. Many people did not engage in the process due to various barriers such as incorrect information, fees and the cost of the process.

The improvements include the increase in threshold for the Debt Relief Notice from €20,000 to €35,000; the waiver of all ISI application fees; the removal of the so called "bank veto" and the reduction of the normal duration of bankruptcy to one year. The new Service 'Abhaile' launched today is the final piece in the jigsaw – we now have all of the supports and solutions to assist those experiencing debt problems in particular those people at risk of losing their home. The final barrier has been removed and distressed debtors can now access all of those supports and solutions they need.

While 'Abhaile' is being launched officially today, it has in fact been operational now since the end of July and I understand that over 1,000 people have already received help through this scheme. That is 1,000 families who were at risk of losing their homes. Indeed I myself have seen a considerable increase in the level of interaction with my office in the short few weeks the 'Abhaile' has been operational.

In my capacity as a PIP, I see firsthand, the effects that problem debt can have on a person in terms of both their physical and mental wellbeing.

I know from my clients that when you are in debt it is hard to focus on anything else. The stress and anxiety that debt causes can take a huge toll on a person and it can be difficult to see a way out or to ask for help. When a person is in debt and faced with the prospect of losing their home, the stress can be so overwhelming.

My role as a PIP is to remove some layers of that stress by tackling the problem debt, identifying the solution that fits in with the person's needs and negotiating with their lenders to come up with an arrangement that will return that person to solvency within a prescribed period of time, in a transparent, fair, and equitable manner.

In my capacity as an Accountant, a box of tissues was not something I had on my desk; however as a PIP this is now an essential item on my desk. I have experienced the raw emotions of people first hand as they confide in me and sometimes breakdown while explaining their situation. I have however also experienced the tears of joy that comes with telling them we have a successful arrangement in place, their home is safe and they are on the road to solvency.

The powers given to me, and all other PIPs, under the Personal Insolvency Legislation allows me to find a holistic solution for the borrower ensuring they maintain a reasonable standard of living; many people who come through my doors have been living well below this level and are given a better quality of life.

Typically I will restructure the mortgage to a sustainable level. This can be achieved through various options such as a term extension, an interest rate reduction, partial warehousing or writing off any remaining unsustainable mortgage debt. I then look at all remaining debt such as credit card debt or personal loans. A small dividend may be paid through a lump

sum or over a period of time before writing off any remaining amounts. The end position is always a return to solvency for the borrower and, in the majority of cases, the family home is saved.

The powers given to me under the Personal Insolvency legislation goes further than in any other Common Law jurisdiction that I am aware of. There has been a lot of 'noise' in the past that may have led to a lower than expected uptake of the new personal insolvency solutions. Hopefully as a result of today's launch and the other developments over recent times, more and more people will avail of the solutions that are now available.

The message today for anyone in mortgage or debt distress is simple – take control by asking for assistance from the wide network of support professionals now available.

Find out what your options are – contact a MABS office or one of the PIPs like myself, participating in the Scheme, and you will get the expert advice you need and ultimately a solution that returns you to solvency.