



ISI

Statistics

Quarter 1 - 2014



Foreword

I am pleased to launch the first quarterly statistical report for the Insolvency Service of Ireland (ISI).

During the course of the last twelve months, the ISI has overseen the introduction of the new alternatives to bankruptcy introduced by the Personal Insolvency Act 2012 - the Debt Relief Notice (DRN), the Debt Settlement Arrangement (DSA) and the Personal Insolvency Arrangement (PIA). The bankruptcy regime has also been reformed through this Act. The automatic discharge period for a bankruptcy is now 3 years, down from 12.

As a result of these efforts, insolvent debtors now have viable options open to them to deal with their over indebtedness. The very fact that these options exist has also encouraged creditors and insolvent debtors to reach settlements by way of informal arrangements. Where these solutions are appropriate to a debtors circumstance, the ISI welcomes this development as the ultimate goal of returning insolvent debtors to solvency is achieved.

As at the end of March 2014 the key statistics around the number of Protective Certificates issued, the number of DRNs, DSAs and PIAs in place and the number of new bankruptcies are lower than many expected. I believe as stakeholders become comfortable with the operation of these new solutions, their uptake will increase. I'm encouraged by the significant number of new cases entering our system since the beginning of the year and the feedback received from the Personal Insolvency Practitioner and Approved Intermediary community which highlights an expectation that the numbers will increase significantly over the coming months. The development of a protocol between creditors and practitioners covering DSAs and PIAs will also assist in this regard.

These statistics will be updated on a quarterly basis and will be published in the Statistics section of the ISI website www.isi.gov.ie.

Lorcan O'Connor

Director

3rd April 2014

These Statistics are for informational purposes only. No person should place reliance on the accuracy of the statistics and should not act solely on the basis of 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 1 January 2014 to 31 March 2014 unless otherwise stated.

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THE DEBT RELIEF NOTICE (DRN) ALLOWS FOR THE WRITE OFF OF QUALIFYING DEBT UP TO €20,000, SUBJECT TO A 3 YEAR SUPERVISION PERIOD.

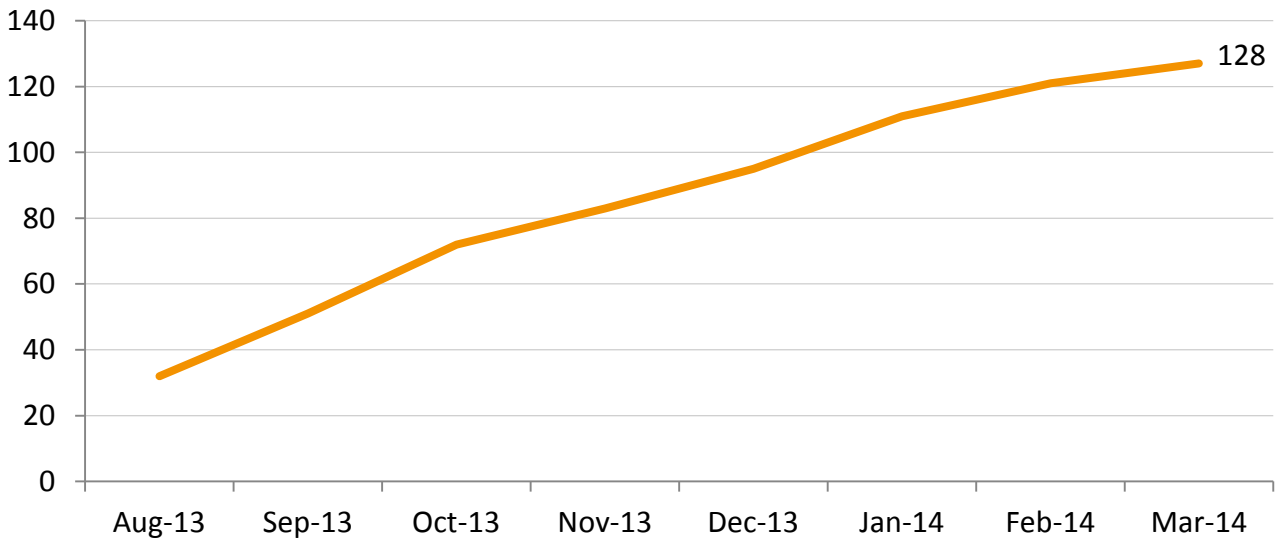
THE DEBT SETTLEMENT ARRANGEMENT (DSA) PROVIDES FOR THE AGREED SETTLEMENT OF UNSECURED DEBT WITH NO LIMITS INVOLVED OVER A PERIOD, NORMALLY EXPECTED TO BE 5 YEARS.

THE PERSONAL INSOLVENCY ARRANGEMENT (PIA) WILL FACILITATE THE RESTRUCTURING OR SETTLEMENT OF SECURED DEBT OF UP TO €3M AND THE SETTLEMENT OF UNSECURED DEBT OVER A PERIOD, NORMALLY EXPECTED TO BE 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.

