



ISI Statistics
Quarter 3 2017



ISI
Tackling problem debt together

Insolvency Service of Ireland

Quarter 3 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

I am pleased to publish the statistical report of the Insolvency Service of Ireland (ISI) covering the third quarter of 2017 (Q3).

The high level of new applications has been maintained largely due to Abhaile, the Government's free mortgage arrears support scheme, which includes free Personal Insolvency Practitioner consultations for insolvent debtors.

The number of Protective Certificates - a lead indicator of debtors who will, over time, enter into an Arrangement - also continues to rise.

The number of Arrangements has declined. This is largely reflective of the 433 cases currently subject to a Section 115a court review.

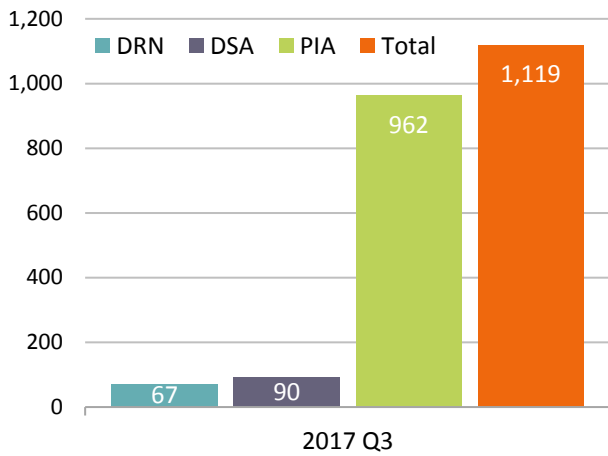
Bankruptcy rates are marginally behind those of last year.

Lorcan O'Connor
Director
November 2017

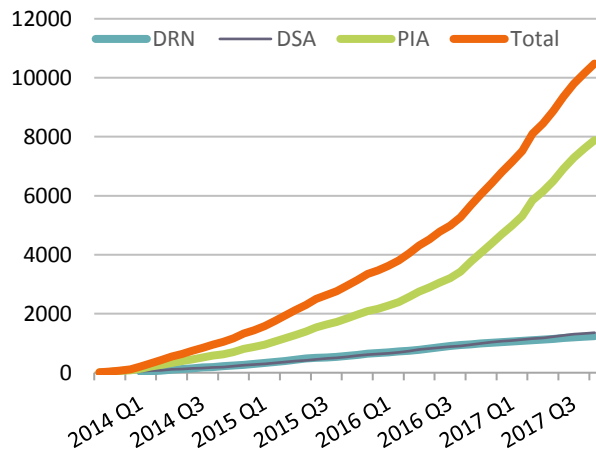
These statistics are for information purposes only. No person should place reliance on the accuracy of the statistics, nor should they act solely based on them. The statistics are primarily based upon cases created by duly authorised Approved Intermediaries and Personal Insolvency Practitioners on the 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 July 2017 to 30 September 2017, unless otherwise stated.

