



Call for Noonan to review lending limits

THE Association of Expert Mortgage Advisers (AEMA) have called on the minister to follow through on his word and give serious consideration to a review of the CBI mortgage lending limits in the New Year.

Finance Minister Michael Noonan recently said the new year would be the earliest at which they might look at a review of the restrictions, following recent claims from the Central Bank that the rules were "functioning as intended".

According to Trevor Grant, chairman at **AEMA**: "The minister has said the situation looked a bit scary before the rules were introduced. And while he may be correct that soaring house prices looked to signal another looming property bubble, we believe that things look a little scary now too as First Time Buyers (FTBs) scramble for the limited numbers of mortgage exemptions — with those who miss out unable to buy their own home remaining in rented accommodation.

"Come January, these harsh rules will have been in place for almost a year — Ireland's mortgage market is fluid — it is trying to regain all the ground it lost over the last few years, and because of its fluidity the sensible approach would be for the Central Bank to review it periodically to meet its ever-changing needs.

"While these limits may have stemmed property price growth somewhat over the last 12 months, they have proved too restrictive in the capital, and combined with less than 12,000 new homes being built across the country, the rent and housing crisis is only going to get worse."

The **AEMA** also contend those in negative equity are being unfairly subjected to the 80% rule on the assumption they have equity from their existing house to put toward the property they're trading up to.

The **AEMA** say that while they support the Central Bank's rules in principle, they believe any new market control systems such as this will naturally require adjustment along the way, particularly if there is little similar experience in other markets to learn from.