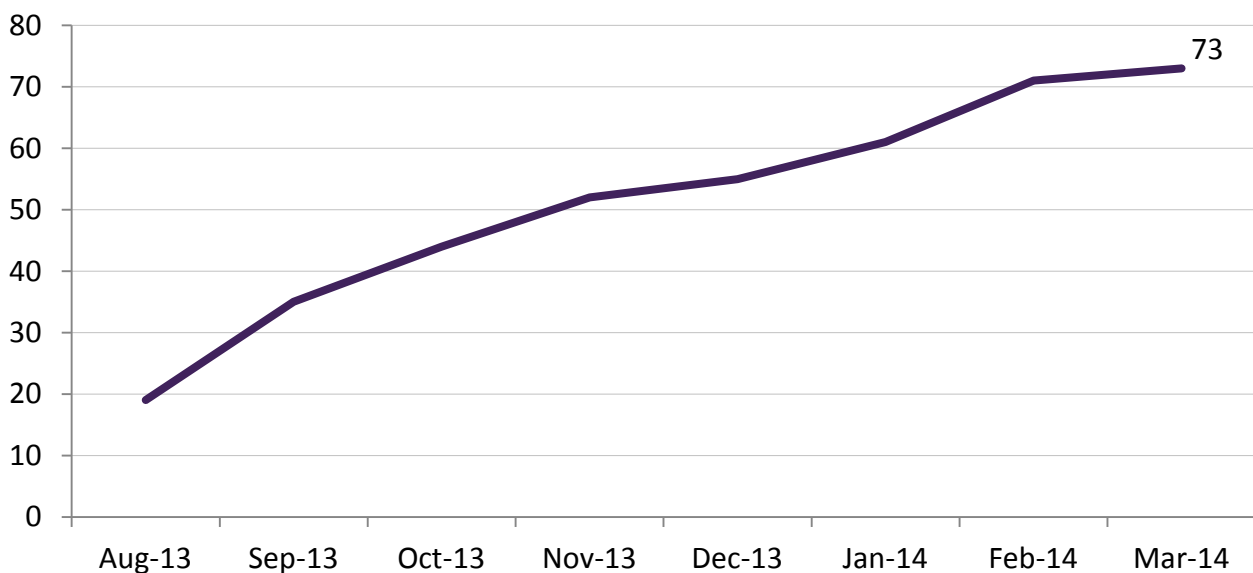
Regulation

128 Authorised Personal Insolvency Practitioners (PIP)



The ISI began authorising practitioners last Autumn. From an initial start of 32 there are now 128 Personal Insolvency Practitioners. This number continues to rise on a weekly basis.

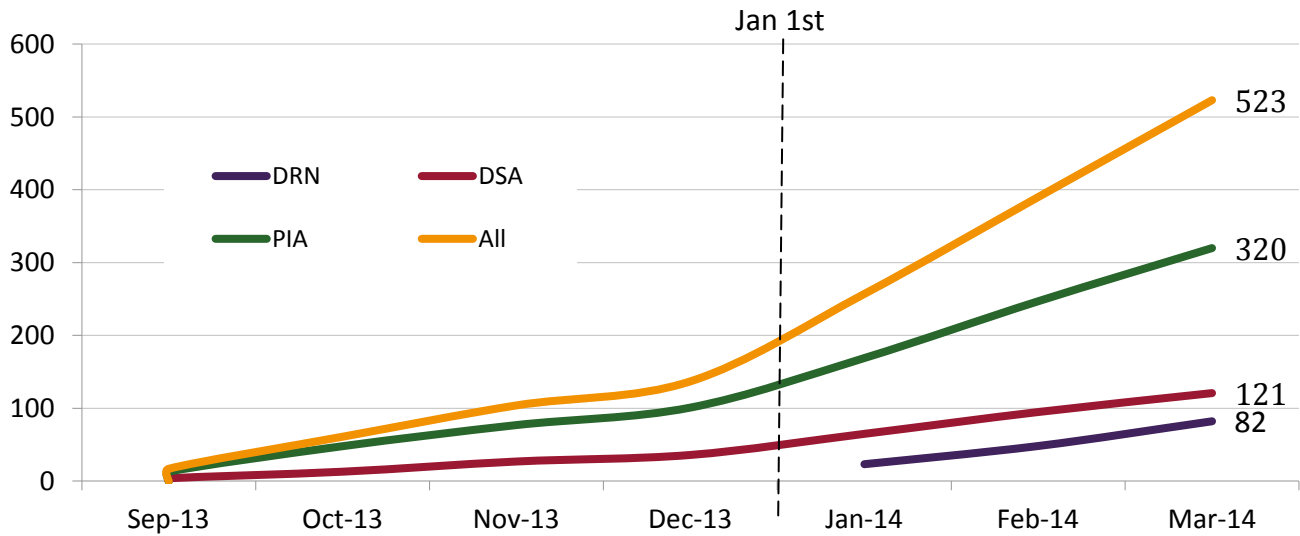
Over 70 Approved Intermediaries (Authorised Individuals)



The majority of MABS companies have been authorised as Approved Intermediaries (AI). Over 70 responsible persons are linked to these authorisations.