2 Case Management – DRN, DSA, PIA

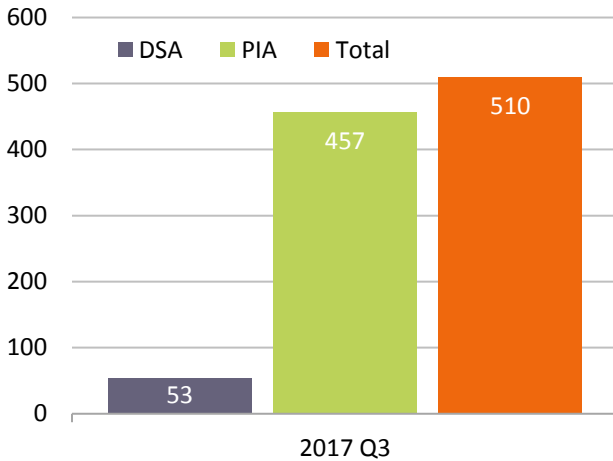
1,119 new applications in Q3



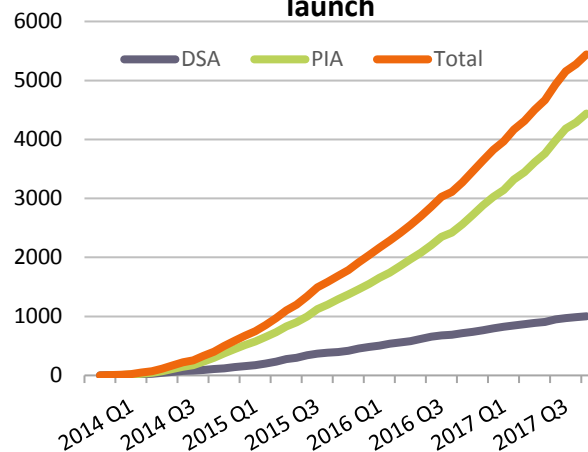
10,480 applications since launch



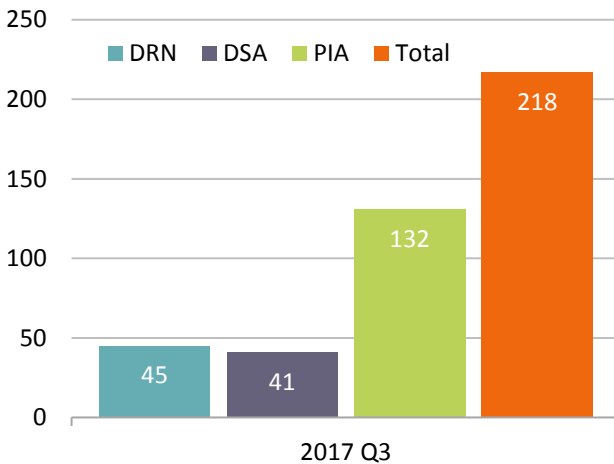
510 Protective Certificates in Q3



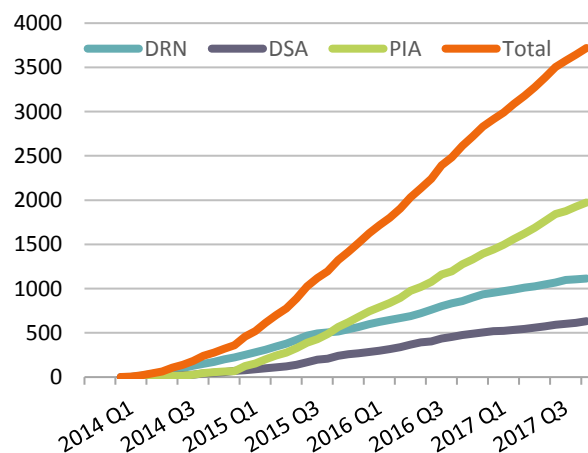
5,441 Protective Certificates since launch



218 Arrangements in Q3



3,720 Arrangements since launch



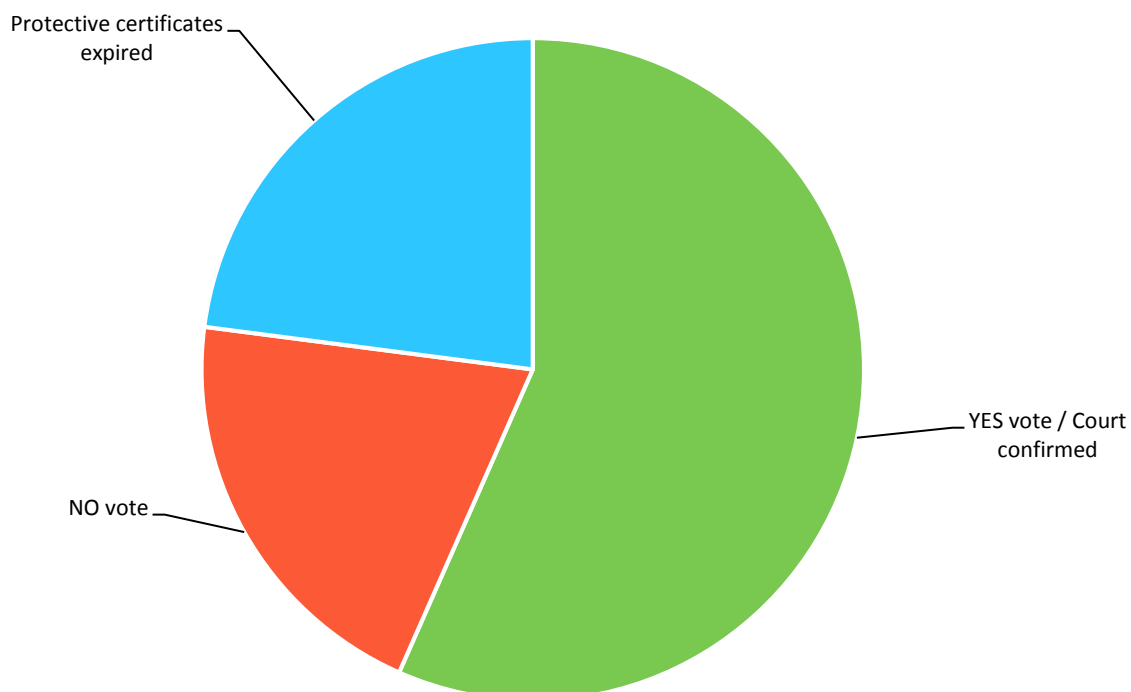
3 Outcome of Protective Certificates

The ISI has undertaken an analysis of protective certificates issued and their outcomes. The analysis has been broken down into three categories:

- **Yes Vote:** Personal Insolvency Practitioner (PIP) successfully uses the protective certificate period of 70 days to put an agreement in place between the debtor and his or her creditors, following a vote at the creditors' meeting.
- **No Vote:** PIP is unsuccessful in reaching an agreement, following a vote at the creditors' meeting, between the debtor and his or her creditors.
- **Protective Certificate Expired:** The protective certificate can expire, without a formal insolvency solution in place, for a number of reasons. For example, if the PIP is of the view that a 'NO' vote is inevitable, the PIP may not proceed with a creditors' meeting. Another example is where an alternative solution has been put in place between the debtor and his or her creditors. Once a protective certificate expires, information relating to any further action taken by the debtor in relation to their financial situation is not readily available to the ISI as the Debt Settlement Arrangement/Personal Insolvency Arrangement procedure is deemed to have ended.

Where a proposal for a PIA is not approved at a creditors' meeting, the court may be asked to review the case in certain circumstances, in accordance with Section 115A of the Personal Insolvency Act. In cases where the court subsequently confirms the Arrangement, the case is reflected in the "YES vote / Court confirmed" outcome on page 7. Further details concerning the Section 115A Court Review process is contained in the ISI's Annual Report for 2016 ([link](#)). It is intended that further analysis will also be included in future Annual Reports.

Outcome of Protective Certificates (from 2013 Q4 to 2017 Q3)

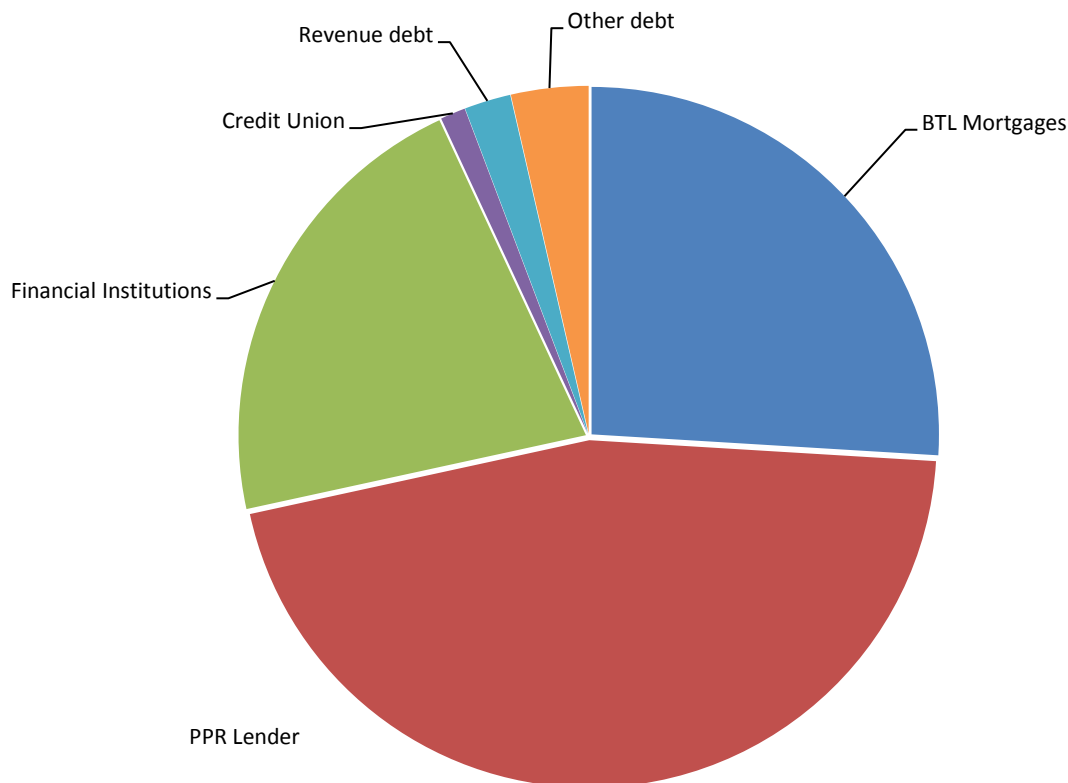


Outcome	DSA	PIA	Total
YES vote / Court confirmed	69.1%	53.6%	56.7%
NO vote*	9.2%	23.2%	20.4%
Protective certificates expired	21.7%	23.2%	22.9%

*Of these proposals rejected by creditors, 433 Section 115A review applications have been initiated in the courts.

