

CARBERY HOUSING ASSOCIATION

Mortgages Rescue Project for Cork



Mortgage Arrears and Repossession Crisis

Ireland is facing a serious mortgage arrears crisis as a legacy of the drive for home ownership in the first decade of the new millennium, and the collapse of the housing market and recession that followed. To date there are an estimated 83,251 private residential mortgages in Ireland are in arrears of between three months and more than two years.

The Central Bank (as reported in the *Irish Times* on 03 April 2015) estimated that around 30,904 of these cases were likely to involve "potential loss of ownership". These are likely to be the most vulnerable households, single parents, unemployed or disabled, who are dependent on welfare or whose incomes are very low. We estimate that at least 5,000 of these families will be in the Cork City and County region. There has been 75 repossessions granted in Cork for the first quarter of 2015.

Carbery Housing Association

Carbery Housing Association (CHA) is a small housing association based in West Cork, registered as a company with charitable status, and currently rents private properties secured on long-term leases to council nominees at council equivalent rents. Tenants are families with children, and CHA takes responsibility for management and maintenance of the properties. The association has currently no paid staff, and all work is carried out by volunteers on an unpaid basis. Skilled building and professional works are contracted out to reputable local contractors. CHA works in full consultation with residents, and has carried out repairs and improvements to properties, including full energy retrofit to prevent fuel poverty. We have also implemented projects to provide training and enterprise support to residents and members, using national and European funding.



Carbery Housing Association and Mortgages to Rents

In 2012, the CHA was approved to participate in the Government's Mortgages-to-Rents initiative. Since then we worked with the Housing Agency and the respective banks in negotiating the purchase of properties allocated to us under this programme.

So far we have been allocated 20 properties in Cork city and county where residents are unable to pay mortgages, and have surveyed, valued and negotiated purchase terms on 7 properties to date, the purchase of these properties will be primarily funded by a private loan undertaken by the Housing Association and repaid over a 30 year period, under the Government's Mortgages-to-Rents initiative, the two councils concerned (Cork City and County) will pay CHA a Payment-and-Availability (P & A) fee of 92% of the market rent for each property that is transferred under this programme. This fee will allow CHA to pay for the main loan undertaken for purchase.

In addition, the Housing Agency (part of the Department of the Environment, Communities and Local Government) will make available an additional amount - around 25% of the overall purchase price. This will allow CHA to purchase the properties and meet the loan repayments on the basis of the P&A provided by the Councils. The total cost of purchase agreed for these properties is €851,500.

Once the properties are purchased, CHA will enter into permanent tenancy agreements with the residents, who will pay a monthly means-tested council equivalent rent, or around €160 per month. Residents will also be invited to become members of the Association, and to participate fully in the work of the Association, suggesting improvements to properties and other community initiatives that could be undertaken by CHA.



Our Funding Shortfall

Unfortunately, due to internal lending limits, the Bank is unable to offer CHA a loan that will cover the entire purchase price. As a condition the loan offered, CHA must secure an additional sum in donations (not loans) of €25,000 to contribute towards the purchase of the properties. The aim of this is to reduce the lending risks for the Bank and to allow CHA to demonstrate its resourcefulness in securing the required funding.

How much do we need?

The total costs of purchase of the 7 properties will be €851,500.

To date we have secured:

AIB Loan Offer 14 April 2015	€ 615,815
CALF Housing Association Subsidy	<u>€210,685</u>
Total	€ 826,500
The funding gap is therefore:	
Total needed	€ 851,500
Total raised	<u>€826,500</u>
STILL TO BE RAISED	€25,000

How can you help?

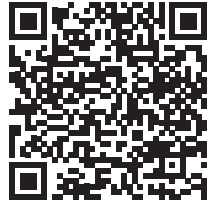
It is absolutely essential for the future of these families and the project that we raise the €25,000 required as soon as possible.

Any donation at this point would help CHA to purchase some or all of these properties on the basis of one property purchased for every €3,571 donation. The residents have been waiting for some months for a decision on this, so their situation is quite pressing. Please help us to finish what we have started and help us to provide a positive future for these families. CHA is registered charity (CHY 14260) so any donation is fully tax-deductible and we will provide evidence of donations made for your tax return. In addition we will provide transparent tracking of any funds donated, so you can see that they are being used only for this purpose.

There are various ways in which you can donate.

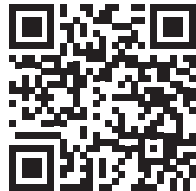
If in Ireland, you can donate through the iCrowdfund.ie web site

<https://www.icrowdfund.ie/campaigns/community-mortgages-to-rents/>



If in UK, you can donate through the Crowdfunder.co.uk web site at:

<http://www.crowdfunder.co.uk/MTR>



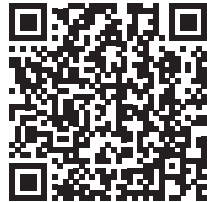
Or, you can donate directly to our Pay Pal account through our web site

www.carberyhousing.eu



By choosing the option "Fundraising Initiatives" on the left-hand menu on the Home page.

http://www.carberyhousing.eu/index.php?option=com_content&task=view&id=21&Itemid=37



Or contact

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Carbery Housing Association company registered by guarantee and having a share capital (No. 348217)
Charitable Registration No. CHY 14260

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