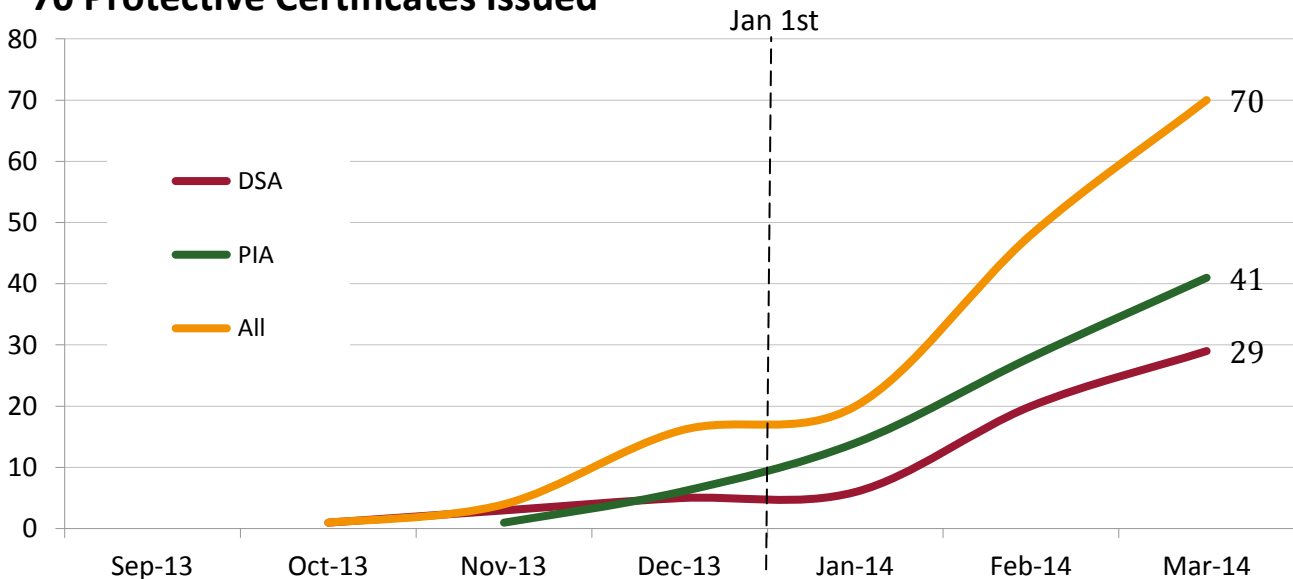
Case Management – DRN, DSA, PIA

Over 500 Applications for New Arrangements



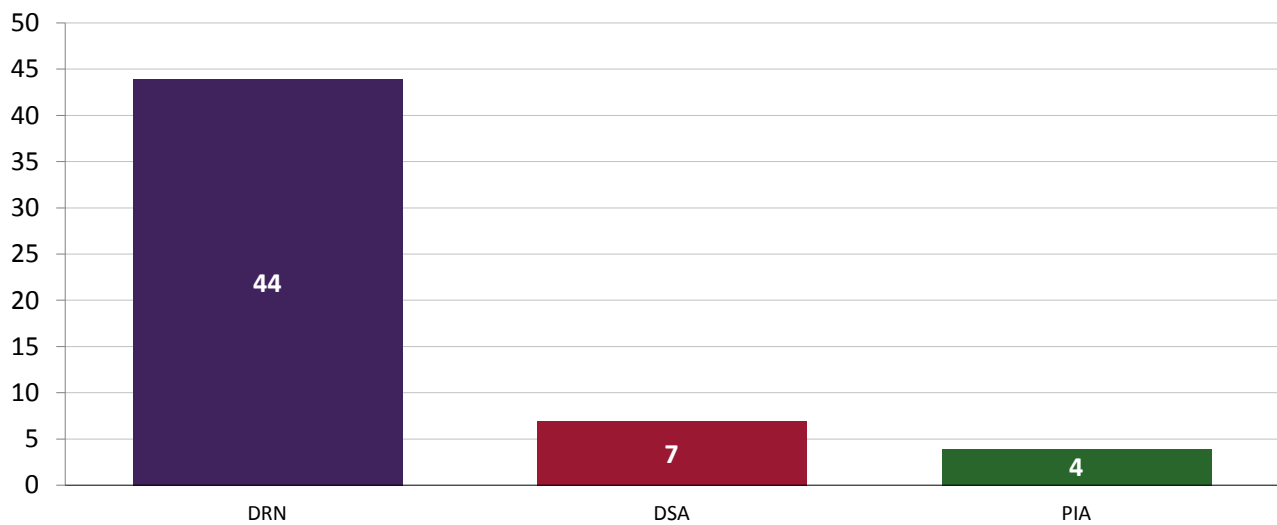
Since the ISI began accepting applications for the new personal insolvency arrangements 7 months ago, practitioners have created over 500 new cases, representing almost 600 individual debtors. These numbers do not include cases created on the ISI system and subsequently withdrawn by a PIP or AI. There has been a marked increase in new cases created since January and the ISI is currently receiving approximately 50 new cases per week.

70 Protective Certificates Issued



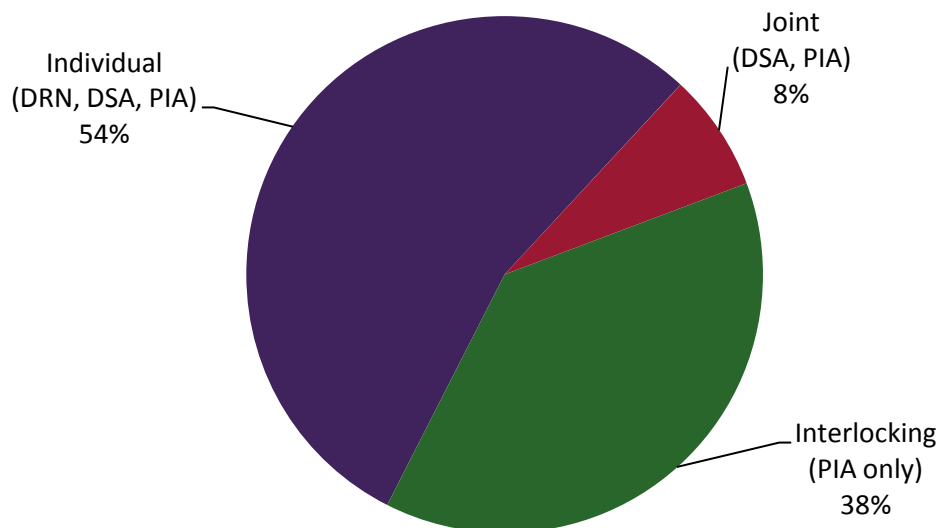
To date, the Courts have issued 70 protective certificates to debtors. A protective certificate protects a debtor and their assets from their creditors, while the PIP formulates a proposal for a DSA or a PIA. A protective certificate remains in force for 70 days, but may be extended in certain circumstances.

55 Arrangements Approved



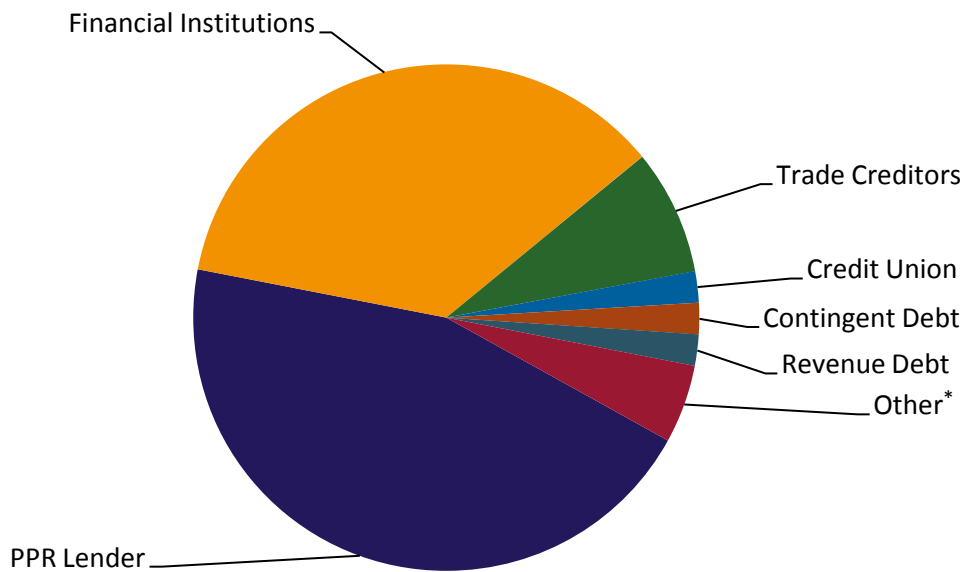
Since January, the Courts have issued 36 Debt Relief Notices (DRNs) and a further 8 have been approved by the ISI and await Court approval. In addition, at the end of March, there were 7 DSAs and 4 PIAs approved by Creditors, 3 and 4 of which respectively have been approved by the Courts.

