

## **Toward Recovery - Programme for a National Government**

### **Fine Gael and Labour Programme for Government – March 2011**

#### *Exerts in relation to Housing and Homelessness*

##### **Housing and Distressed Mortgages**

A policy of putting the interests of big developers and the banks ahead of people looking to purchase a home was a direct cause of Ireland's disastrous property boom and bust. This Government is committed to helping homeowners in distress to weather the recession, and to ensuring that Ireland has a sustainable housing policy. Both parties believe that more protection is needed for homeowners with distressed mortgages. The recommendations of the Cooney report are inadequate to address the scale of the current crisis. A more radical approach is needed to protect families in fear of losing their home. This Government will examine a number of such proposals, including:

- Increasing mortgage interest relief to 30% for First Time Buyers in 2004-08 (from the current sliding scale of 20% to 25% depending on the year the mortgage was taken out), financed in part by bringing forward the abolition of relief for new buyers from June 2011.
- Directing any mortgage provider in receipt of State support to present Government with a plan of how intends to cut its costs, over and above existing plans, in a fair manner by a sufficient amount to forego a 25 basis point increase on their variable rate mortgage.
- Introducing a two year moratorium on repossessions of modest family homes where a family makes an honest effort to pay their mortgage.
- Fast-tracking personal bankruptcy reform needed to bring us into line with best international standards, such as introducing a flexible discharge period for "honest bankrupts", defined as one that has materially complied with the Tax, NAMA and Companies Acts among others.
- Converting the Money Advice and Budgeting Service into a strengthened Personal Debt Management Agency with strong legal powers. The agency will support families who make an honest effort to deal with their debts, including non-mortgage debt, providing protection from their creditors where appropriate, so that they have time to sort out their affairs. In order to do so, the Personal Debt Management Agency will have quasi-judicial status.
- Making greater use of Mortgage Interest Supplement to support families who cannot meet their mortgage payments, which is a better and cheaper option than paying rent supplement after a family loses their home.

##### **Ghost Estates**

We will mandate the Minister for the Environment, in conjunction with Local Authorities, to bring forward a coherent plan to resolve the problems associated with ghost estates. This plan will be developed in cooperation with NAMA.

##### **Social Housing**

We will introduce a staged purchase scheme to increase the stock of social housing, while achieving the best possible value for public investment. Under the terms of this scheme, leased dwellings will revert to the ownership of local authorities and housing associations at the end of the leasehold period.

We will enable larger housing associations and local authorities to access private sector funding for social housing by issuing 'social housing bonds', secured on the value of their existing housing stock when market conditions allow.

We will amend the Housing (Miscellaneous Provisions) Act (1992) to require all local authorities and housing associations to register with the Department of the Environment if they wish to access Government subsidies or other supports for social housing provision.

### **Urban Regeneration**

We are committed to urban regeneration to revitalise communities in areas such as Limerick to give families a better quality of life.

### **Homelessness**

We are committed to ending long term homelessness and the need to sleep rough. To address the issue of existing homelessness we will review and update the existing Homeless Strategy, including a specific focus on youth homelessness, and take into account the current demands on existing housing and health services with a view to assessing how to best provide additional services.

In line with our Comprehensive Spending Review, we will alleviate the problem of long term homelessness by introducing a 'housing first' approach to accommodating homeless people. In this way we will be able to offer homeless people suitable, long term housing in the first instance and radically reduce the use of hostel accommodation and the associated costs for the Exchequer.

We believe that prevention is better than cure and we will aggressively target the root causes of homelessness. By having a dedicated body to coordinate policy across Government we will target initiatives in cross cutting areas which will aim to prevent as much as possible problems like homelessness.

### **Housing**

We will ensure that the Central Bank and Financial Regulator supervise credit institutions' mortgage lending practices comprehensively and intensively. Where credit institutions fail to adequately control mortgage lending risks, the Central Bank will impose loan-to-value ceilings on mortgages, caps on loan-to-income multiples, limits on the term of new mortgages, and more rigorous procedures for verifying borrowers' incomes.

We will improve the quality of information available on the Irish housing market by requiring that the selling price of all dwellings is recorded in a publicly available, national housing price database.

We will legislate for tougher and clearer rules relating to fire safety in apartment buildings and will introduce a new fire safety inspection and certification regime. We will establish a tenancy deposit protection scheme to put an end to disputes regarding the return of deposits.