4 Qualifying Debt – DRN, DSA, PIA

€464 Million Qualifying Debt

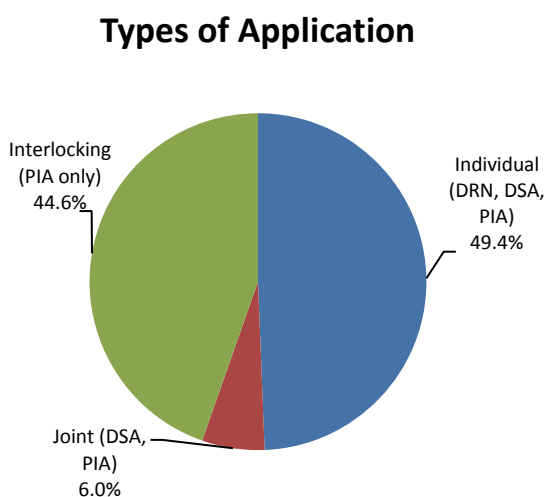
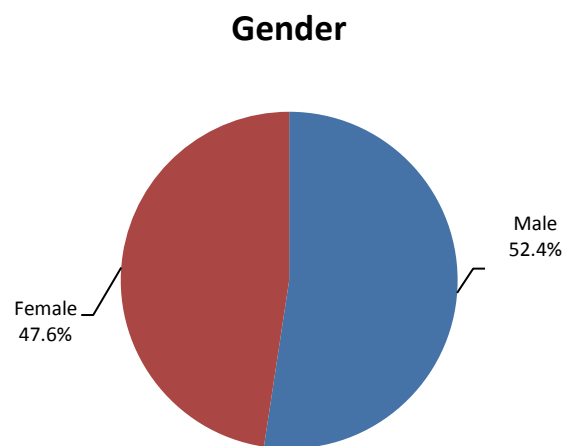
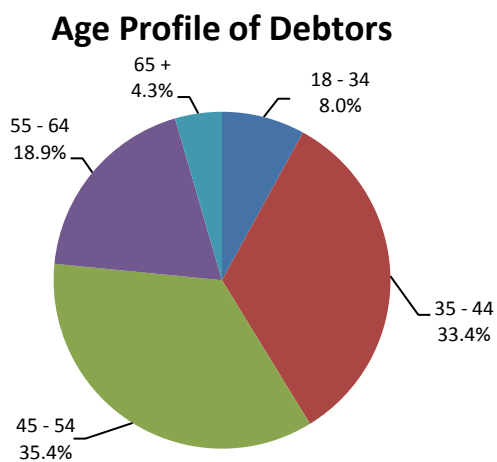
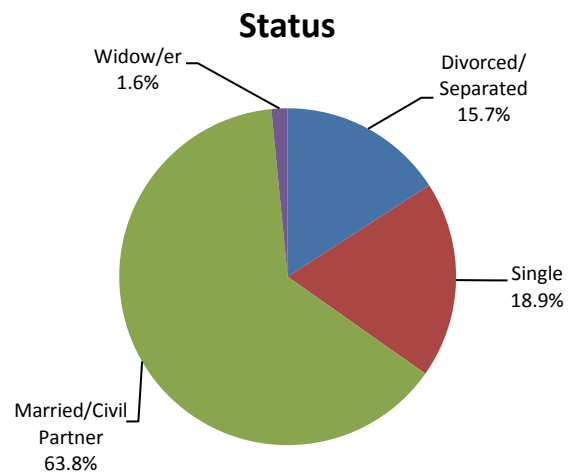
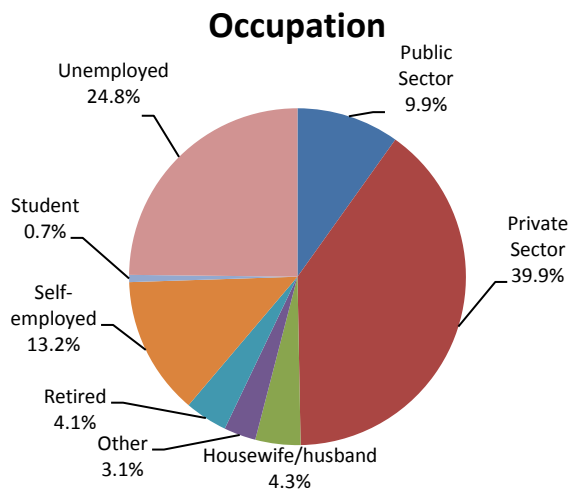


**Other debt includes trade creditors, connected creditors, contingent debt, hire purchase, personal guarantees, utilities, store cards/catalogues and professional fees.*

The total debt involved in the 1,119 new cases created in Q3 is approximately €464 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	€ 120.419	26.0%
PPR Lender	€ 211.626	45.6%
Financial Institutions	€ 99.629	21.5%
Credit Union	€ 5.433	1.2%
Revenue debt	€ 10.029	2.1%
Other debt	€ 16.687	3.6%
Total Q3 debt	€ 463.823	100.0%

