



STATUTORY INSTRUMENTS.

S.I. No. 666 of 2021



CENTRAL BANK (SUPERVISION AND ENFORCEMENT) ACT 2013
(SECTION 48) (HOUSING LOAN REQUIREMENTS) (AMENDMENT)
REGULATIONS 2021

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(SECTION 48) (HOUSING LOAN REQUIREMENTS) (AMENDMENT)
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In exercise of the powers conferred on the Central Bank of Ireland (the “Bank”) by section 48 of the Central Bank (Supervision and Enforcement) Act 2013 (No. 26 of 2013) (the “Act”), the Bank, having consulted the Minister for Finance in accordance with section 49(1) of the Act, hereby makes the following regulations:

1. These Regulations may be cited as the Central Bank (Supervision and Enforcement) Act 2013 (Section 48) (Housing Loan Requirements) (Amendment) Regulations 2021.

2. In these Regulations “Principal Regulations” means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48) (Housing Loan Requirements) Regulations 2015 (S.I. No. 47 of 2015).

3. Regulation 2(1) of the Principal Regulations is amended by substituting the definition of ‘housing loan’ with the following:

“ ‘housing loan’ means -

- (a) the amount advanced or the total sum of amounts advanced by a lender to a borrower which are or are to be secured on a residential property, or
- (b) where the context so requires in:
 - (i) Regulation 5, subparagraphs (1A) and (2A);
 - (ii) Regulation 6, subparagraphs (2)(b), (2A)(b) and (2A)(4)(b),

the amount to be advanced or the total sum of amounts to be advanced by a lender to a borrower which will be secured on a residential property;”

4. Regulation 3 of the Principal Regulations is amended by inserting after Regulation 3(2) the following:

“(3) A lender shall not be taken to have contravened paragraph (2), with regard to a lender’s participation in the government shared equity scheme, where the lender participates in the government shared equity scheme.

(4) In this Regulation, ‘government shared equity scheme’ means a scheme whereby the Minister for Housing, Local Government and Heritage may, out of moneys provided by the Oireachtas, contribute funds towards a special purpose vehicle established to make funds available to purchase an equity share in dwellings for the purpose of assisting persons to purchase such dwellings in accordance with the terms of a memorandum of agreement to be made between the Minister for Housing, Local Government and Heritage and such special purpose vehicle, as provided for at Part 4 of the Affordable Housing Act 2021.”

5. Regulation 5 of the Principal Regulations is amended by-

(a) inserting after paragraph (1) the following:

“(1A). If, in a relevant period referred to in paragraph (1), a lender has -

- (a) issued a fully underwritten approval to a first-time buyer to make a high loan-to-income housing loan for principal home purposes, and
- (b) the high loan-to-income housing loan for principal home purposes is not advanced during that relevant period,

provided that the housing loan is advanced within 6 months of the end of that relevant period, it may be regarded as having been advanced during the relevant period referred to in paragraph (1) for the purposes of calculating the total aggregate monetary amounts advanced to borrowers who are first-time buyers under high loan-to-income housing loans made for principal home purposes.

(1B) The value of the total aggregate monetary amounts advanced by a lender to which paragraph (1A) applies, shall not be included for the purposes of calculating the total aggregate monetary amounts advanced by a lender to borrowers who are first-time buyers under housing loans made for principal home purposes in any relevant period.”

(b) inserting after paragraph (2) the following:

“(2A). If, in a relevant period referred to in paragraph (2), a lender has -

- (a) issued a fully underwritten approval to a borrower that is not a first-time buyer to make a high loan-to-income housing loan for principal home purposes, and
- (b) the high loan-to-income housing loan for principal home purposes is not advanced during that relevant period,

provided that the housing loan is advanced within 6 months of the end of that relevant period, it may be regarded as having been advanced during the relevant period referred to in paragraph (2) for the purposes of calculating the total aggregate monetary amounts advanced to borrowers who are not first-time buyers under high loan-to-income housing loans made for principal home purposes.

(2B). The value of the total aggregate monetary amounts advanced by a lender to which paragraph (2A) applies, shall not be included for the purposes of calculating the total aggregate monetary amounts advanced by a lender to borrowers who are not first-time buyers under housing loans made for principal home purposes in any relevant period.”

6. The Principal Regulations are amended by substituting for Regulation 6 the following:

“(1) Subject to paragraphs (2) and (2A) of this Regulation, a lender shall ensure that:

- (a) the loan-to-value ratio of a housing loan where the borrower is not a first-time buyer and the residential property on which the housing loan is or is to be secured is a principal home shall not exceed 80 per cent;
- (b) the loan-to-value ratio of a housing loan where the borrower is a first-time buyer and the residential property on which the housing loan is or is to be secured is a principal home shall not exceed 90 per cent.

