



Press Release
25th October 2017

Insolvency Service of Ireland (ISI) Appears before Oireachtas Committee on the proposed Mortgage Arrears Resolution (Family Home) Bill 2017

The ISI Director, Lorcan O'Connor, today appeared before the Joint Oireachtas Committee on Justice and Equality to discuss the Mortgage Arrears Resolution (Family Home) Bill 2017.

Addressing the Committee, the Director stated that in his view, certain modifications to the existing Personal Insolvency Act is the most appropriate way of achieving the objectives behind the Bill. Such an approach would:

- minimise risk of legal challenge;
- minimise potential delays, expense and uncertainty that might be experienced from setting up the new office (the Mortgage Resolution Office); and
- retain a holistic solution for debtors not currently catered for within the proposed Bill – returning a debtor to solvency by addressing all of their debts, not just the family home.

The bulk of the modifications sought by the Director are contained in the ISI's June submission to the Department of Justice and Equality. The main recommendation is that insolvency arrangements should be approved by the ISI rather than requiring a Court to make an order for their approval. The ISI is of the view that such a change would result in a number of benefits including;

- an increase in the accessibility to the personal insolvency system;
- time savings by streamlining the process (reducing the overall process by up to a month);
- cost savings;
- consistency of approach.

The Director also highlighted two areas where he expressed frustration at a lack of constructive creditor engagement;

- creditor unwillingness to engage with Personal Insolvency Practitioners to develop acceptable solutions
- creditor challenges to the new Court Review process such that the majority of arguments before the Court are based upon technical legal points which inhibit consideration by the Court of the commercial aspects of a proposal

In response, the ISI has sought that creditors should be compelled to state to Personal Insolvency Practitioners how they wish for their debt to be dealt with within

a proposal. The ISI has also sought a change to the Court review process whereby the arguments that parties can raise should be restricted to those originally raised during the earlier Protective Certificate period.

A copy of Lorcan O'Connor's Opening Statement to the Committee is [attached](#). A copy of the ISI's Submission to the Department of Justice and Equality in June is available [here](#).

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Notes for Editors

- The Insolvency Service of Ireland (ISI) is an independent government body set up to help tackle personal debt problems.