5 Applicant Profile – DRN, DSA, PIA (from 2013 Q4 to 2017 Q3)



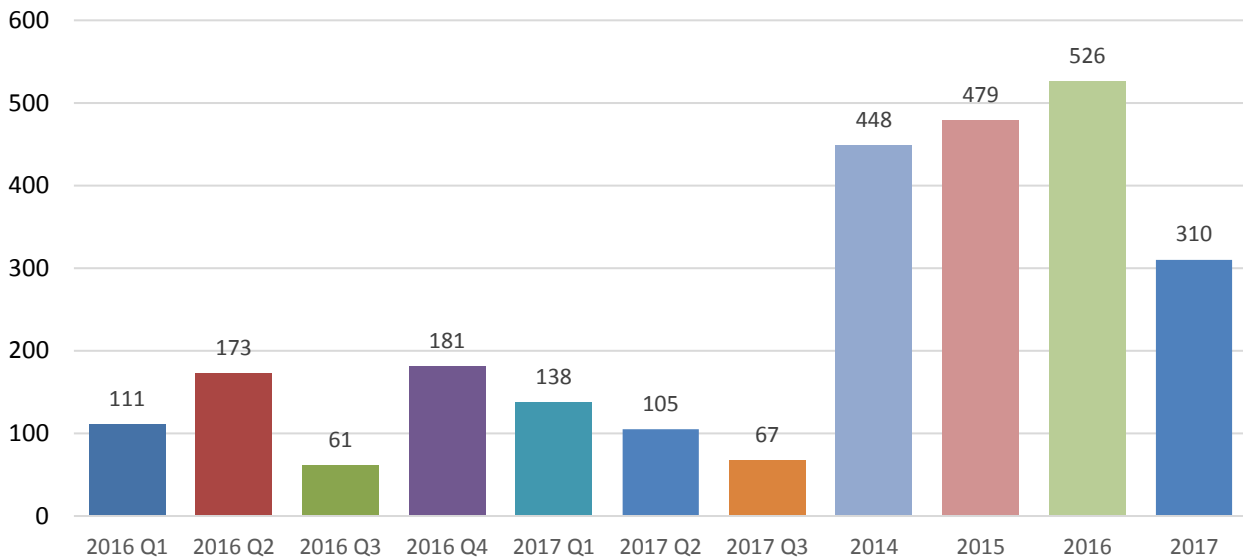
An individual application is an application by a sole debtor.

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.

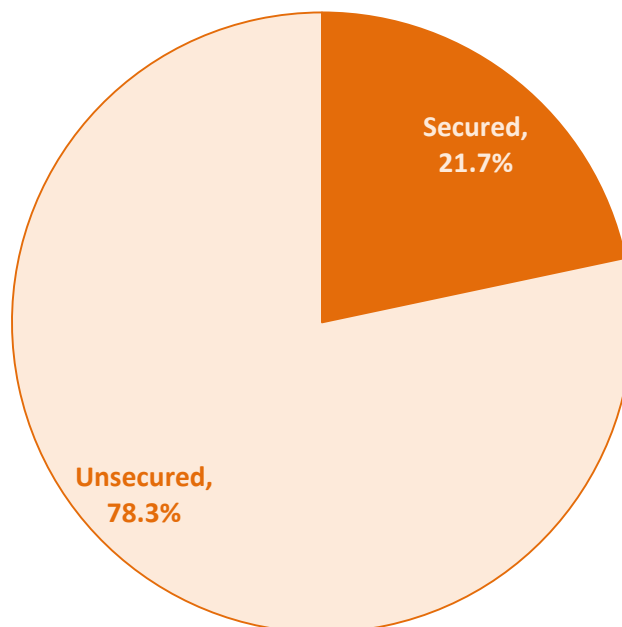
6 Bankruptcy

Bankruptcy Adjudications



The one year bankruptcy term was introduced on the 29th January 2016.

€67 Million Bankruptcy Debt in Q3



The total debt involved in bankruptcy adjudications for Q3 is approximately €67 million. This comprises 21.7% secured debt and 78.3% 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				Protective Certificates ¹			Arrangements Approved			
	Total	DRN	DSA	PIA	Total	DSA	PIA	Total	DRN	DSA	PIA
2017 Q3	1,119	67	90	962	510	53	457	218	45	41	132
2017 Q2	1,259	68	109	1,082	617	82	535	323	59	46	218
2017 Q1	1,302	65	93	1,144	490	69	421	264	55	27	182
2016 Q4	1,125	74	116	935	551	84	467	303	94	41	168
2016 Q3	899	98	98	703	412	60	352	372	100	75	197
2016 Q2	735	129	121	485	448	96	352	336	92	63	181
2016 Q1	570	70	93	407	375	74	301	278	71	56	151
2015	2,028	372	365	1,291	1,363	326	1,037	1,170	347	204	619
2014	1,331	297	243	791	664	153	511	455	251	78	126
2013	112	0	29	83	11	5	6	1	0	1	0
Total	10,480	1,240	1,357	7,883	5,441	1,002	4,439	3,720	1,114	632	1,974
Percentage change, 2017 Q3 compared with:											
2017 Q2	-11%	-1%	-17%	-11%	-17%	-35%	-15%	-33%	-24%	-11%	-39%
2016 Q3	24%	-32%	-8%	37%	24%	-12%	30%	-41%	-55%	-45%	-33%