Types of Application



An individual application is an application with 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 arrangement, 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. An example would be a couple, where the couple is jointly liable for some - but not all - of the debts to be included in the PIA arrangement.

€193 Million Qualifying Debt



* Other debt includes personal guarantees, utilities, store card/catalogues and professional fees.

The total debt involved in the approximately 520 cases currently with the ISI is just under €193 million. You can find a breakdown by type of debt in the chart above and table below.

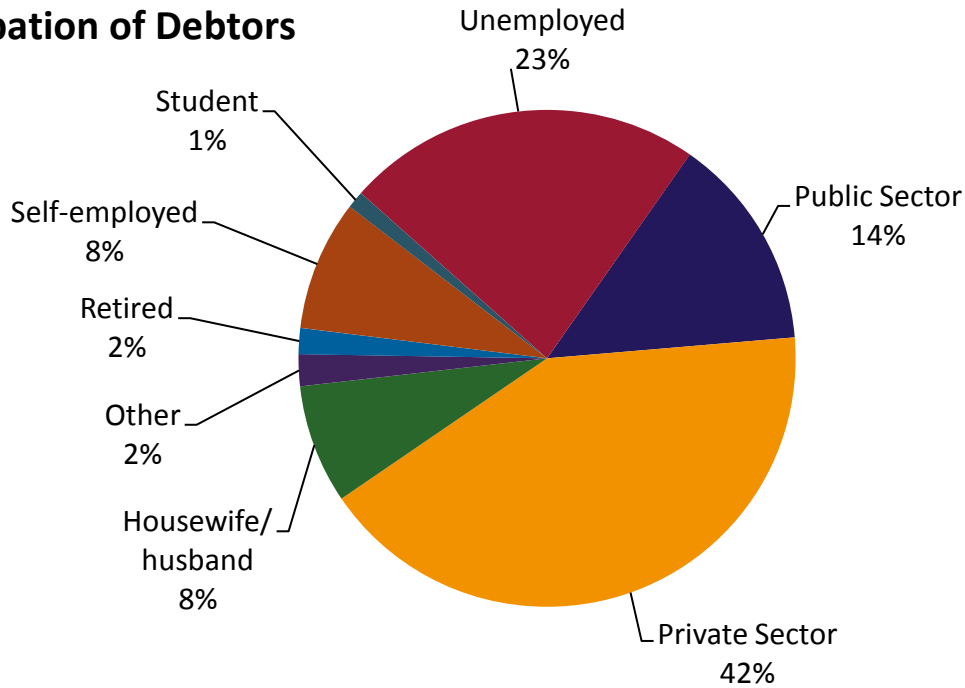
€193 Million Qualifying Debt		
PPR Lender	€ 87,448,761	45%
Financial Institutions	€ 69,257,427	36%
Trade Creditors	€ 15,403,669	8%
Credit Union	€ 4,557,252	2%
Contingent Debt	€ 3,789,070	2%
Revenue Debt	€ 3,660,847	2%
Other debt*	€ 8,836,799	5%
Total	€ 192,953,825	100%

Average Debt Write Off on Arrangements Approved by end of March (NB: small sample size)

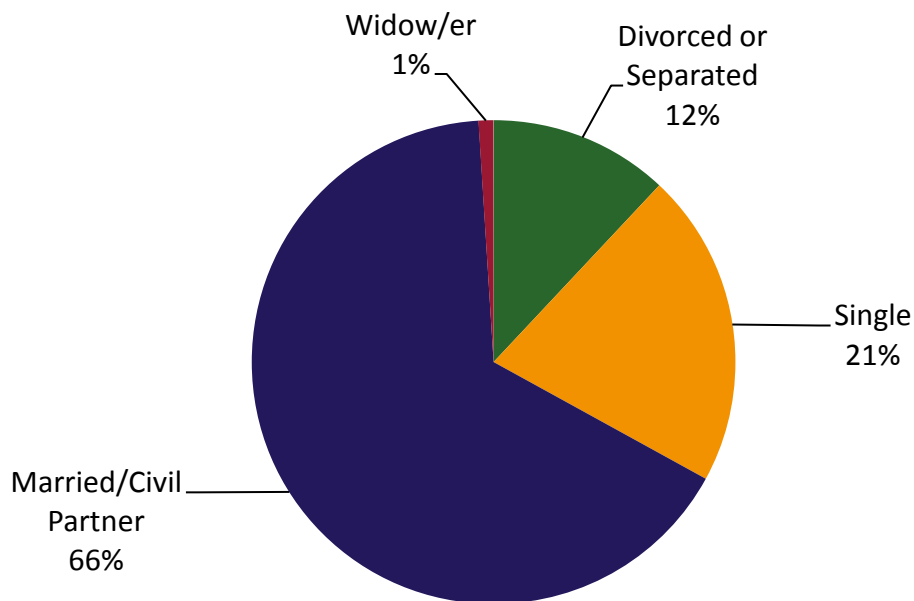
- The average % of secured debt proposed to be written off in a PIA is **19%**, ranging from 0% to 39%
- The average % of unsecured debt proposed to be written off in a PIA is **93%**, ranging from 91% to 95%
- The average % of unsecured debt proposed to be written off in a DSA is **77%**, ranging from 37% to 95%