(2) (a) A lender shall ensure that the total aggregate monetary amounts advanced in a relevant period under housing loans -

- (i) made to borrowers who are not first-time buyers,
- (ii) made for principal home purposes, and
- (iii) which do not comply with paragraph (1)(a),

does not exceed 20 per cent of the total aggregate monetary amounts advanced to borrowers who are not first-time buyers under housing loans made for principal home purposes in that relevant period.

(b) If, in a relevant period referred to in paragraph (2)(a), a lender has -

- (i) issued a fully underwritten approval in respect of a housing loan to be advanced to a borrower who is not a first-time buyer for principal home purposes and which does not comply with paragraph (1)(a), and

- (ii) the housing loan is not advanced during that relevant period,

provided that the housing loan is advanced within 6 months of the end of that relevant period, it may be regarded as having been advanced in the relevant period referred to in paragraph (2)(a) for the purposes of calculating the total aggregate monetary amounts advanced by the lender to borrowers under housing loans of the type referred to in paragraph 2(a).

(c) The value of the total aggregate monetary amounts advanced by a lender to which paragraph (2)(b) applies, shall not be included for the purposes of calculating the total aggregate monetary amounts advanced by a lender to borrowers who are not first-time buyers under housing loans made for principal home purposes in any relevant period.

(2A). (a) A lender shall ensure that the total aggregate monetary amounts advanced in a relevant period under housing loans -

- (i) made to first-time buyers,
- (ii) made for principal home purposes, and
- iii) which do not comply with paragraph (1)(b),

does not exceed 5 per cent of the total aggregate monetary amounts advanced to first-time buyers under housing loans made for principal home purposes in that relevant period.

(b) If, in a relevant period referred to in paragraph (2A)(a), a lender has -

- (i) issued a fully underwritten approval in respect of a housing loan to be advanced to a borrower who is a first-time buyer for principal home purposes and which does not comply with paragraph (1)(b), and
- (ii) that housing loan is not advanced during that relevant period,

provided that the housing loan is advanced within 6 months of the end of that relevant period, it may be regarded as having been advanced in the relevant period referred to in paragraph (2A)(a) for the purposes of calculating the total aggregate monetary amounts advanced by the lender to borrowers under housing loans of the type referred to in paragraph (2A)(a).

(c) The value of the total aggregate monetary amounts advanced by a lender to which paragraph

(2A)(b) applies, shall not be included for the purposes of calculating the total aggregate monetary amounts advanced by a lender to borrowers who are first-time buyers under housing loans made for principal home purposes in any relevant period.

(3) Subject to paragraph (4) of this Regulation, a lender shall ensure that the loan-to-value ratio of a housing loan which is not made for principal home purposes shall not exceed 70 per cent.

(4) (a) A lender shall ensure that the total aggregate monetary amounts advanced under housing loans that are not made for principal home purposes and that do not comply with paragraph (3) shall not exceed 10 per cent of the total aggregate monetary amounts advanced to borrowers under housing loans which are not made for principal home purposes in that relevant period.

(b) If, in a relevant period referred to in paragraph (4)(a), a lender has -

(i) issued a fully underwritten approval in respect of a housing loan to be advanced to a borrower under a housing loan which is not made for principal home purposes and which does not comply with paragraph (3), and

(ii) that housing loan is not advanced during that relevant period,

provided that the housing loan is advanced within 6 months of the end of that relevant period, it may be regarded as having been advanced in the relevant period referred to in paragraph (4)(a) for the purposes of calculating the total aggregate monetary amounts advanced by the lender to borrowers under housing loans which are not made for principal home purposes and which do not comply with paragraph (3).

(c) The value of the total aggregate monetary amounts advanced by a lender to which paragraph 4(b) applies, shall not be included for the purposes of calculating the total aggregate monetary amounts advanced to borrowers under housing loans which are not made for principal home purposes in any relevant period.

(5) This Regulation shall not apply to a new housing loan for the purchase of a principal home advanced to a borrower who is at the time that the housing loan is advanced a borrower under a negative equity loan.”

7. The amendment or substitution of any enactment, or part of enactment, by these Regulations -

- (a) shall not affect any direction given by the Bank, any investigation or any disciplinary, sanctioning or enforcement action undertaken by the Bank or by any other person, in respect of any matter in existence at, or before, the time of the amendment or substitution, and
- (b) shall not preclude the taking of any legal proceedings, or the undertaking of any investigation, or disciplinary, sanctioning or enforcement action by the Bank or any other person, in respect of any contravention of an enactment (including anything, amended or substituted by these Regulations) or any misconduct which may have been committed before the time of the amendment or substitution.

Signed for and on behalf of the CENTRAL BANK OF IRELAND
7 December 2021

GABRIEL MAKHLOUF,
Governor of the Central Bank of Ireland.

EXPLANATORY NOTE

(This note does not form part of the Instrument and does not purport to be a legal interpretation)

These Regulations amend the Central Bank (Supervision and Enforcement) Act 2013 (Section 48) (Housing Loan Requirements) Regulations 2015 (S.I. No. 47 of 2015).

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