7.2 Table: Bankruptcy

Period	Bankruptcy Adjudications
2017 Q3	67
2017 Q2	105
2017 Q1	138
2016	526
2015	479
2014	448
Percentage change, 2017 Q3 compared with:	
2017 Q2	-36.2%
2016 Q3	9.8%

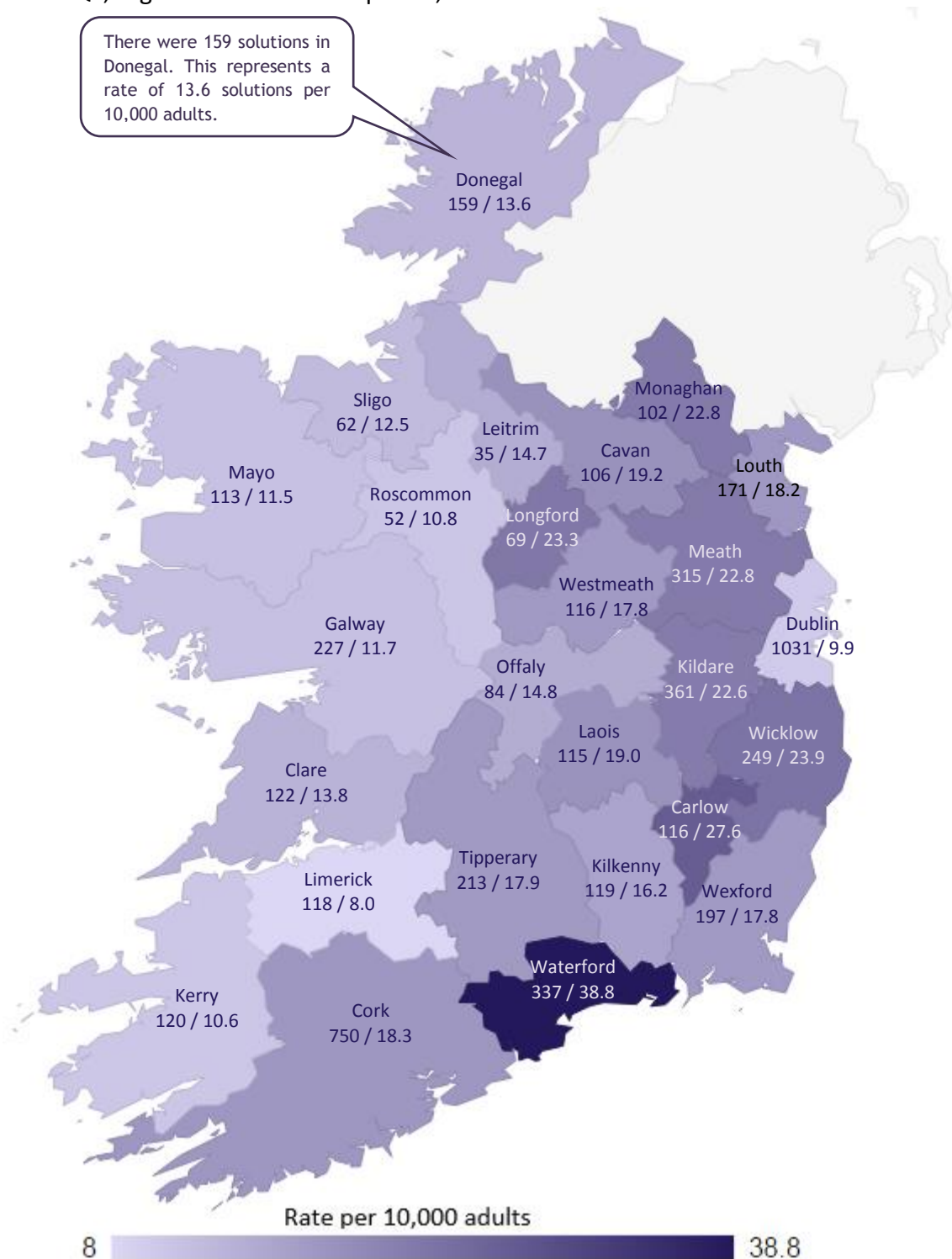
7.3 Table: Regulation

Personal Insolvency Practitioners (PIP)	110
Approved Intermediaries (AI)	53
Responsible Person (RP)	141
Total regulated persons available to help debtors	251

52 MABS companies and the Irish Mortgage Holders Organisation (IMHO) have been authorised as Approved Intermediaries. There are 141 Responsible Persons linked to these 53 authorisations.

