



**ISI Statistics**  
**Quarter 1 2017**



**ISI**  
**Tackling problem debt together**

# Insolvency Service of Ireland

## Quarter 1 2017

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***THE DEBT RELIEF NOTICE (DRN) PROVIDES FOR THE WRITE-OFF OF QUALIFYING DEBT UP TO €35,000 SUBJECT TO A 3-YEAR SUPERVISION PERIOD.***

***THE DEBT SETTLEMENT ARRANGEMENT (DSA) PROVIDES FOR THE AGREED SETTLEMENT OF UNSECURED DEBT WITH NO LIMITS INVOLVED OVER A PERIOD OF UP TO 5 YEARS.***

***THE PERSONAL INSOLVENCY ARRANGEMENT (PIA) PROVIDES FOR THE RESTRUCTURING OR SETTLEMENT OF SECURED DEBT UP TO €3M AND THE SETTLEMENT OF UNSECURED DEBT OVER A PERIOD OF UP TO 6 YEARS.***

***IN THE CASE OF A DSA OR PIA, AFTER A PROTECTIVE CERTIFICATE ISSUES, PERSONAL INSOLVENCY PRACTITIONERS (PIPS) WILL HAVE 70 DAYS IN WHICH TO DEVELOP AN ARRANGEMENT.***

# 1 Foreword

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I am pleased to publish the statistical report of the Insolvency Service of Ireland (ISI) covering the first quarter of 2017 (Q1).

This quarter saw continued growth in new applications thanks largely to Abhaile, the Government's Free Mortgage Arrears Support, which includes free Personal Insolvency Practitioner consultations for insolvent debtors.

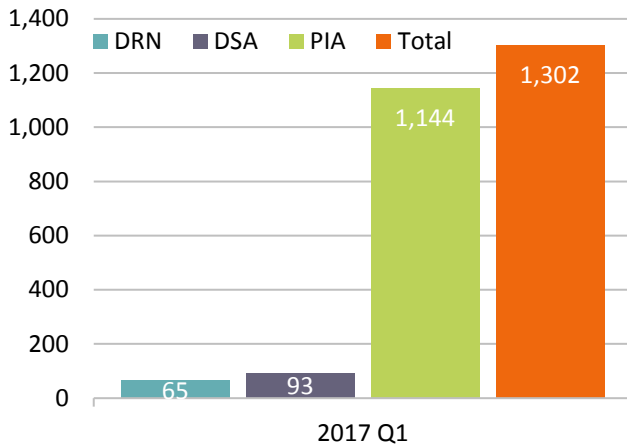
While the number of Personal Insolvency Arrangements (the solution for insolvent debtors in mortgage arrears which is designed to keep them in their home) continues to rise, there has been a fall in Debt Relief Notices (the solution for insolvent debtors with little income or assets). The ISI is liaising with MABS who advise clients in relation to Debt Relief Notices in order to address any underlying issues.

Lorcan O'Connor  
Director  
May 2017

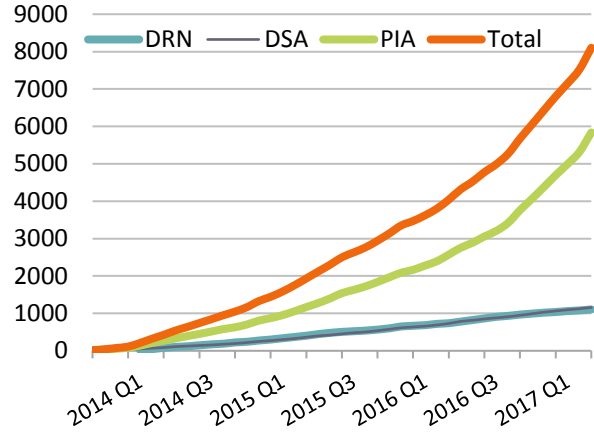
*These statistics are for information purposes only. No person should place reliance on the accuracy of the statistics, nor should they act solely based on them. The statistics are primarily based upon cases created by duly authorised Approved Intermediaries and Personal Insolvency Practitioners on the ISI Case Management System, the official registers of Approved Intermediaries and Personal Insolvency Practitioners and the statement of affairs submitted by those seeking to be declared bankrupt. Figures cover the period 01 January 2017 to 31 March 2017, unless otherwise stated.*

