‘Between a Rock and a Hard Place’

The Dual Trauma of MABS Client Households in Mortgage Arrears Residing in Properties with Defective Concrete Blocks

Dr Stuart Stamp and Paul Joyce, BCL, BL

November 2025

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The Dual Trauma of MABS Client Households in Mortgage Arrears Residing in Properties with Defective Concrete Blocks

An Exploratory MABS Research Study

Compiled for MABS Support CLG,
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and South Connacht MABS by:

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Foreword and Acknowledgements

It is with a deep sense of responsibility that I present this important research report, titled 'Between a Rock and a Hard Place - The Dual Trauma of MABS Client Households in Mortgage Arrears Residing in Properties with Defective Concrete Blocks.' This study highlights a profoundly challenging intersection of two crises that have impacted households primarily across Counties Donegal and Mayo: long-term mortgage arrears and the devastation caused by defective concrete blocks. Both issues have each, in their own right, created hardship and distress for families. Taken together, they represent a dual trauma that places an intolerable strain on people's financial, emotional, and social well-being.

The report provides evidence-based insights drawn directly from the lived experiences of MABS clients. It makes visible what is often hidden, the psychological toll of living in unsafe, deteriorating homes while simultaneously grappling with mortgage debt and financial exclusion. The findings are stark, but they also provide a clear pathway for reform. They call on policymakers, financial institutions, and wider society to act with urgency, compassion, and fairness.

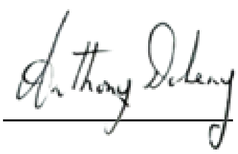
For MABS, this work reinforces our mission to ensure that those facing financial hardship are treated with dignity, supported through practical advice, and given a voice in shaping the policies that affect their lives. It also demonstrates the critical importance of independent research in informing policy debates and ensuring accountability.

I would like to sincerely acknowledge the dedication of the research author Dr. Stuart Stamp, supported by Paul Joyce whose expertise and commitment have been instrumental in bringing this report to fruition. Our thanks also go to the Research Oversight Committee, whose oversight and guidance ensured the rigour and independence of the study. Grateful acknowledgement to Project Lead Maria McCaul, National Development Officer with MABS Support and to Amie Lajoie who developed the research proposal prior to moving from Social Policy Executive with MABS Support to the OECD and who later peer reviewed the final report. I also acknowledge Elizabeth Wilson, Dedicated Mortgage Arrears Adviser, who highlighted these issues to MABS Support and other MABS Advisers, Staff and Management across the North Connacht and Ulster, and South Connacht regions for their invaluable contributions, and to the Citizens Information Board for their ongoing support in enabling this work.

Above all, I extend my deepest gratitude to the MABS clients who shared their stories with courage and honesty. Their willingness to speak about deeply personal and painful experiences ensures that this report is grounded in reality and carries the authenticity that only lived experience can provide.

It is our hope that this report will act as both a resource and a catalyst. A resource for policymakers, practitioners, advocates and stakeholders, and a catalyst for the systemic changes that are urgently needed.

Families affected by this dual crisis cannot wait. Their resilience is worthy of recognition, and their rights must be respected and upheld.



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Executive Summary

1. Introduction and Context

This study focuses on exploring borrower or householder lived experience among a sample of MABS clients in counties Donegal and Mayo experiencing the dual problems of mortgage arrears and living in homes with defective concrete blocks. It has three core objectives, which may be summarised as follows:

1. To identify the mortgage arrears dimension(s) to the defective concrete block crisis from a borrower perspective;
2. To investigate the adequacy of current policy measures designed to assist dually impacted borrowers and identify any deficiencies, and;
3. To propose additional/alternative interventions that may be needed towards resolving householders' mortgage arrears in this context.

A mixed methodology approach is used, comprising: (i) an extensive literature and policy review; (ii) key informant interviews and questionnaire; (iii) (quantitative) administrative data analysis of a sample of 'dually impacted' MABS client Standard Financial Statements (SFSs) submitted to creditors, and (iv) (qualitative) semi-structured interviews with a sub-sample of clients to ascertain their individual experiences and perspectives of dealing with these two related issues. We take as our focus a human rights lens which has two distinct dimensions; firstly, that borrowers should be treated with respect and dignity when things go wrong as a result of predominantly external factors and secondly, that housing should be secure, affordable and habitable.[2] The context to this study has two dimensions in the form of the defective concrete block and mortgage arrears crises respectively.

