Circular: Housing 19/2014

11 April, 2014

1. Approved Housing Body Mortgage Deed Agreements – procedures for the discharge of mortgage deeds where the mortgage term has expired
2. Interim Regulatory Committee (IRC)
3. Publication of the Register of Approved Housing Bodies

Dear Director,

1. Approved Housing Body Mortgage Deed Agreements – procedures for the discharge of mortgage deeds where the mortgage term has expired

This circular provides guidance to Local Authorities on procedures for the discharge of mortgage deeds from its charge to Approved Housing Bodies (AHBs) where the mortgage deed and the term have expired.

AHB Mortgage Deed Agreements

The general provisions relating to Capital Funding Schemes for AHBs are provided for under Memorandum VHU 2/02 Part 3 which states that an approved housing body should be required to enter into a legal Agreement (the Mortgage Deed Agreement) with the relevant housing authority creating a Mortgage Charge on the dwellings and related property in the project in respect of which any loan is advanced under the Capital Funding Schemes. This agreement is designed to give the housing authority the right to exercise the usual powers of a mortgagee in the event of a breach of the conditions on which the loan is paid.

Where Mortgage Deed Agreements have not been completed and finalised between the local authority and the Approved Housing Body, local authorities are requested to expedite and complete this process. Where, in such instances, payments of instalments have already been made in accordance with the terms of para. 3.19 VHU: 2/02, local authorities are asked to activate the Agreement from the first instalment payment date.
Release of AHB Mortgage Deed Agreements

Recommended procedures for the management and discharge of mortgage deeds from titles on AHB Agreements with local authorities where the mortgage term has expired, are set out below.

- Local authorities are reminded of their responsibility to be pro-active in drafting up and approving the release of deeds.

- To do this, on expiry of a mortgage term, local authorities should inform the AHB that the process of releasing the deed will begin.

- The Local Authority will then need to instruct their solicitors to draft the deed of release ensuring that the information on property titles is correct.

- Once the deed of release has been accepted and sealed by the solicitors, the sealed deed will be returned by the local authority together with the title documentation to the AHB.

- Local authorities are requested to remind approved housing bodies of their responsibilities to lodge the deed of release with the Land Registry and to notify the Companies Registration Office that the property or undertaking has been released from the charge.

- Local Authorities are requested to notify the Department by emailing ahb@environ.ie on the release of all mortgage charges to AHBs in their area.

- As part of this process, housing authorities are advised to seek some additional information from the AHB in order to be informed of potential impacts on tenants. It is suggested that the following information be sought:

  1. Is the body intending to continue as an Approved Housing Body?
  2. What are its intentions with regard to the assets concerned?
  3. Is it proposed that the approved housing body will make any changes to its Memorandum and Articles of Association?

and that the Department be notified of responses to these questions.

2 Interim Regulatory Committee (iRC)

Attached to this Circular Letter for your information, is a recent letter to all Approved Housing Bodies dated 20th March, 2014 relating to the establishment of an interim Regulatory Committee (iRC) to oversee the implementation of Building for the Future A
Voluntary Regulation Code for Approved Housing Bodies in Ireland and to advise on the development of statutory regulation for AHBs. The iRC has been constituted as an independent committee operating, for the time being, within the Housing and Sustainable Communities Agency (Housing Agency).

3 Publication of the Register of Approved Housing Bodies.

Finally, the Department has recently published the Register of Approved Housing Bodies on our website [www.environ.ie](http://www.environ.ie). The Register will, for the moment, simply include the AHB’s name and postal address. Should local authorities become aware that any of the information published is incorrect or the AHB’s details have recently changed, it would be appreciated if you could notify the Department by emailing [ahb@.environ.ie](mailto:ahb@viron.ie) as soon as possible. This Register will be up-dated on a monthly basis.

Yours sincerely,

[Signature]

Damian Allen
Principal Officer
Housing Regulation Section

damian.allen@viron.ie
Letter to all Approved Housing Bodies

20 March 2014

Governance and Regulation of the Approved Housing Body Sector

1. Interim Regulatory Committee (iRC)

2. Publication of the Register of Approved Housing Bodies

A Chara,

1. Interim Regulatory Committee (iRC)

“Building for the Future, A Voluntary Regulation Code for Approved Housing Bodies in Ireland” (VRC) was launched on 15 July 2013 by the Minister for Housing and Planning, Ms Jan O’Sullivan, TD. The VRC is a stepping stone to a legally binding statutory regulatory framework which the Department aims to have in place by 2016.