## 2 Case Management – DRN, DSA, PIA

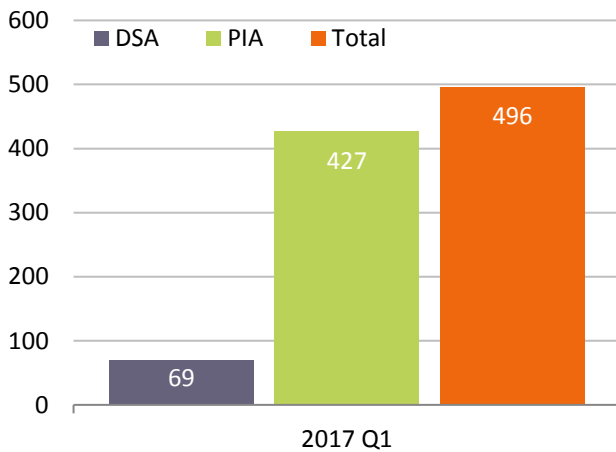
**1,302 new applications in Q1**



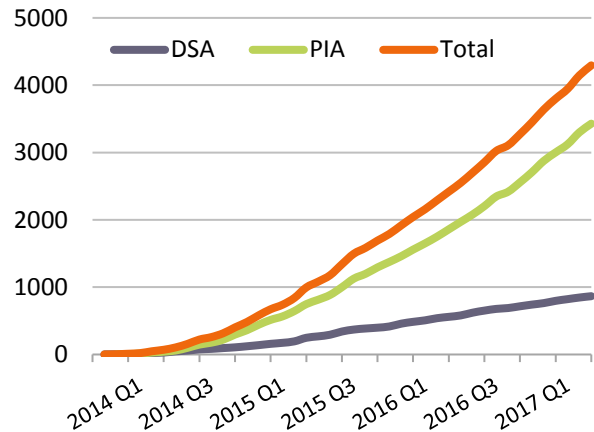
**8,102 applications since launch**



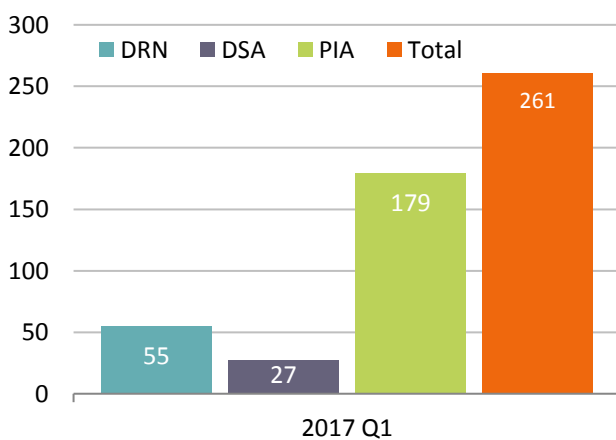
**496 Protective Certificates in Q1**



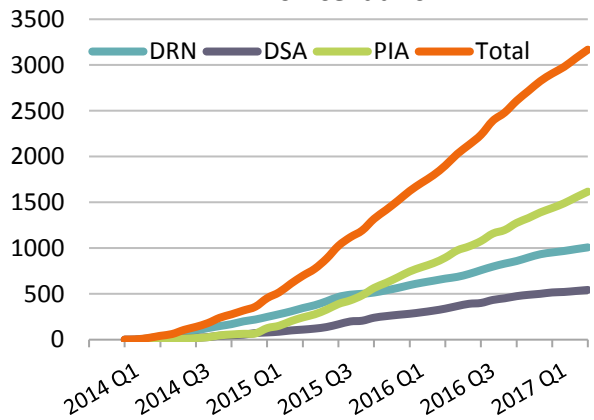
**4,295 Protective Certificates since launch**



**261 Arrangements in Q1**



**3,168 Arrangements since launch<sup>1</sup>**



<sup>1</sup> Beginning with Q1 2017 the Arrangement figures now represent arrangements approved at court rather than arrangements approved at creditors' meeting. All quarters have been updated retroactively to reflect this.

### 3 Creditor Acceptance/Rejection

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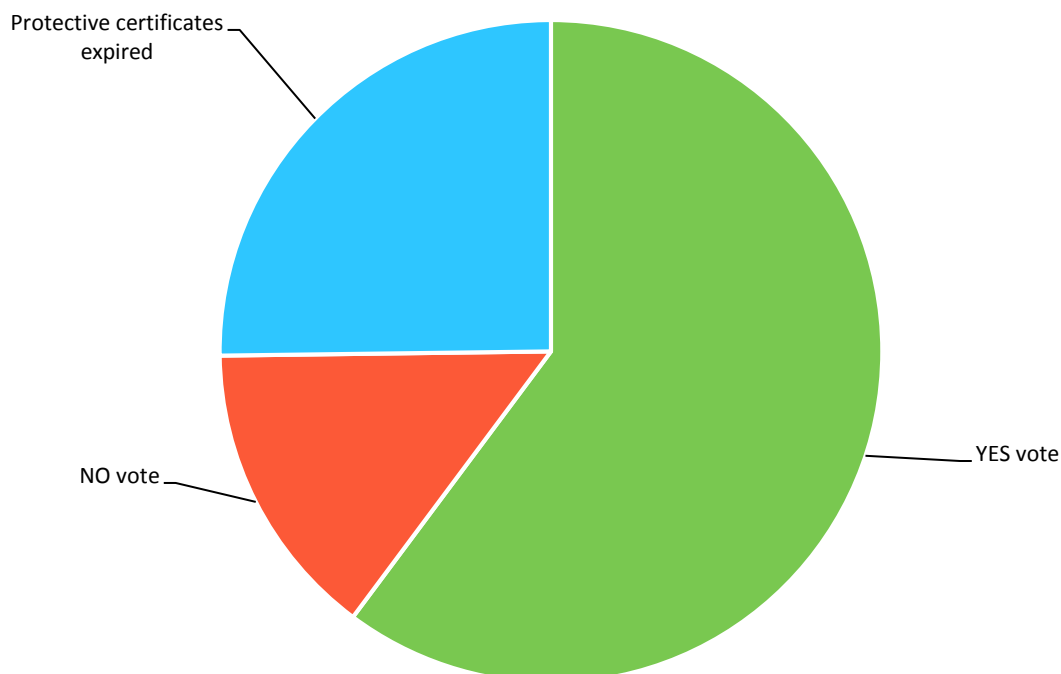
The ISI has undertaken an analysis of protective certificates issued and the extent to which they have led to a solution that has returned insolvent debtors to solvency. Once a protective certificate has issued, one of the following outcomes is possible:

- PIP successfully uses the protective certificate period of 70 days to reach agreement between the debtor and his or her creditors. This is ultimately reflected in a 'YES' vote at a creditors' meeting
- PIP is unsuccessful in reaching an agreement between the debtor and his or her creditors. The PIP subsequently applies for a court review on the debtor's behalf; if the review is successful an arrangement is put in place by the Court
- PIP is unsuccessful in reaching an agreement between the debtor and his or her creditors. This is ultimately reflected in a 'NO' vote at a creditors' meeting or, if the PIP is of the view that a 'NO' vote is inevitable, the PIP may not proceed with a creditors' meeting

Creditor acceptance analysis was previously compiled from information notified to the ISI by PIPs for cases where there was a Yes vote at a creditors' meeting, where an alternative solution was implemented or where the PIP was unsuccessful in reaching creditor agreement either at or before a creditors' meeting. Due to new functionality in the ISI Case Management System, the ISI can now provide this analysis based upon an interrogation of the information contained within the Protective Certificate, DSA and PIA registers. This new approach has been adopted for Q1 2017 and will also be used in future reports. This new approach does not capture cases where an alternative solution was implemented. Please note that direct comparison with previous quarterly reports is invalid since the data was reported using a different methodology.

Subject to meeting a number of criteria, a Court may impose a rejected PIA proposal on creditors. The ISI will publish data pertaining to the new review process in its Annual Reports. The ISI's Annual Report for 2016 will be published shortly.

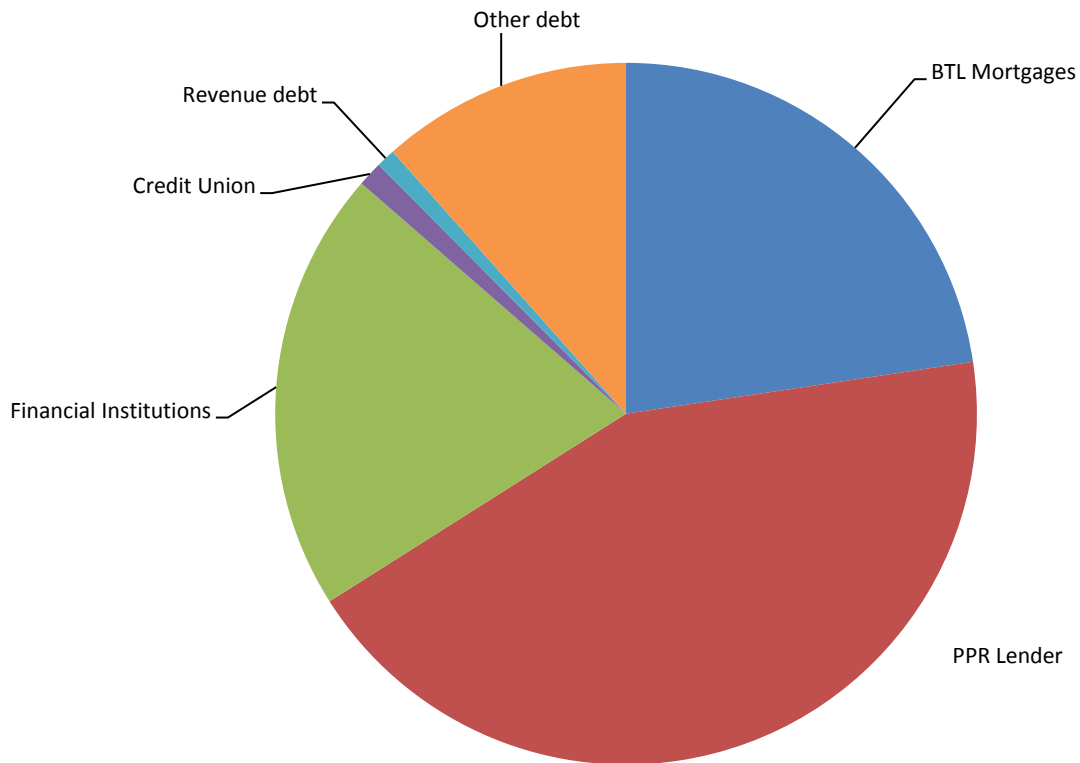
## Creditor Acceptance/Rejection (from 2013 Q4 to 2017 Q1)