The Defective Concrete Block Crisis

The Defective Concrete Block Crisis (DCB) affects thousands of homes in the North West region, although the precise number is unknown. It has its origins in the "Celtic Tiger" period (1999-2008), when - unbeknownst to the families concerned (a prime example of a force majeure event)[3] - deleterious matter became embedded in the materials used to construct family homes. Associated "cracking", which first manifested itself in the subsequent decade, has resulted both in defective properties and long-term trauma for the families concerned. Attempts to resolve the issue by individual households came to naught as the construction, insurance and banking industries respectively eschewed responsibility for resolution.
In response to the developing crisis, public policy has concentrated on remediating the properties concerned

2 UN-Habitat (2009). The Right to Adequate Housing. Geneva: Office of the United Nations High Commissioner for Human Rights.

3 i.e. Unforeseeable, external and unavoidable.

and thereby indirectly, assisting the people who own and live in them. While considerable state resources are being expended on addressing the problem, access and use issues have, however, emerged in relation to the associated statutory-based grant scheme – particularly in terms of associated up-front costs and total cost shortfalls, and the need for individual homeowners to project-manage remediation works - while the developing science suggests that further amendments to the scheme may be needed to address and resolve the root cause of the problem.

Two over-arching themes emerge in a DCB aspect. The first is one of unequal burden sharing, which to date appears to have fallen primarily on the households themselves, despite them being entirely blameless for the crisis which has occurred. This burden lies both in terms of having to live in such distressing circumstances and being assigned primary responsibility for rectifying them, including in terms of having to assume both a financial and project management role in relation to grant scheme-funded remediation works. The absence of a financial contribution towards remediation on the part of the banking and insurance sectors – in contrast to their financial engagement in helping to address a previous pyrite crisis in the East Region[4] - is noteworthy here.

Further, the burden has been carried by householders for a very long period of time, given that the problems in Donegal and Mayo first emerged in public policy terms as long ago as 2013. Delays in policy implementation and associated administrative processes have thus prolonged the problems experienced by affected homeowners, while the current scientific uncertainty about the root cause of the problem appears to be creating a state of limbo for them.

The second theme relates to what might be termed a public and societal information deficit. We were unable for example to identify a reliable, up to date estimate as to the full extent of the defective concrete block problem in counties Donegal and Mayo, and indeed beyond. Further, there appear to be inconsistencies in the publication of Grant Scheme data between public bodies, with no one 'official' template used. Information on the developing science is also difficult to ascertain. Thus, it is hard for wider society and government both to get a handle on the full incidence and nature of the problem, and the extent to which social policy is addressing it in practice. Moreover, there does not appear to be any mechanism for garnering learning from the scheme to enable necessary modifications to be expediently made on a periodic basis. It is also noticeable that while there are various sources of publicly available information and support for those potentially impacted, there is no singular source to whom borrowers can reliably turn in the round.

The Mortgage Arrears Crisis

As with the defective concrete block crisis, its mortgage arrears counterpart also has its genesis in the Celtic Tiger years (1999-2008) as a result of a combination of what is now widely recognised as imprudent lending and non-intrusive regulation. While the peak of the crisis (mid-2013) which followed the Global Financial Crisis (2008) has long since passed, the problem persists for many borrowers for whom the problem has deepened. Predominant among these owner occupiers are those from cohorts at greater risk than others,

4 The Pyrite Remediation Scheme. See: https://www.housingagency.ie/housing-information/pyrite-remediation-scheme principally due to external social and economic factors such as poverty and unemployment, ill-health, and demographic factors including older age and formal education level.

Lender profiles have changed as a result of loan portfolio sales, to the extent that the majority in longer-term arrears now find themselves dealing with an entity (typically a non-bank or credit servicing firm) different to the one (generally a bank) that sold them the mortgage in the first place. As in the defective property scenario, the burden has again been carried predominantly by the households and families concerned, with noticeably similar adverse psychological and social impacts.