Debtor Profile - DRN, DSA, PIA

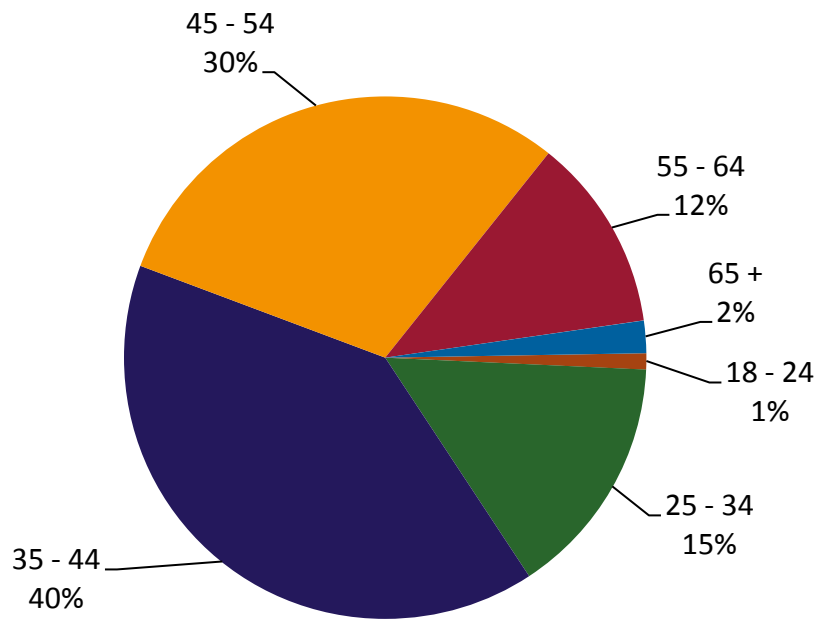
Occupation of Debtors



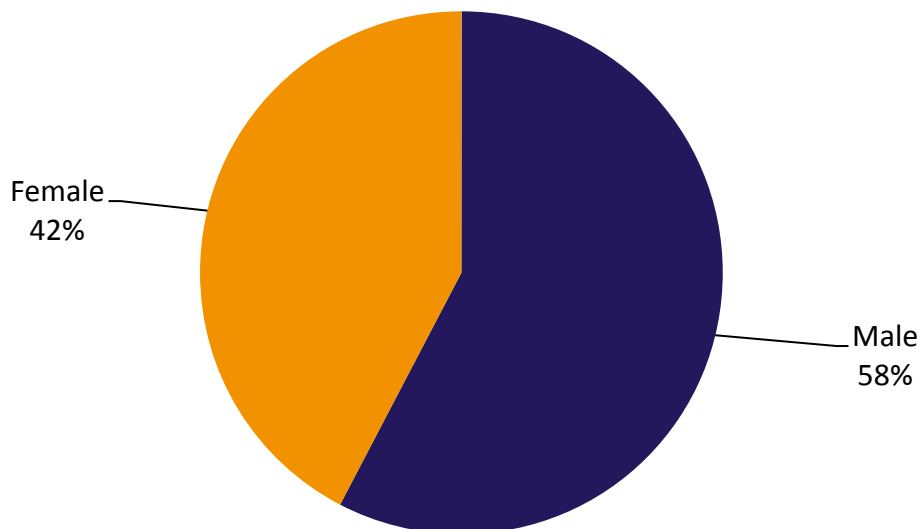
Marital Status of Debtors



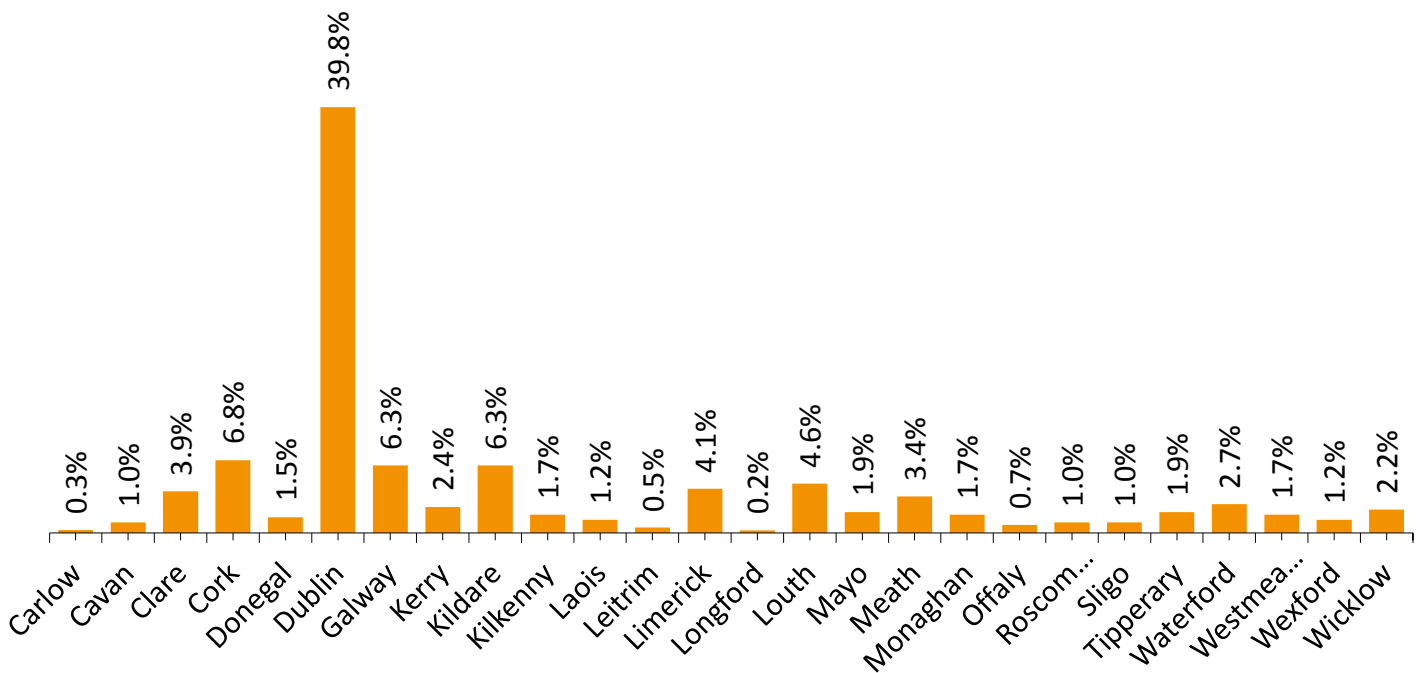
Age Profile of Debtors



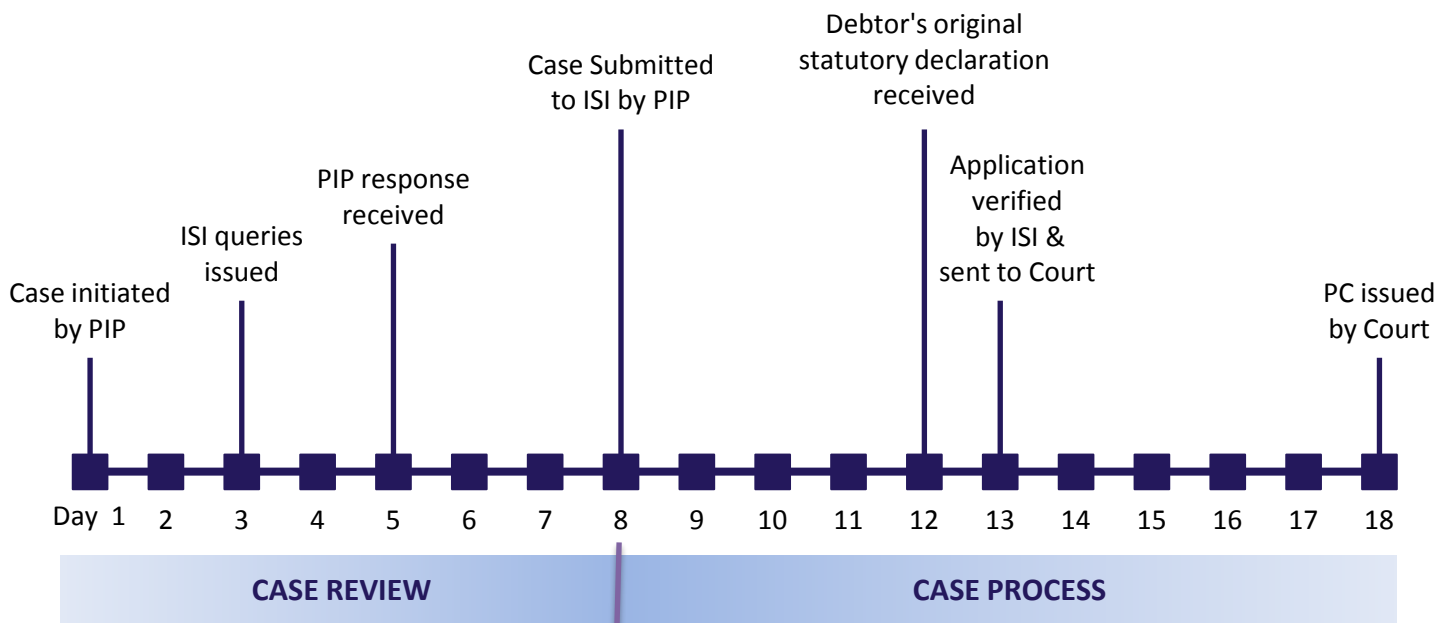
Debtors by Gender



Geographic Spread of Applicants