	Outcome	DSA	PIA	Total
<b>YES</b>	YES vote	70.3%	57.5%	60.2%
	<b>Successful outcome</b>	<b>70.3%</b>	<b>57.5%</b>	<b>60.2%</b>
<b>NO</b>	NO vote	7.0%	16.6%	14.6%
	Protective certificates expired	22.8%	25.9%	25.2%
	<b>Unsuccessful</b>	<b>29.7%</b>	<b>42.5%</b>	<b>39.8%</b>

## 4 Qualifying Debt – DRN, DSA, PIA

### €610 Million Qualifying Debt



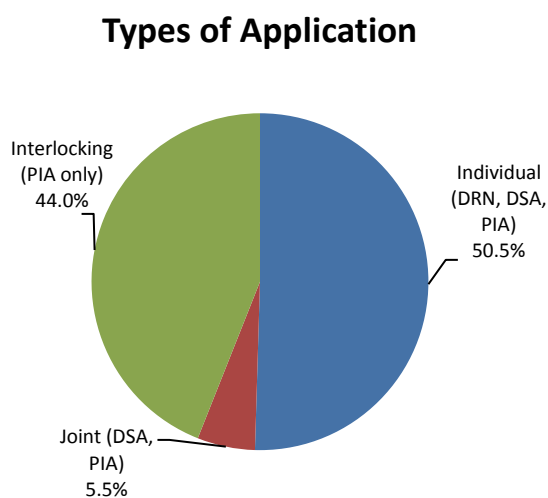
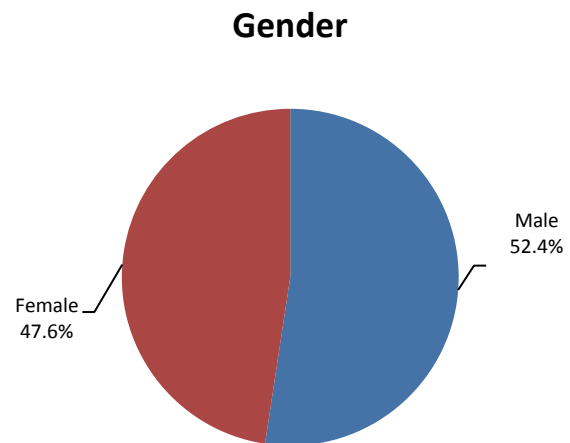
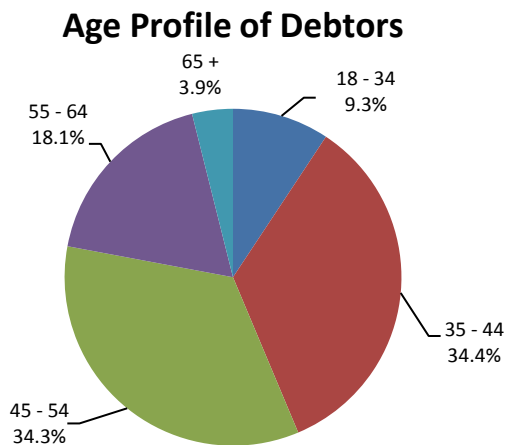
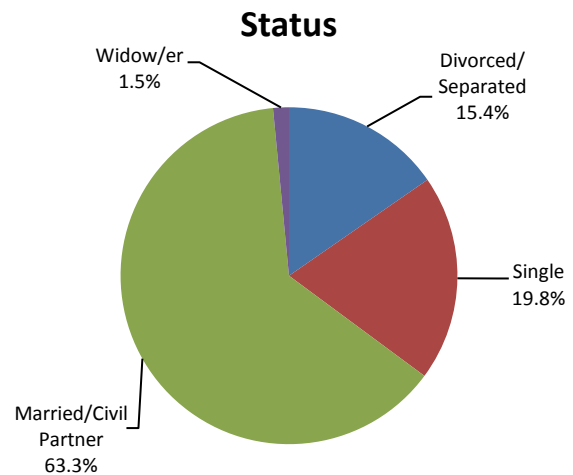
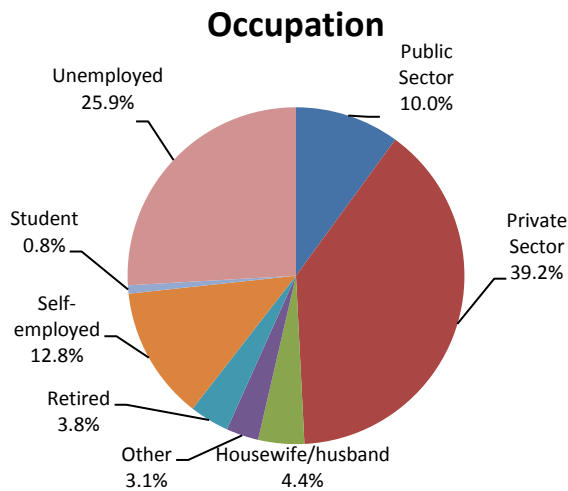
*\*Other debt includes trade creditors, connected creditors, contingent debt, hire purchase, personal guarantees, utilities, store cards/catalogues and professional fees.*

The total debt involved in the 1,302 new cases created in Q1 is approximately €610 million. You can find a breakdown of the type of debt in the chart above and the table below.