The policy emphasis since the mortgage arrears crisis first manifested itself during the 'post-crash' years (2009-2015) has remained on the creation of frameworks of engagement, whereby creditors and debtors are facilitated to come to a consensual resolution of arrears and related problems, providing the latter consents to full disclosure and engages. Examples here are: the Central Bank of Ireland's (regulatory) Code of Conduct on Mortgage Arrears (CCMA) and associated Mortgage Arrears Resolution Process (MARP); (statutory) Personal Insolvency Arrangements (PIAs); the Housing Agency's Mortgage to Rent Scheme (MTR), and; the State's Abhaile and MABS Services. While each measure has facilitated resolutions for many, there remain a considerable number of households for whom these initiatives have either not worked or have proved elusive.

One reason for this is the uneven playing field which exists between powerful, well-resourced financial service providers and atomised, poorly resourced and often legally un-represented mortgage borrowers. As a result, those with insufficient disposable incomes and a lack of realisable assets can find themselves excluded from the measures set up to assist them. Many such households would appear to require debt write-downs and permanent interest rate reductions, but the institutional emphasis on restructures and voluntary arrangements tends to ensure that lenders rarely take such financial hits. Critically, there is little or no evidence of concern among regulatory and lender institutions about mortgage arrears in the context of properties with defective concrete blocks, the apparent view being that existing 'case by case' measures - based on borrowers seeking help - are more than adequate to cover such a dual problem.

The policy development process in each domain (defective properties and mortgage arrears) has been remarkably similar, but it is striking that these measures have been developed entirely discretely, and that neither set of measures references the other, despite - we suspect - the homes in question invariably being mortgaged. The result is in essence two separate policy silos, although the same household may be experiencing both issues; this is because policy has predominantly focused on properties and distressed accounts rather than the householders who live in and own them.

Objective 1: To identify the mortgage arrears dimension(s) to the defective concrete block crisis from a borrower perspective

There are three dimensions in this respect. First, the household profiles of dually affected borrowers; second, the related mortgages and associated arrears; and third, the lived experiences of the clients concerned, including in respect of how they have been treated by their creditors and any involvement with the legal process.

Client Household Profiles

Administrative data analysis of (n=34) clients' Standard Financial Statements (SFS) gives us an indicative picture of the demographic, socio-economic, mortgaged, and arrears situations of MABS clients experiencing the dual problem of mortgage arrears and living in properties with defective concrete blocks. Beginning with age, we find the average client to be around 54 years old and a quarter of the sample to be aged over 60; thus, they have relatively few years of earning capacity remaining within which to discharge their mortgages. There is also an identifiable feature with regard to marital status, in that over 45% are either separated or divorced compared to a figure of just 6% for the population at large. Aside from the suggestion that trying to deal with such a traumatic dual problem is impacting intra-household relationships, we also know from previous research that resolution attempts can be hindered in cases where both parties do not agree, or where one party has become dis-engaged.

Households are larger than average, and most (72%) contain children under 18 (the majority of the latter are where the borrower is under 50); further, lone parents form a considerably larger proportion of the sample (33%) than would be expected relative to the population at large. Factors such as these are known to be associated with a higher risk of poverty and over-indebtedness. Data in relation to employment status and income show this to be a cohort of households in mostly low paid work, with many (20%) dependent on social welfare supplements; ill-health related payments are also present among a sizeable minority (20%).

Within this context, it is unsurprising to find relatively low levels of household income,[5] assets or savings, and a high rate of poverty, which amounts to four times the national average.[6] While most households have some disposable income to put towards housing costs, it is nowhere near enough to meet contractual mortgage repayments; nonetheless, most families are paying a considerable percentage of their monthly mortgage costs. The vast majority of households are still resident in their properties despite the associated defects, but relatively few (less than a quarter) are availing of, or have even engaged with, the Enhanced Defective Concrete Blocks Grant Scheme.

Mortgages and Arrears

The mortgages concerned were mostly drawn down from mainstream lenders during the Celtic Tiger period

5 The average (mean) net household income among the sample is €3,095.48 per month; this amounts to just €37,145 per annum, which is over a third lower than the corresponding figure for the population as a whole (€58,922 per annum).

6 Almost half of sampled households (n=15 or 44%) have individualized (equivalized) incomes which are below the poverty line; this compares to just 11.7% of the population at large.

(2000-2008), but as a consequence of the Global Financial Crisis (GFC) and associated bank financial stability concerns, the majority have since been sold to Non-Bank Entities (NBEs). The average outstanding mortgage balance on these loans is just shy of €130,000, but the current market (often merely site) value of the defective properties involved means that negative equity is common among the sample. Arrears are widespread as might be expected among a MABS client dataset, and while the causes are mainly external in nature in line with the literature, there are indications that the defective blocks themselves are an added factor.