7.4 Geochart: Debt Solutions from 2014 Q1 to 2017 Q3

The geochart below shows the number of DRNs, DSAs, PIAs and bankruptcies approved from 2014 Q1 to 2017 Q3, together with the rate per 10,000 adults^{1 2}.



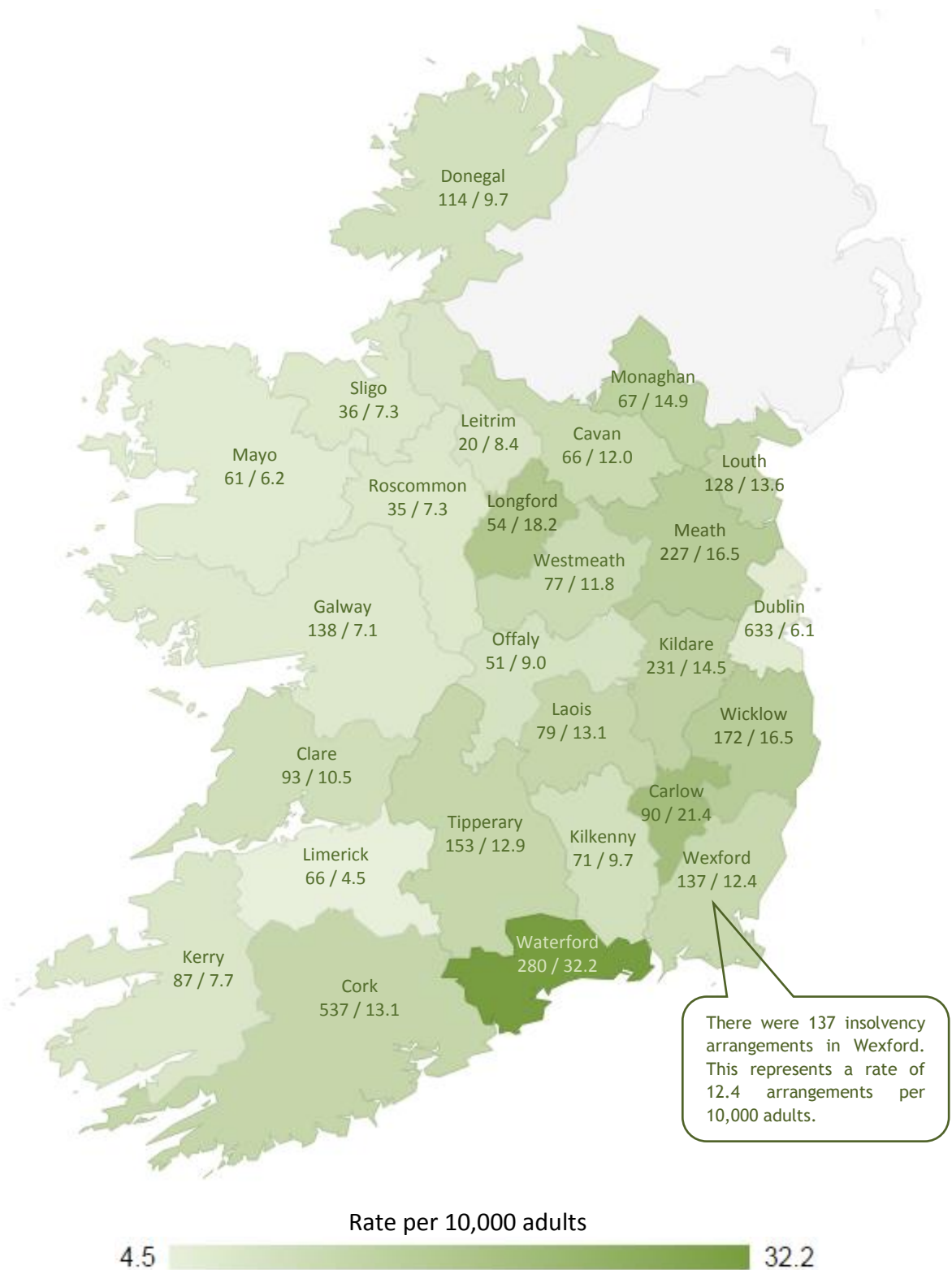
¹ Population data taken from the CSO's *Population 2011 to 2016 by Single Year of Age, Sex, County and City and CensusYear*. Available on the CSO's website at

<http://www.cso.ie/px/pxeirestat/Statire/SelectVarVal/Define.asp?maintable=E3003&PLanguage=0>.