Type of debt	Value of debt (millions)	As a % of total
BTL Mortgages	€ 138.178	22.6%
PPR Lender	€ 264.870	43.4%
Financial Institutions	€ 124.409	20.4%
Credit Union	€ 7.017	1.1%
Revenue debt	€ 5.320	0.9%
Other debt	€ 70.698	11.6%
<b>Total Q1 debt</b>	<b>€ 610.492</b>	<b>100.0%</b>



## 5 Applicant Profile – DRN, DSA, PIA (from 2013 Q4 to 2017 Q1)



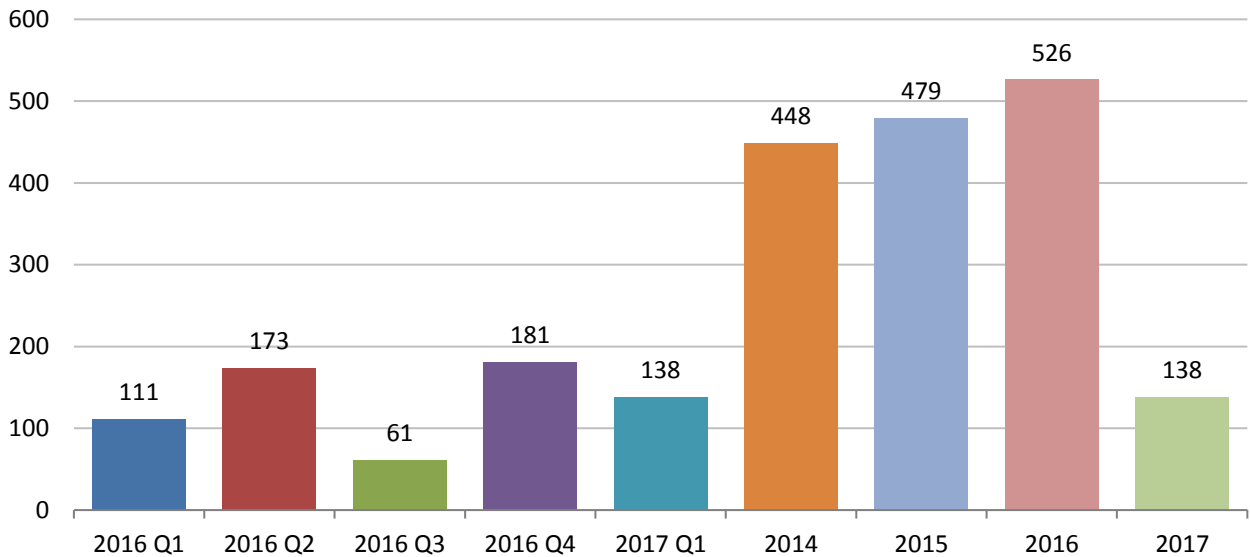
An individual application is an application by a sole debtor.

Where there are two (or more) debtors who are jointly liable for **all** of the debts to be included in a DSA or a PIA, a joint application is appropriate.

An interlocking application would be appropriate where two (or more) PIAs are to be administered in common - usually because of the financial relationship of the debtors involved. Examples would be a couple or business partners, where they are jointly liable for some - but not all - of the debts to be included in the PIA.

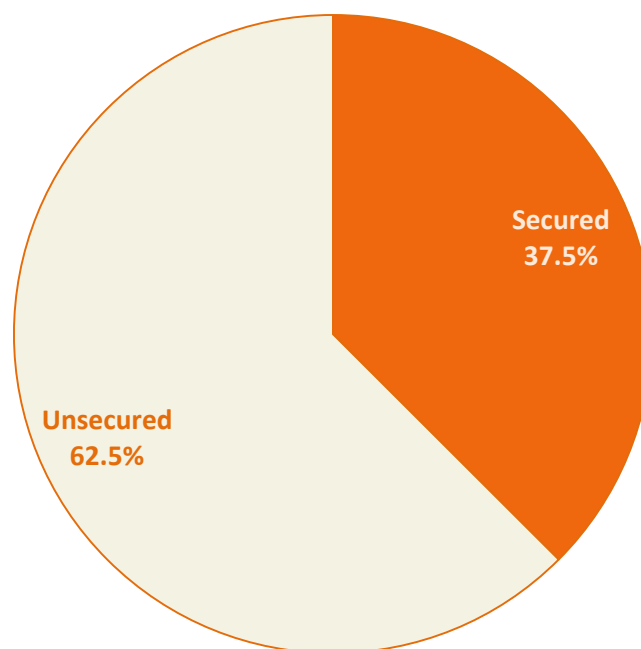
## 6 Bankruptcy

### Bankruptcy Adjudications



The one year bankruptcy term was introduced on the 29<sup>th</sup> January 2016.

### €194 Million Bankruptcy Debt in Q1



The total debt involved in bankruptcy adjudications for Q1 is approximately €194 million. This comprises 37.5% secured debt and 62.5% unsecured debt. In the case of secured debt, it is likely that current market values of securities are significantly below debt levels.