Remaining mortgage terms are long and interest rates (mainly variable in nature) are high, a combination – in the context of limited incomes and assets - likely to leave many well beyond retirement age before they discharge their liabilities, if at all. In light of the above, only a minority (around a fifth) have been able to agree an alternative repayment arrangement (ARA) or secure a PIA (just one). The majority appear to be stuck in prolonged and protracted processes, with around half also having to cope with legal possession proceedings to repossess their properties, with most of these at multiple adjournment or late stage. Other, mainly unsecured debts are not, however, widespread among the sample, with the average debt per client in the region of €9,000.

Lived Experiences (DCB homes)

Turning now to the qualitative dimension of our research, the lived experiences of (n=10) respondents, shines a research light for the first time in Ireland on the dual experience of trying to cope both with mortgage arrears and the realities of living in a defective property. Taking the latter first, we identify three dimensions. The first of these involves the visible, tangible and audible effects of watching your home begin to deteriorate in front of your eyes.

> *The outside of the house was getting a bit rough looking, (partner) was flat out filling when he painted the outside of the house.. he got the chisel and the block hammer and he chiselled a small square out of the base of the house… it was coming out like Weetabix, it was coming out crumbly, it was on the path, he rubbed his fingers through the stuff and it went to powder, then I could see these cracks although had to be up close, but now I can see the cracks from the end of the drive.*

> *It's full of Mica, that's the problem and what a nightmare that's been… I've been in building all my life, I seen cracks and I thought to myself, loads of cracks, but I put a bit of plastic like filler in it and then painted the house, and then after a while the corner stones they call them, they started to crack right up, and then the whole thing, the lintels above the window, they broke in the middle, they were hanging down so you were frightened to go near them, they frightened the life out of my wife and she kept saying about the noise, oh god it's awful.*

> *The outside of my kitchen, I could send you on photographs, there's water coming in the windows, I have towels below the windows 24/7 because the rain's coming in, there's actually moss and mould growing on the kitchen walls, the tiles are off my walls, the paint's coming off, it's in total disrepair*

The second relates to the associated psychological (and sometimes physical) impacts beginning with denial, which mirror to a large extent those involved in the stages of grief following a bereavement.

We had a conversation about the Mica at that time (initial cracking)– I said to (partner) I hope to God we don't have it, he said to me you know we have it, I know it from drilling the walls, he got the chisel and the block hammer and he chiselled a small square out of the base of the house…

I'd say we didn't really notice until (10 years later)… we just thought it was settling cracks, it was probably 10 years before we noticed there was cracks, in the outside more so, so it probably took 9-10 years before we thought mm, we really need to look about this… then we went into the denial stage, you know, we can't face this, hoping it will all go away, that it won't be us, it's everybody else, it won't happen to us.

The third dimension is more practical in terms of a growing realisation that as they stand, respondents' homes are essentially unsellable.

So then the bank, whenever we put the house for sale, the estate agent over a period of years, she would be bringing people to the house and to be honest with you, you couldn't give the house away because it's worth nothing, it's crumbling… so she said unless I repaired the house she wasn't going to try and sell it any more so it was taken off the market… it's actually finished to the best because it was a forever home, there was solid oak doors, solid wood floors, triple glazing windows, marble fireplace, Stanley range, it's finished to the highest standard, the highest spec, but now it's worth nothing.

I had suspicions over mica because there were scratches appearing in the property… an engineer came down and surveyed the property… the results came back and they said that the mica issue was not of serious concern…I was surprised but at the same time happy and put the property on the market… so the house went on the market, it sold very quickly and the buyers asked me about the mica… we came to an arrangement (for a further test) and if mica was an issue, then I would pay and if it wasn't, they would cover the costs… so long story, the report came back and mica actually was a problem, and so they pulled out, I paid the test and the sale fell through, and the estate agent confirmed what I already knew, that you are not going to be able to sell the property.

Loan Sales and Purchasers

Against this backdrop, the borrowers in question have discovered that in the vast majority of cases, their mortgages have been sold on, without their prior consent or knowledge, to Non-Bank Entities (NBE), presumably as part of distressed loan-book portfolio sales.