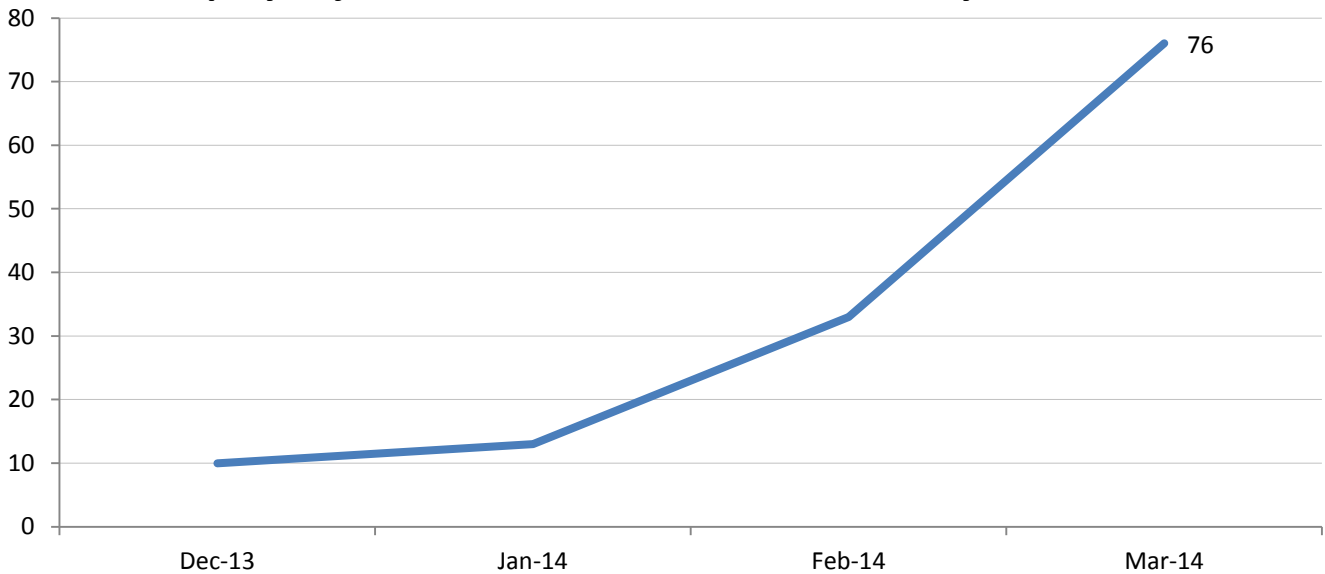
Typical Timeline to Issue of Protective Certificate



Above is a typical timeline, up to and including the issue of the protective certificate. After the protective certificate issues, the PIP has 70 days, to formulate a proposal for a DSA or a PIA arrangement.