## 7 Appendix

### 7.1 Table: Case Management

Case Management Quarterly Statistics											
Period	New Applications <sup>1</sup>				Protective Certificates			Arrangements Approved <sup>2</sup>			
	Total	DRN	DSA	PIA	Total	DSA	PIA	Total	DRN	DSA	PIA
2017 Q1	1,302	65	93	1,144	496	69	427	261	55	27	179
2016 Q4	1,125	74	116	935	526	81	445	298	94	41	163
2016 Q3	899	98	98	703	417	64	353	372	100	74	198
2016 Q2	735	129	121	485	438	93	345	335	92	62	181
2016 Q1	570	70	93	407	375	74	301	278	71	56	151
2015	2,028	372	365	1,291	1,371	327	1,044	1,170	347	204	619
2014	1,331	297	243	791	661	153	508	453	249	78	126
2013	112	0	29	83	11	5	6	1	0	1	0
Total	8,102	1,105	1,158	5,839	4,295	866	3,429	3,168	1,008	543	1,617
Percentage change, 2017 Q1 compared with:											
2016 Q4	16%	-12%	-20%	22%	-6%	-15%	-4%	-12%	-41%	-34%	10%
2016 Q1	128%	-7%	0%	181%	32%	-7%	42%	-6%	-23%	-52%	19%

<sup>1</sup> New Applications adjusted for subsequently withdrawn cases

<sup>2</sup> 'Arrangements Approved' represent those cases approved by court. The figures for previous quarters have been updated to represent the cases which have been approved at court only

### 7.2 Table: Bankruptcy

Period	Bankruptcy Adjudications
2017 Q1	138
2016	526
2015	479
2014	448
Percentage change, 2017 Q1 compared with:	
2016 Q4	-23.8%
2016 Q1	24.3%