I got a letter just to say that your mortgage had been transferred to (named NBE), in actual fact I didn't even know who (named NBE) was at that stage so I googled them, there was no real formality as such, just a letter that I would be dealing with them in future.

My mortgage has been sold on a number of times… I was with (names NBE) for a while, now I'm with (names another NBE), part of problem is you're never sure who you are dealing with, you're engaging with someone then they've moved on, you have to begin over and over and over again… and that was *part of our problem, engaging with somebody to try and rectify the issue, then they would move on or it would be sold on and you're beginning all over again*

(Names NBE), I'd never heard of them in my life, only that they (the original bank) were handing me down to another company and then I'd be paying them and they're done.

This is a cohort of clients who are in arrears largely as a result of common debt triggers such as a drop in income, ill-health, or an increase in expenditure, including the exacerbating consequence of NBE's charging relatively higher interest rates. The defective concrete block dimension plays a triple role here, firstly as a root cause of arrears on account of the attempted remediation expense involved, secondly by compounding them through creating higher ongoing costs, and thirdly as a barrier to accessing the grant scheme (in that borrowers are understandably not willing to do so solely for the lender's benefit).[7]

Experiences of dealing with loan purchasers are overwhelmingly negative, as respondents have found them by and large to be most unhelpful, with practices ranging from indifference at best to what are reported to be highly questionable practices at worst.

Every time I got onto them I lost the head, because you had to explain it all over to somebody different every time and they hadn't a clue, they kept saying ah sure the govt are helping you, there's times I was just shouting down the phone to them and having to explain it all, that's when we were at the height of it.. So (named NBE) were of no help, they didn't have a clue, they were oblivious to the whole thing and they were like 'what's Mica' at that time, they didn't have a clue, a notion as to what it was about… I know at the end of the day it is what it is, but they don't care.

They want their money every month whether I'm living in a tent or whether I'm living out in a shed, they just want their money every month, they don't care about the condition of the house, they don't really care about the humanistic side of things, they just want their money and that's it full stop.

Every other week I'd be getting a phone call from the bank before I went into (names establishment), I'd be in the toilets crying and bawling my eyes out, I had to contact the banks and write them a letter saying please do not ring me anymore, I can't deal with this anymore.. there was no human side to it at all… I actually wrote them letters, correspondence, they were on at me to sell the house, asking what's happening, the estate agent had the house off the market and they wanted to know why…I sent them off photographs of the side of the house, the outside of the house, there's cracks you can nearly get your hands into, the corner stones are all falling off… And they basically wrote back and said we want an official thing to say that you've got Mica, they wanted me to hire an engineer to come… I told them I couldn't afford 2,000 or 3,000 Euro, they really don't want to know.

Unwillingness by creditors to respond favourably to what appear to be reasonable proposals in the circumstances, is an identifiable theme in many cases.

All they got was (names figure) on their life insurance… I offered it to (named NBE), I put that to them,

7 Once there is again sufficient equity in the property, the fear is that the lender will move to repossess as it will now be financially worth their while to do so.

that's all I had, I offered it to them but they said no, no, given the house is coming down, it's going to be a brand new house, we're asking you to sell the house, which is the bit I don't like… it must have been 2 years ago, we offered that money to (named NBE) and they wouldn't accept it… they didn't accept it, the words they said were that you're going to have a house re-built, and the house will be worth more, so you stay in the house and settle then... so I'd sell the house to satisfy them.[8]
I decided we needed to get the banks sorted… because I wanted to get the stress away from me if there was a chance of getting a deal done with them… so that was fine, MABS and I worked together on it and we put an offer in of (c. 40% of the balance) into them and that was ongoing for the last 2 years and they were to-ing and fro-ing… because they didn't own the mortgage and we didn't know that… so then they sent a letter to us saying they have taken over now, they have the mortgage and they started to put the heavy on us, they didn't accept it… so we upped the offer then to (c.50% of the balance) and we thought that was reasonable, … and they said no, they wanted (c.80% of the balance),[9] *they were adamant that that was the lowest they would do it.*

The bottom line is they (original named bank) sent a valuer around, I got a valuation done (c.75% of the balance)… and the next thing is (named NBE) took over and we were back to square one… the mortgage arrears (balance) has probably gone up (names figure)… so I have proposed to (named NBE) that they write down the mortgage to the original valuation (c.70% of the balance), and I have access to family who will lend me that money to pay them off… in the meantime, my proposal is still live with them, they've had it for at least 2 months and I've had no response from them whatsoever… and that's where we stand.[10]

Experience of Legal Proceedings

Around half our sample are subject to legal proceedings, adding another - and arguably somewhat futile – element to household trauma, as cases appear to be repeatedly adjourned.

