

DÁIL ÉIREANN

AN COMHCHOISTE UM AIRGEADAS, CAITEACHAS POIBLÍ AGUS ATHCHÓIRIÚ, AGUS AN TAOISEACH

JOINT COMMITTEE ON FINANCE, PUBLIC EXPENDITURE AND REFORM, AND TAOISEACH

Dé Máirt, 26 Meán Fómhair 2017

Tuesday, 26 September 2017

The Joint Committee met at 4 p.m.

MEMBERS PRESENT:

Deputy Peter Burke,	Senator Paddy Burke,
Deputy Pearse Doherty,	Senator Rose Conway-Walsh,
Deputy Michael McGrath,	Senator Gerry Horkan,
Deputy Paul Murphy,	Senator Kieran O'Donnell.

In attendance: Deputy Danny Healy-Rae.

DEPUTY JOHN MCGUINNESS IN THE CHAIR.

https://data.oireachtas.ie/ie/oireachtas/debateRecord/joint_committee_on_finance_public_expenditure_and_reform_and_taoiseach/2017-09-26/debate/mul@/main.pdf

Deputy Michael McGrath: On another point of detail, is it possible for AIB customers to move down the loan to value band and benefit from a reduced interest rate, in line with an improving loan to value ratio they might have? Is it possible for customers to benefit from getting a new house valuation from a panel of valuers nominated by the bank? Is it possible for customers who took out an original loan at a 90% loan to value ratio, and who now have a ratio at less than 50%, to benefit from the 2.75% rate if they submit a valuation?

Mr. Bernard Byrne: Yes, and we write to all customers annually and advise them of this process, but we do need valuation.

Deputy Michael McGrath: That is fine, and is it the case that they are not limited to one such reduction? Irrespective of whether they started with a standard variable rate or a loan to value mortgage, is it the case that if they now have a much improved loan to value ratio they can benefit from the reduction?

Mr. Bernard Byrne: I will ask my colleague to answer this.

Mr. Robert Mulhall: There is no such restriction, but we make the loan to value offer at the point of origination and it is worth noting we do not evaluate it the other way, whereby if the market moves in the opposite direction we do not move people in that direction.

Deputy Michael McGrath: There is a slight contradiction between what the two witnesses have said. To clarify it absolutely, if somebody gets and submits to AIB a valuation on his or her home from an approved panel of valuers that shows an improved loan to value, which brings the person into a lower band with a lower interest rate, that person will be given that interest rate.

Mr. Robert Mulhall: Yes.