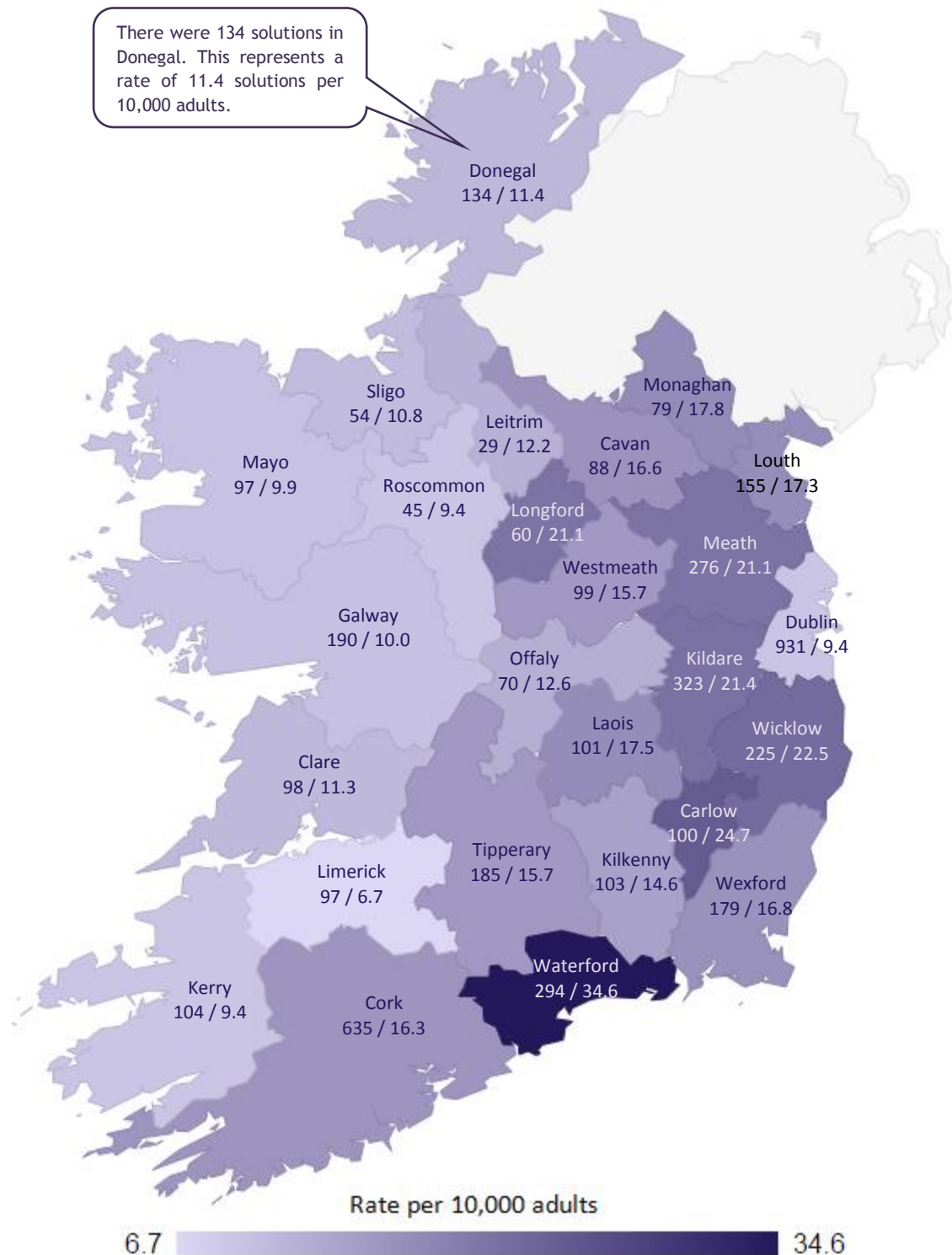
### 7.3 Table: Regulation

Personal Insolvency Practitioners (PIP)	110
Approved Intermediaries (AI)	53
Responsible Person (RP)	142
<b>Total regulated persons available to help debtors</b>	<b>252</b>

52 MABS companies and the Irish Mortgage Holders Organisation (IMHO) have been authorised as Approved Intermediaries. There are 142 Responsible Persons linked to these 53 authorisations.

## 7.4 Geochart: Debt Solutions from 2014 Q1 to 2017 Q1

The geochart below shows the number of DRNs, DSAs, PIAs and bankruptcies approved from 2014 Q1 to 2017 Q1, together with the rate per 10,000 adults<sup>2 3</sup>.

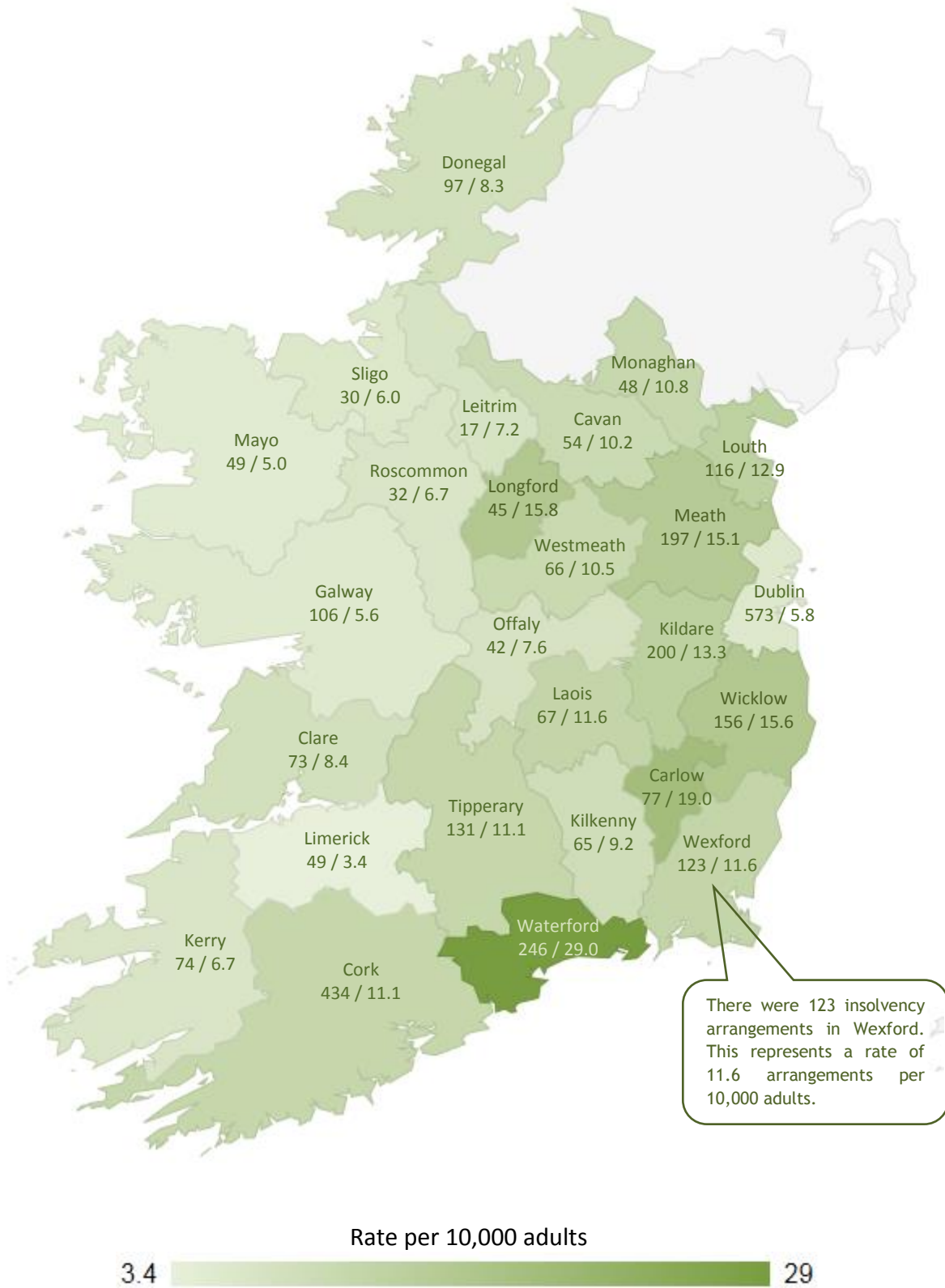


<sup>2</sup> Population data taken from the CSO's *Population by Single Year of Age, Sex, Province County or City and Census Year*. Available on the CSO's website at <http://www.cso.ie/px/pxeirestat/Statire/SelectVarVal/Define.asp?maintable=CD207&PLanguage=0>.