(*Named NBE) were pushing for repossession, I was representing myself with (names MABS adviser) support, their barrister tried to put a story across that I was kicking the can down the road to waste time…well I haven't wasted any time, the process has wasted time.*[11]
I'm in court now every twice a year with the banks because they want the money and I've nothing to give them.

They're taking me to the courts for a house that's no good to me and it's no good to them, it's appalling.

It's horrible (breaks down, cries), it's just like I'm stuck between a rock and a hard place.. if the house didn't have Mica, I don't have an official diagnosis of Mica… a couple of weeks ago the County Registrar said that I should get an engineer to come but I can't afford it, it's about 2,000 Euro and I don't have that… at the last hearing my number and my ex-spouse's was called but I didn't even get to stand up

8 This respondent is nearing the end of the Grant Scheme remediation process.

9 The site value alone is considerably more than the outstanding mortgage balance.

10 The lender in question is taking repossession proceedings.

11 This case involved a PIA proposal.

because the solicitor for MABS[12] *was there and he said this house has suspected Mica, they were there to speak up on my behalf… I don't have any law qualifications or experience of speaking up, I don't know anything about the process.*

Overall, we conclude from the qualitative narratives that borrowers are experiencing a sense of **cumulative entrapment** and **powerlessness** stemming primarily from a deleterious construction material problem, which has arisen entirely outside of their control.

We're trapped in here, there's nothing we can do… we're in a trap, we couldn't move, we're still waiting

The thing that really frustrates me is that when you want to sort it out, you go to the left and it's wrong, you go to the right and it's wrong, you're basically how can I fix it but nobody wants to hear you

We haven't asked for this, I haven't asked to be put in this situation, it's been given to me, and it's like sink or swim and I'm stuck.

A theme of **constant struggle**, of fighting on seemingly various fronts but getting nowhere, is also apparent from the narratives:

I don't really know where to turn because I have the whole struggle of trying to maintain the house because I was in my early 20s when I bought this house, and it's been everything that my life's worked, so my priority was (A) to keep the roof over my head and (B) to try and protect what I've had all along… if the house was removed I actually just don't know I'd cope with that if that happened

I'm at the mercy of other people making decisions about things that you've put so much into

I want to fix this, every month I'm getting further and further into debt, I go to court every twice, three times a year when I'm called, I'm trying to fix it but every door is shut in my face

I'm in this situation because I can't pay for my mortgage, and because I can't pay for my mortgage they want my house, I tried to sell it, it can't be sold because of the condition it's in, they still want their money

They're hounding me for something I can't give them, I've told them I can't afford it, there is no answer, there's no solutions for me, so I'm stuck.

The mortgage arrears side, it's forgotten, I feel like I'm being suffocated, that's honest to God.. but I can't pay my mortgage, I'm stuck and I haven't a clue what to do.

12 The Duty Solicitor under the Abhaile Scheme.

Objective 2: To investigate the adequacy of current policy measures designed to assist dually impacted borrowers and identify any deficiencies

Against the backdrop of client experiences and profiles, our policy architecture for dealing with mortgage arrears in a defective concrete block situation clearly requires significant amendment. Firstly, none of our relevant policy measures (both in the defective block and mortgage arrears' domains) even reference the other dimension to the problem as highlighted above.