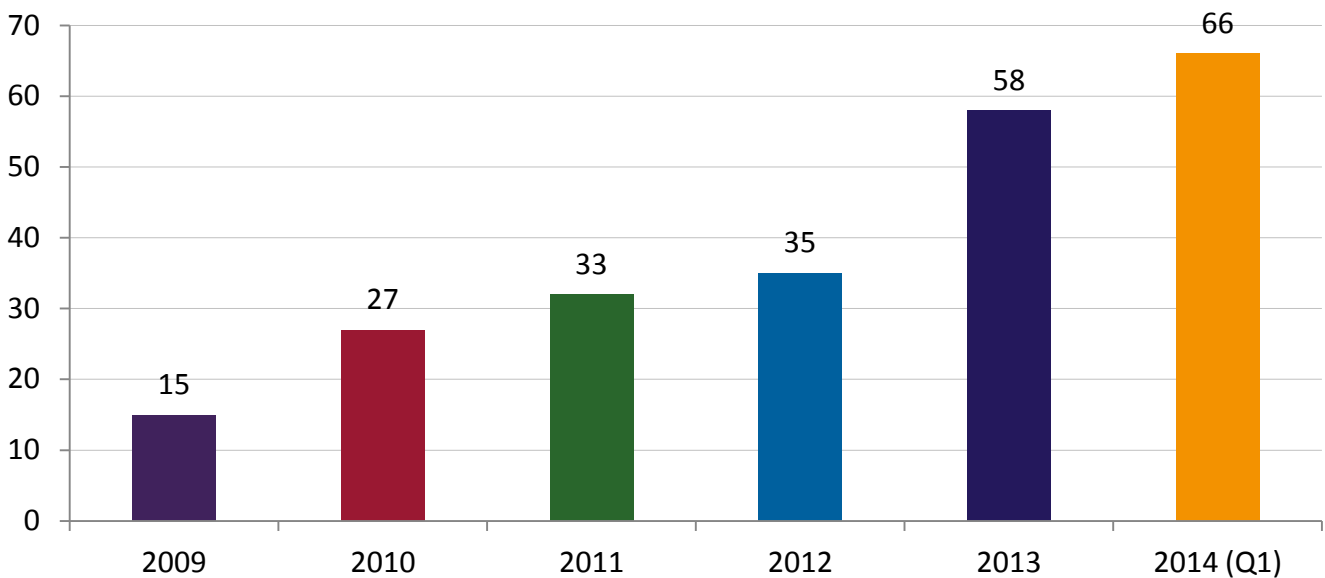
Bankruptcy

76 bankruptcy adjudications since term reduced to 3yrs.



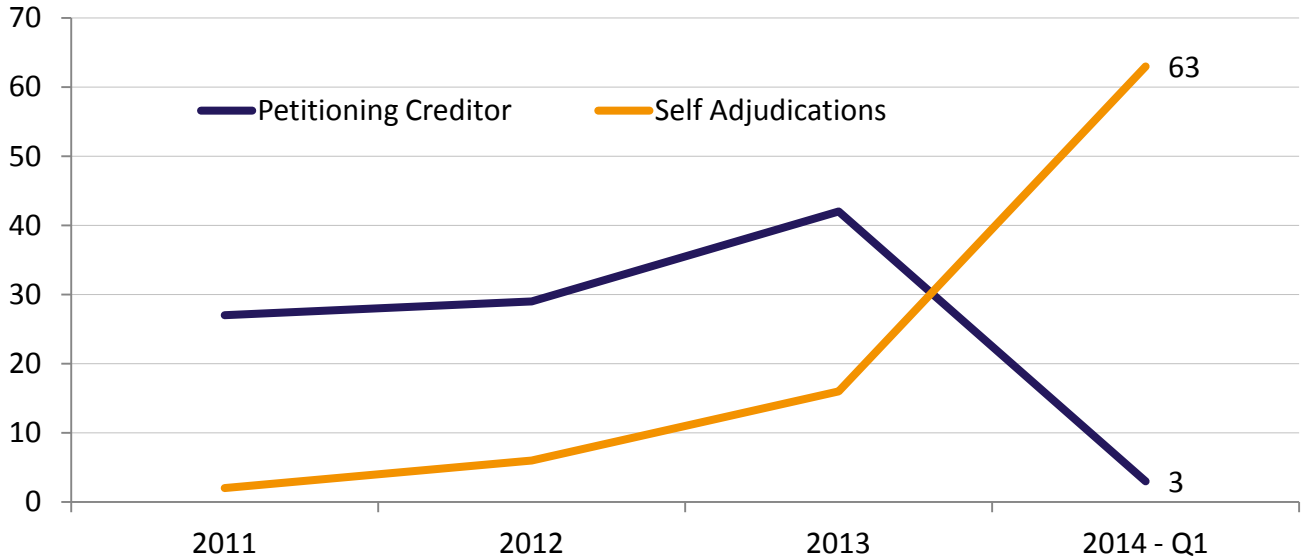
In December 2013 the bankruptcy term was reduced from 12 to 3 years. There have been 66 individuals adjudicated in the first quarter of 2014. The above chart is the cumulative of adjudicated bankruptcy cases since the Act changed in December 2013.

Bankruptcy numbers



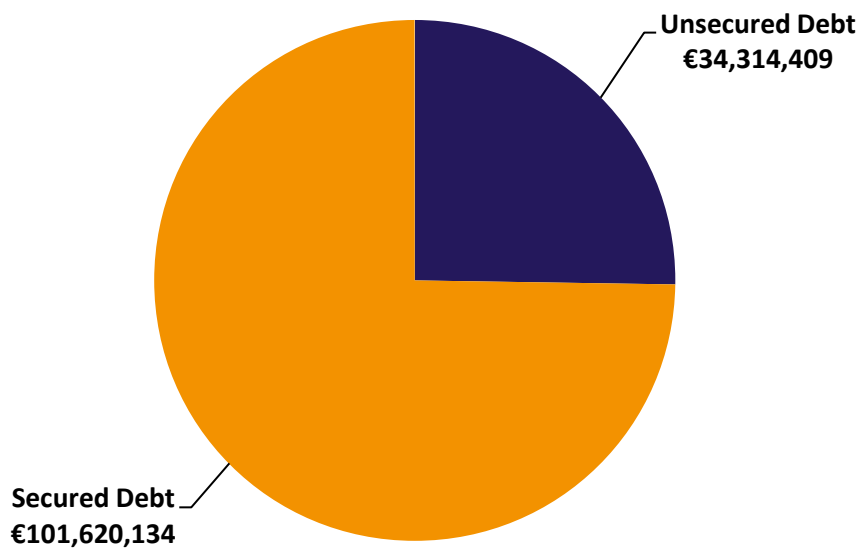
The number of bankruptcies in Q1 2014, exceeds the total number in 2013. 2013 had seen the highest number of new bankruptcies on record.