<sup>3</sup> There have been seven bankruptcies where the debtors have been residing outside of the state at the time of adjudication.

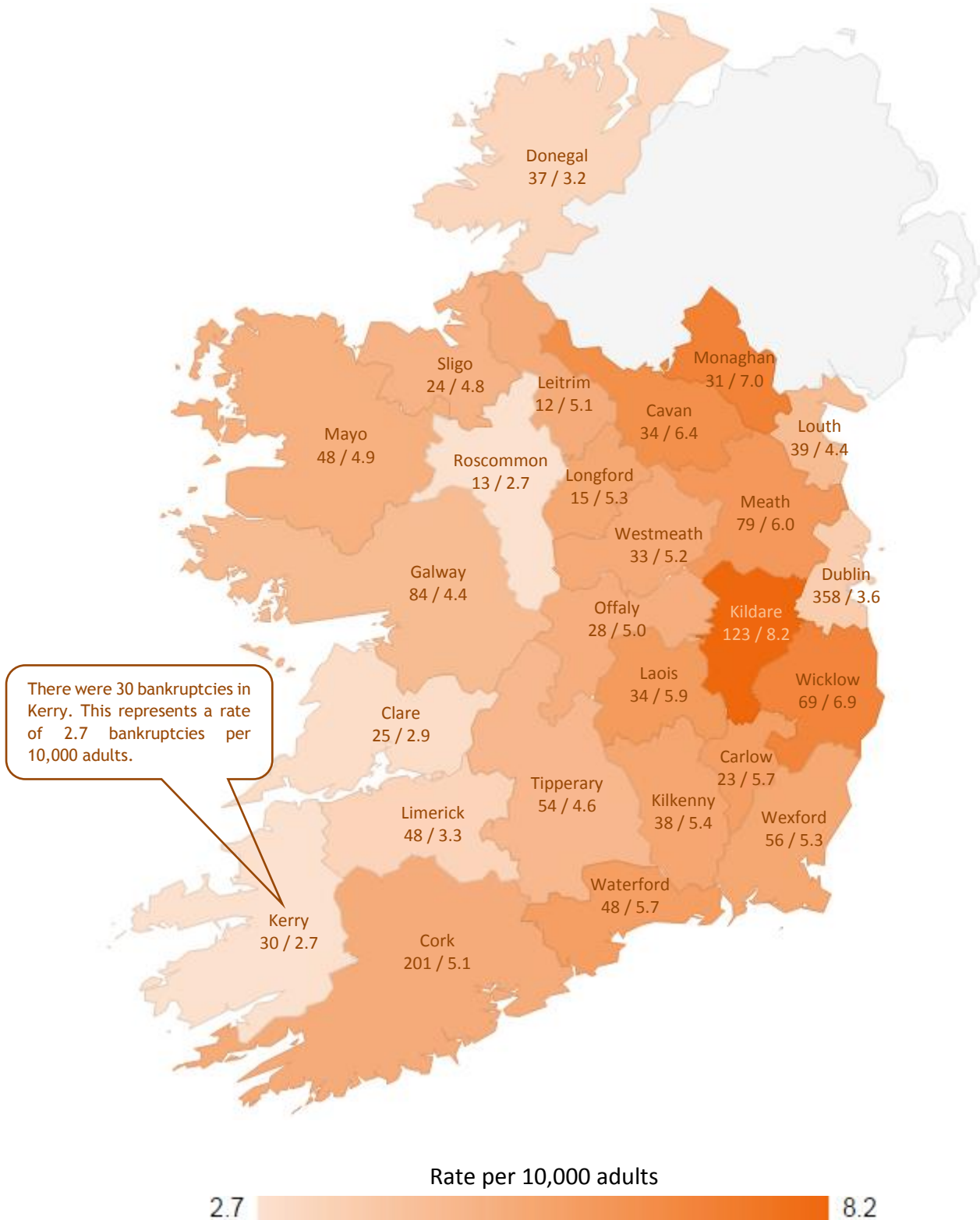
### 7.5 Geochart: DRN, DSA, and PIA Arrangements from 2014 Q1 to 2017 Q1

The geochart below shows the number of DRN, DSA and PIA arrangements approved by Court from 2014 Q1 to 2017 Q1, together with the rate per 10,000 adults.



## 7.6 Geochart: Bankruptcy Adjudications from 2014 Q1 to 2017 Q1

The geochart below shows the number of bankruptcy adjudications from 2014 Q1 to 2017 Q1, together with the rate per 10,000 adults<sup>4</sup>.



<sup>4</sup> There have been seven bankruptcies where the debtors have been residing outside of the state at the time of adjudication.