The Grant Scheme

More specifically, the Grant Scheme – although welcome and helping to bring about remediation for some in our sample – is constituted in such a way as to inhibit, and in some cases even preclude people from accessing the financial support they need. Problems with affording up-front payments, both in respect of initial testing and throughout the re-construction process, were frequently identified against a backdrop of limited resources in the first instance. Additional costs for accommodation and furnishing (amongst other things) could also be incurred. When allied to the complexities of project management, many were clearly carrying an added logistical burden. By comparison, its East Region 'pyrite-heave scheme' predecessor - where pretty much the entire process was administered end-to-end by the Housing Agency - appears a much less burdensome model. The lack of an 'in the round', national, reliable source of information is also noteworthy, although the community facilitator service is playing a positive role with regard to the Grant Scheme at community level.[13]

Consumer Protection Code and the Code of Conduct on Mortgage Arrears

On the mortgage arrears side, the existing Central Bank of Ireland's Consumer Protection Code is both silent on defective blocks and narrow in its definition of vulnerable consumer; an amendment to it specifically to cover dually impacted borrowers would be welcome. It appears that the industry would be prepared to treat people in this way if requested to do so, though again, this places the burden on the borrower who may not be aware of such a provision in any event.

A revised code is due to come into force in March next year, but it is as yet unclear as to whether the revised definition of 'a consumer in vulnerable circumstances' will apply to borrowers living in defective properties. The related Code of Conduct on Mortgage Arrears (CCMA) also fails to reference the defective block scenario; further, it does not include any reference to vulnerability, and does not work quickly or comprehensively enough in this context, both on account of the complex interplay of the issues involved and the power imbalance between the parties. The 'one size fits all' approach is insufficient in our view, given that

13 A small number of 'community facilitators' –employed by local development companies by way of funding provided by the DHLGH and channelled through relevant local authorities – are available to support and guide homeowners through the application process and facilitate access to relevant support services. See: https://www.gov.ie/en/department-of-housing-local-government-and-heritage/collections/defective-concrete-blocks-grant-scheme-community-facilitators/.

mortgage arrears among the MABS cohort are inextricably intertwined with the defective concrete block problem and require specific - as opposed to generalised - policy attention. Moreover, the conduct of NBEs should be reviewed expediently by the Central Bank, based on the findings of our research.

Personal Insolvency Arrangements

Other mortgage resolution measures appear to be largely unworkable from the perspective of dually impacted borrowers. Personal Insolvency Arrangements (PIA) will be inaccessible to many on account of insufficient resources, age and earning capacities, inability to fulfill statutory co-operation and engagement requirements, and the twin difficulty of establishing a market value for defective properties and dealing with the potential for future claw-back post-remediation if/once this takes place. MABS' experience, in respect of pyrite cases in the East Region, suggests that PIAs are only generally possible where a property is either first confirmed as 'clean' or has been successfully remediated; this is because the legislation creating them never envisaged a defective concrete block type situation. A protocol between the relevant parties is nonetheless worth exploring in this context, given that a PIA may still be achievable in certain cases.

Mortgage to Rent

Barriers also face those interested in exploring the Mortgage to Rent (MTR) option, the main one being the condition of the defective property involved, which is unlikely to be purchased by an Approved Housing Body (AHB) without some form of 'Green Cert'. Thus, those facing Grant Scheme access and use issues are unlikely to be able to avail of MTR unless the Scheme itself is amended to address these barriers, and/or to enable AHBs to apply to it themselves. In any event, the value of remediated properties may transpire to exceed the relevant ceiling, another issue requiring attention. Once again, the absence of any reference at all to the defective block issue in the MTR Scheme is notable, and we again identify a need for a more joined-up approach to service provision, in this instance within public sector bodies with a housing remit.

Against this backdrop of policy dis-functionality, service providers such as MABS, Abhaile and Personal Insolvency Practitioners, face obvious limitations as regards helping people to achieve resolutions. However, the ongoing supportive role played, particularly by MABS, is clearly valued by clients in terms of stress alleviation, re-assurance, creating awareness of otherwise unknown options, and giving people a voice. In an ongoing theme, the absence of a specific protocol between MABS/Abhaile and the financial service industry is a deficiency, and one that could be helpfully addressed.

Conclusion

Finally, and perhaps most importantly, the purpose of this research is to enable people to tell their stories, what has worked and not worked for them, and what could be done from their perspective to put things right, at least in terms of a resolution to the mortgage arrears aspect of their problems. We were struck by how many interviewees reported never having been asked this before, and by their readiness to propose solutions that would work for them and help others. Suggested resolutions included full and final settlement, a PIA, MTR transition, voluntary surrender, re-structure over a longer term, early access to a private pension, and the maximisation of income. People also suggested ways in which creditors could deal with them more empathetically by way of earlier and more comprehensive engagement and better understanding, both of the defective block issue and associated grant scheme.

