

BPFI mortgage statistics

Explanatory notes and FAQs

The Banking & Payments Federation Ireland began collecting data for mortgage statistics in 2003. The mortgage drawdowns data covers the period from Q1 2003 and is reported on a quarterly basis in the *BPFI Mortgage Drawdowns Report*. The mortgage approvals data covers the period from January 2011 onwards and is reported on a monthly basis in the *BPFI Mortgage Approvals Report*.

Who is BPFI?

Banking & Payments Federation Ireland (BPFI) is the principal voice of the banking and financial services sector in Ireland.

What lenders report mortgage data to the BPFI?

AIB group

Bank of Ireland Mortgage Bank

Bank of Scotland (Ireland)/Halifax¹

Danske Bank²

Dilosk³

EBS Limited

Haven Mortgages

1 Drawdowns only up to Q4 2010.

2 Approvals only between September 2012 and December 2013.

3 Dilosk started reporting in January 2018.

4 ICS Building Society ceased trading on 1 December 2014.

5 Drawdowns only up to after Q4 2010.

6 Pepper Money started reporting in May 2016.

ICS Building Society⁴

Irish Nationwide Building Society⁵

KBC Bank Ireland

Pepper Money⁶

Permanent TSB

Ulster Bank (including First Active)

How is the data collected?

This report is based on statistical information supplied on a monthly or quarterly basis to BPF by the mortgage lending institutions listed above. The returns are completed based on agreed definitions (key definitions are set out below) and guidance notes compiled by BPF and agreed with reporting lenders. The reporting processes are broadly consistent with international best practice.

What is a mortgage?

A mortgage is a loan which is secured on a property. A residential mortgage loan is secured on residential property. A mortgage may or may not be used to pay for the purchase or construction of a residential property.

What is a mortgage drawdown?

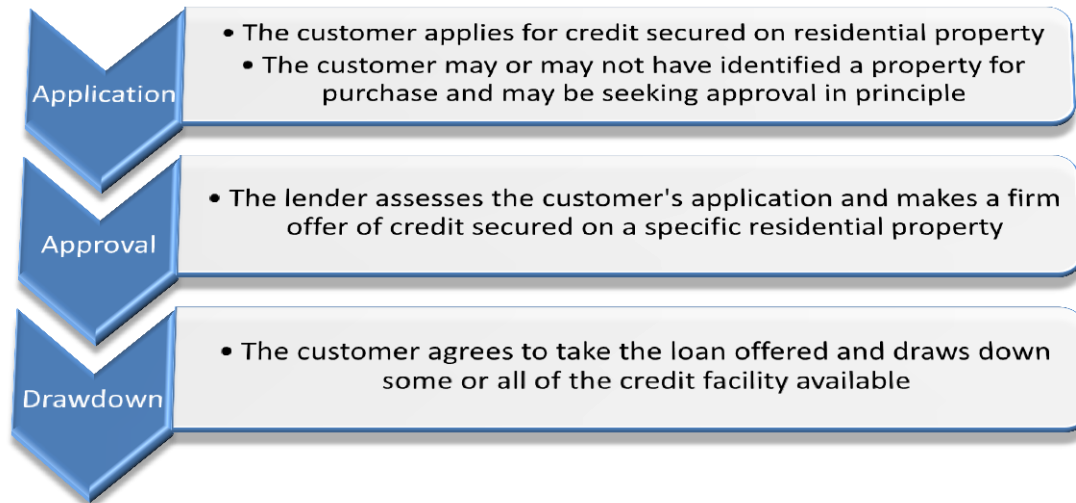
A mortgage drawdown occurs when a customer draws down some or all of an approved credit facility which is secured on a specific residential property.

What is a mortgage approval?

A mortgage approval is defined as a “firm offer” to a customer of a credit facility secured on a specific residential property. A mortgage approval arises when the lender issues a formal offer of mortgage finance to the customer (whether it be in print or some other durable form) for a specific residential property which contains the Notice of important information to be included in a housing loan agreement specified in the Consumer Credit Act 1995. All mortgage loans must be secured on residential property in Ireland. The definition was revised in January 2016. Up to December 2015, a mortgage approval was defined as a “firm offer” to a customer of a credit facility secured on a specific residential property. A mortgage approval arises when the lender issues a formal offer of mortgage finance to the customer (whether it be in print or some other durable form) for a specific residential property and after a valuation report and any other necessary documentation have been received.

An approval may or may not be drawn down by the customer. This depends on a range of factors explained below. Each approval has the potential to become a drawdown. Each approval is counted only once, even if the value, or other aspects, of the approval subsequently change.

From Mortgage Application to Drawdown



What are the five customer types?

Customer Type	Definition
First-time buyer (FTB)	A mortgage loan issued for the purchase of residential property which is to be owner-occupied, where none of the borrowers have ever been an owner occupier (or part owner occupier) of a residential property in Ireland or elsewhere, or where no housing loan has ever been advanced before to any of the borrowers.
Mover Purchase	A loan issued for the purchase of residential property which is to be owner-occupied, where at least one of the borrowers has been an owner occupier (or part owner occupier) of a residential property in Ireland or elsewhere, or where a housing loan has ever been advanced before to any of the borrowers.
Residential investment letting (RIL)	A mortgage loan issued for the purchase of residential investment property or a holiday home
Re-mortgage	A mortgage loan which is issued by one lender to refinance an existing mortgage with another lender. This may or may not include further equity release.
Top-up	A further mortgage advance to an existing borrower which is issued to finance expenditure other than house purchase.

Note: Until July 2014, mortgage approvals data were only split between house purchase (FTB, mover purchase and RIL) and re-mortgage/top-up.

Why is the level of approvals different from the level of drawdowns?

The level of approvals may differ from the level of drawdowns for a number of reasons, including one or more of the following:

- The property purchase for which the loan was approved may fall through, for example, if the customer is outbid or if he or she changes his/her mind about the purchase. As a result, the approved mortgage loan will not be drawn down.
- The customer may cancel the mortgage approval.
- The customer may have applied to and been approved by more than one lender for a house purchase mortgage. Similarly, more than one customer may have been approved by a bank for mortgage to buy a given property. At most, one or none of these customers may buy the property.
- Customers who are approved for mortgages for other purposes such as re-mortgaging or top-ups may decide not to draw down the loan.
- There is a significant difference in timing between mortgage approval and mortgage drawdown. Lenders allow customers a number of months to draw down an approved mortgage. This means that an approval reported in Q1 2015 could be reported as a drawdown in Q1, Q2 or Q3.
- Mortgages for self-build houses are generally drawn down in stages. This does not affect the number of mortgages drawn down reported as each mortgage is counted only once, irrespective of staged drawdowns. However, the value of the mortgage drawn down may initially be less than that the value of the mortgage approved with the rest of the mortgage value drawn down in further stages.

Where can I get the data?

All BPFİ mortgage statistics publications are available on the BPFİ website www.bpfi.ie.