Petitioning Creditor vs Self Adjudications



The amount of Self Adjudications (where a debtor rather than a creditor seeks to make themselves bankrupt) has risen as a result of the Personal Insolvency Act 2012 from 7% in 2011 to 93% in the first quarter 2014.

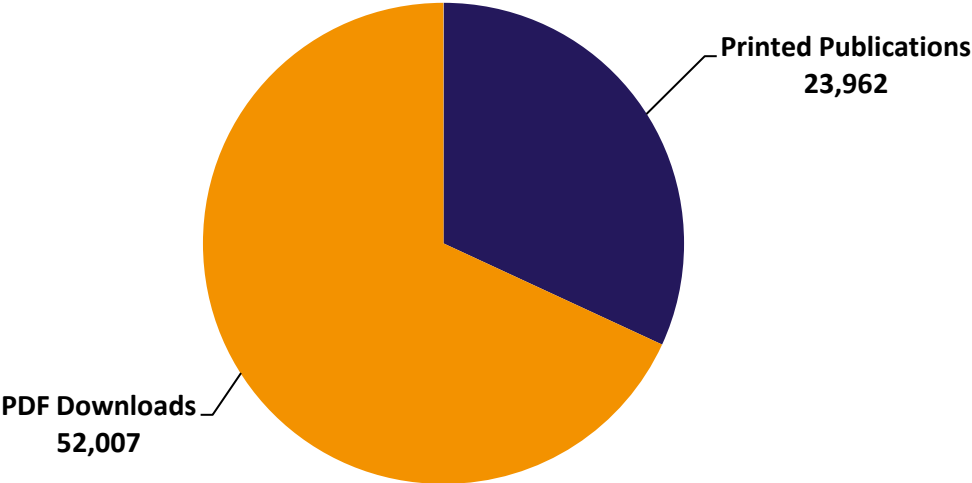
€136 Million Aggregate Bankruptcy Debt 2014



The total debt involved in Bankruptcy Adjudications in Q1 2014 is almost €136 million. This is made up of 75% secured debt and 25% unsecured debt. In the case of secured debt, it is likely that current market values of securities are significantly below debt levels.

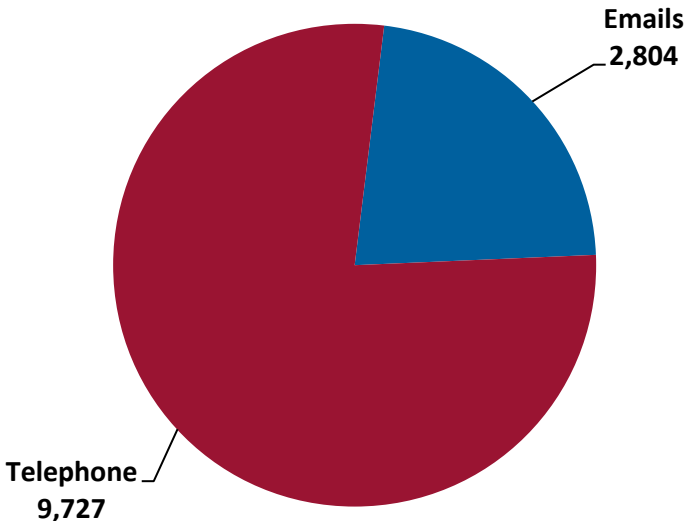
Telephone, email and website traffic

Over 75,000 ISI publications issued

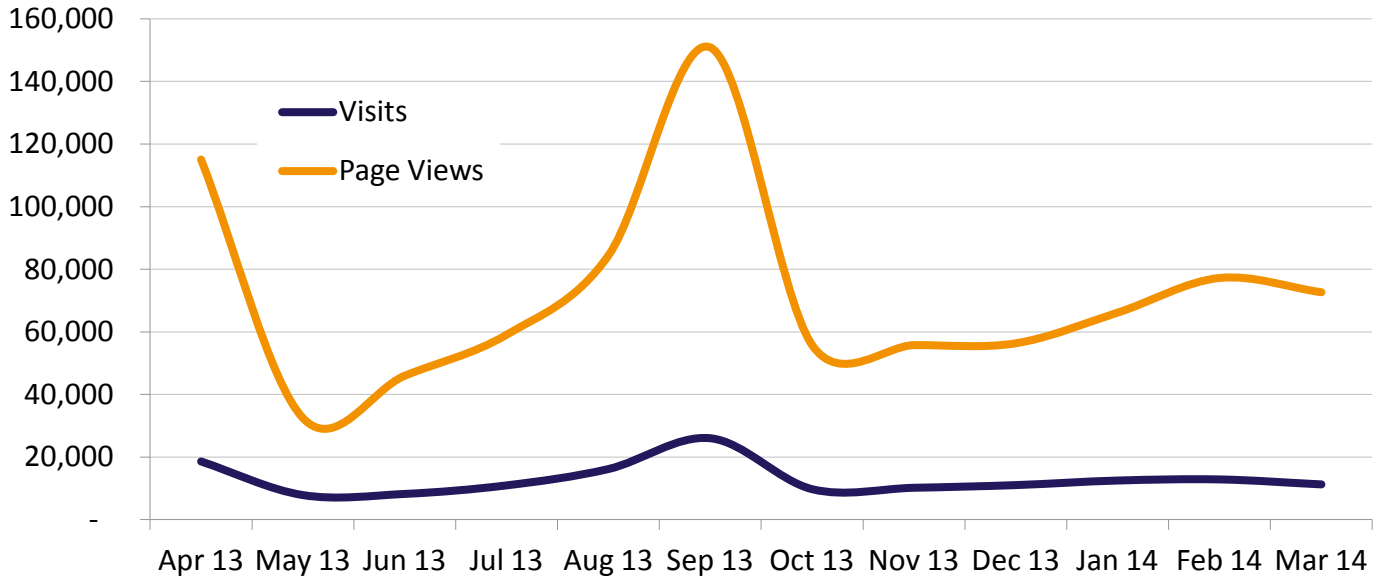


The top 5 downloads from the site are: The Guidelines for Reasonable Living Expenses, the Guide for the PIA, Debt Solutions leaflet (tri-fold), PIP Information Guide and PIA Scenarios.

Over 12,000 contacts to ISI Information Line



150,000 unique visits to the ISI website with almost 1million page views



Over 12,000 contacts into the ISI