As the title of our report illustrates, borrowers experiencing the dual trauma of mortgage arrears and living in a defective property can find themselves caught between a rock and a hard place. Re-examining our policies in this area through the lens of human rights' principles of housing security, affordability, habitability, dignity to live and inclusivity, could make the lives of this cohort of doubly-distressed citizens and their families that bit easier. It is with this intention that we put forward the recommendations below.

Objective 3: To propose additional/alternative interventions that may be needed towards resolving householders' mortgage arrears in this context.

Recommendations

We recommend the following:*

Over-arching body establishment

1. An independent, statutory, Defective Concrete Block Remediation and Resolution Office should be established to explain, administer, and carry out the Remediation Scheme on behalf of the State (Section 1; Section 6.7).

2. This Office should be empowered to grant breathing space to dually-distressed borrowers in or at risk of mortgage arrears (Section 5; Section 6.7).

3. This Office should further be empowered to make determinations in defective concrete block situations, including in respect of cases that are already the subject of repossession proceedings and in those where the lender/NBE wishes to bring such proceedings (Section 5; Section 6.7).

4. This Office should be designated as the primary body responsible for collating and publishing information about: (i) the developing extent of the defective block problem nationally and regionally (ii) applications, decisions and current states of play with regard to the Grant Scheme (nationally and regionally), and; (iii) the DCB issue and Scheme overall from a public information standpoint. (Section 1; Section 5; Section 6.1).

5. This Office should further be assigned as the hub for receiving, collating and informing government as to policy issues which emerge with respect to the various dimensions of the defective concrete block issue, including its mortgage arrears aspect. (Section 1).

The Central Bank of Ireland (CBI)

6. The Consumer Protection Code (CPC) and Code of Conduct on Mortgage Arrears (CCMA) should be modified to include specific reference to the defective concrete block (DCB) crisis and provide for the treatment of those affected as vulnerable consumers (Sections 6.2 and 6.3).

7. The Central Bank should further examine the practices of Non-Bank Entities (NBEs) and Credit Servicing Firms (CSFs) in this context (Section 5).

8. Power imbalances in the CCMA more generally, which favour lenders and disfavour borrowers, should also be addressed (Section 2).

9. The Central Bank should request - from the entities it regulates - information on the position of borrowers

in mortgage arrears whose family homes are adversely affected by defective concrete blocks. These data should be published quarterly as a subset of its quarterly mortgage arrears statistics (Section 2).

Borrower experience

10. A mechanism should be created to ensure that the voice of the dually-impacted borrower is incorporated into policy monitoring and development. One option here is to create a MABS client user group, perhaps drawn from those who participated in the research; this group could be augmented by staff with relevant experience in this domain (Section 4; Section 5).

INTERIM MEASURES:

The Grant Scheme

11. Financial access and use barriers to the Grant Scheme should be addressed in respect of cost shortfalls, up-front expenses and potential accommodation expenses (Section 1: Section 6.1).

12. Non-financial access and use barriers should also be addressed i.e. process delays and the project management burden (Section 1: Section 6.1).

13. The Grant Scheme should be amended to allow Approved Housing Bodies (AHBs) to access it for Mortgage to Rent (MTR) purposes (Section 6.5).

14. Administration processes in respect of MTR and the Grant Scheme should be better integrated, both within the Housing Agency and within local authorities. (Section 6.5).

Insolvency Service of Ireland (ISI)

15. The development of a protocol for the assessment of market value for Personal Insolvency Arrangement (PIA) purposes in a defective concrete block scenario should be undertaken under the auspices of the Insolvency Service of Ireland (ISI) (Section 6.4).

16. In addition, a further protocol to facilitate non-statutory arrangements including full and final settlements of DCB mortgage arrears cases should be explored. (Section 6.4).

MABS

17. MABS should estimate the resources required in the defective block context to cope with the potential for future demand (Section 6.6).

18. Use of a voucher system might be considered for Building Condition Assessment (BCA) purposes (Section 1; Section 5).

19. A protocol should also be developed with the Banking and Payments Federation (BPFI) to deal with mortgage arrears cases in a defective property scenario (Section 6.6).

20. A dedicated database should be kept for DCB clients for monitoring and policy purposes (Section 4).

* Each recommendation references the relevant section in the full report which can be accessed at **www.mabs.ie**

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