The VRC proposed that the Department and the Housing and Sustainable Communities Agency (Housing Agency) would pilot an active regulatory system pending the introduction of a statutory framework. The initial rollout of voluntary regulation has been managed largely by the Department but at this stage of development, it is felt that the interim regulatory structure needs to be established with independence from the Department.

To that end, the Minister recently announced the establishment of a non-statutory, ad hoc interim Regulatory Committee (iRC) for the Approved Housing Body (AHB) sector to oversee the implementation of the VRC and to advise on the development of statutory regulation. The iRC is chaired by Dr Jennie Donald of the Northern Ireland Federation of Housing Associations and includes experts in regulation, housing, law and finance. It has been constituted as an independent committee operating, for the time being, within the Housing and Sustainable Communities Agency (Housing Agency).

The iRC will be supported in its work by a dedicated Regulation Office within the Housing Agency and together, these will comprise a regulatory structure for the sector pending the establishment of a statutory regulator. In effect, the Agency will operate as an interim regulator and will carry out regulation functions (e.g. assessment of annual returns of participating AHBs) under the direction of the iRC.

The establishment of the iRC and the Regulation Office within the Housing Agency is evidence of the Minister’s commitment to developing regulation. It is hoped that this will
facilitate further investment in the sector and help AHBs manage risk and focus on achieving good outcomes for tenants. Chief among the roles of the iRC will be to:

- oversee the implementation of the VRC and contribute to the development of statutory regulation for AHBs;
- assess if participating AHBs are in compliance with the VRC and provide guidance to assist individual housing bodies in that regard;
- advise the Minister on the development of statutory regulation.

Details of all of the members of the iRC are in the attached Appendix.

In the coming weeks the Department will be handing over responsibility for overseeing the implementation of the VRC to the new regulatory structure. To date, a total of 114 AHBs have signed up to the VRC and we would encourage all bodies to do so. In making decisions on the allocation of funding to the sector, priority will be given to AHBs demonstrating a commitment to good governance and sound management. Engagement with the VRC will be seen as tangible evidence of that commitment.

AHBs who have not yet signed up to the VRC but wish to do so, are now requested to submit their signed Charter of Commitments directly to the iRC at the following address: Housing and Sustainable Communities Agency, 53 Mount Street Upper, Dublin 2 or by email to regulation@housing.ie. AHBs that have already submitted their signed Charter of Commitments to the Department do not need to re-submit their forms as the Department will be forwarding them on to the Agency on their behalf.

As the Housing Agency and the iRC will be managing the regulation process from now on, all correspondence relating to the VRC including signed Charters of Commitments, should be directed to the Housing Agency at the contact details provided below.

Regulation Office
Housing Agency
53 Mount Street Upper
Dublin 2
01-6564100
regulation@housing.ie

2. **Publication of the Register of Approved Housing Bodies.**

I would also like to take this opportunity to inform you that the Department has recently published the Register of Approved Housing Bodies on our website www.environ.ie

If your organisation is an Approved Housing Body under Section 6 of the Housing (Miscellaneous Provisions) Act 1992 the Register will for the moment simply include your organisation’s name and postal address. If any of the information published is incorrect or your details have recently changed you are requested to supply updated information to the Department by emailing ahb@environ.ie as soon as possible. This Register will be up-dated on a monthly basis.
Appendix

Membership of interim Regulatory Committee

- Dr Jennie Donald, (Chair), Deputy Chief Executive of the Northern Ireland Federation of Housing Associations (NIFHA)
- Damian Allen, Department of the Environment, Community and Local Govt.
- Dr Oonagh Breen, UCD, Sutherland School of Law
- Michael Cameron, Chief Executive, Scottish Housing Regulator
- Martina Deans, Tenant Representative
- Ann Marie Farrelly, Director of Housing, Fingal County Council
- Ronan Heavey, Department of Finance
- Gerry Hunt, Chartered Accountant
- Eddie Lewis, IPA, Housing Policy Lecturer
- Donal McManus, Chief Executive, Irish Council for Social Housing
- Dr Mary Lee Rhodes, TCD, School of Business