² There have been 16 insolvencies and seven bankruptcies where the debtors have been residing outside of the state.

7.5 Geochart: DRN, DSA, and PIA Arrangements from 2014 Q1 to 2017 Q3

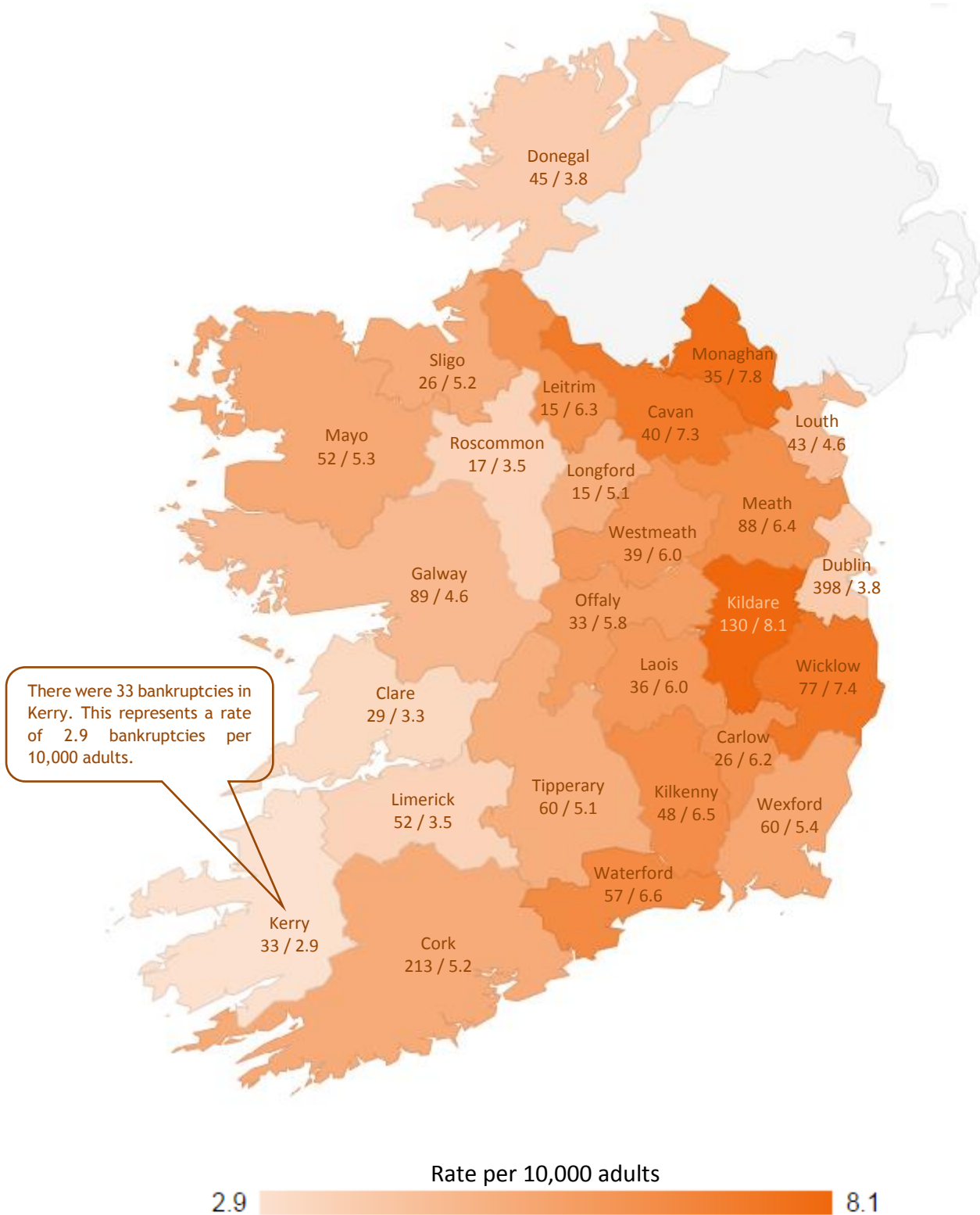
The geochart below shows the number of DRN, DSA and PIA arrangements approved by Court from 2014 Q1 to 2017 Q3, together with the rate per 10,000 adults³.



³ There have been 16 insolvencies where the debtors have been residing outside of the state.

7.6 Geochart: Bankruptcy Adjudications from 2014 Q1 to 2017 Q3

The geochart below shows the number of bankruptcy adjudications from 2014 Q1 to 2017 Q3, together with the rate per 10,000 adults⁴.



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