



**Case studies where
repossession cases were
prevented from proceeding via
the putting in place of a
Personal Insolvency
Arrangement – PIA.**



ISI
Tackling problem debt together

Case studies where repossession cases were prevented from proceeding via the putting in place of a Personal Insolvency Arrangement – PIA.

Example 1 PIA



This is a case of an interlocking PIA with imminent repossession avoided for two debtors who are married. They both lost their jobs in 2008. The husband is now self-employed with the wife working at home looking after the children. They have two children in primary school. They have a family home worth €270,000 (in €400,000 negative equity), a residential investment property in significant negative equity (€215,000) and repossession proceedings had commenced in Court.

Assets	€	Monthly Income	€
Principal Private Residence (PPR)	270,000	Monthly Net Income	5,033
Investment Property	40,000		
Car	6,000		
Car	5,000		
Debts	€	Monthly Expenses	€
PPR Mortgage Bank	700,000	Total Set costs	1,848
BTL Mortgage Bank	250,000	Rent/Mortgage	2,236
Retail Bank 1	145,430	Special Circumstances	397
Retail Bank 2	1,,680		
Retail Bank 3	1,000		
Retail Bank 4	11,200		
Service Provider 1	800	Reasonable Living Expenses	4,481
Service Provider 2	360		
Service Provider 3	1,040		
Credit Card 1	7,500	Net Disposable income prior to servicing debt	
Credit Card 2	800		
Total Debt	1,116,900	(€5,033-€4,481)	552
Unsecured Debt	166,900		

The debtors were granted an adjournment to their family home repossession hearing to explore a PIA.

The Personal Insolvency Practitioner established that a lack of disposable income meant a regular dividend solution was not feasible. The PIP identified a possible long term sustainable mortgage restructure. The debtor sourced a €20,000 contribution from relatives. A one month (lump sum) PIA was proposed. Creditors agreed to a three-year PIA with a lump sum at commencement with three annual reviews to be undertaken by the PIP.

50% of the family home mortgage was restructured to a level sustainable for the borrowers with the other 50% warehoused at 0% until the death of the longest surviving spouse. The negative equity on the investment property was written off and the property returned to the Bank. The majority of the unsecured debt was written off (circa 2% return).

Application to ISI	Approved by ISI	Protective Certificate Approved by Court	PIP Proposal approved by Court	Arrangement Finishes
7 July 2015	13 July 2015	15 July 2015	16 November 2015	15 November 2018



Example 2 PIA

This is an example of a single female, aged 51, in employment, with a car. In this case the individual had a principal private residence in significant negative equity and was subject to repossession proceedings. She had fallen into arrears on her mortgage repayments. Despite being in employment, the individual was living below what the ISI deem to be reasonable.

Assets		€	Monthly Income	€
Principal Residence (PPR)	Private	150,000	Monthly Net Income	2,231
Car		2,500		
Debts		€	Monthly Expenses	€
PPR Mortgage Bank		262,780	Total Set costs	1,051
Credit Union		2,500	Rent/Mortgage	975
Finance Company		2,593		
Retail Bank		8,479	Reasonable Living Expenses	2,026
Credit Card		10,000		
Retail Bank		816		
Credit Card		1,255		
Retail Bank		3,000		
Total Debt		291,423	Net Disposable income prior to servicing debt (€2,231-€2,026)	205

The debtor was granted an adjournment to their home repossession hearing to explore a PIA. The Personal Insolvency Practitioner was able to implement a split mortgage solution within the PIA which also dealt with unsecured creditors.

The PIA will be for the full duration of 6 years. €130,000 of the PPR debt will be warehoused at 0% for the debtors lifetime. Her mortgage term will be extended for 5 years to allow her mortgage repayments be to reduced to a sustainable level.

The unsecured creditors will share in a dividend of 13% during the PIA.

Application to ISI	Approved by ISI	Protective Certificate Approved by Court	PIP Proposal approved by Court	Arrangement Finishes
21/09/2015	24/09/2015	28/09/2015	07/01/2016	06/01/2022



Example 3 PIA

This is an example of a single parent of one teenage child in employment with a car. In this case the individual had a principal private residence with a judgement mortgage. The debtor was working full time until being made redundant, she retrained and obtained a full time position. The debtor is currently undertaking further training. While the individual had a reasonable level of income and had disposable income at the end of each month, it was insufficient to meet all of her debt obligations.

Assets	€	Monthly Income	€
Principal Private Residence (PPR)	150,000	Monthly Net Income	2,570
Car	1,000		
Debts	€	Monthly Expenses	€
PPR Mortgage Bank	150,000	Total Set costs	1,511
Retail Bank 1	9,210	Rent/Mortgage	568
Retail Bank 2	10,010	Reasonable Living Expenses	2079
Credit Union	35,000		
Credit Card 1	7,120	Net Disposable income prior to servicing debt	
Credit Card 2	18,700		
Total Debt	230,040	(€2570-€2,079)	491
Unsecured Debt	80,040		

The debtor was granted an adjournment to their home repossession hearing to explore a PIA. The Personal Insolvency Practitioner proposed a PIA which will last for the full 72 month term.

The debtor will continue to service the PPR mortgage with the associated payments (€568) to be prioritised over other debt payments. The mortgage arrears will be capitalized on the coming into effect of this PIA and current tracker interest rate of EBC +1.2% to be fixed for the duration of the arrangement. The creditor who holds the judgement mortgage has agreed to waive their security and be treated as unsecured debt.

Over the term of the PIA the unsecured creditors will receive a total dividend of 55%.

Application to ISI	Approved by ISI	Protective Certificate Approved by Court	PIP Proposal approved by Court	Arrangement Finishes
15 September 2015	21 September 2015	28 September 2015	11 January 2016	10 January 2022