



Dr Colin Hunt
CEO
Allied Irish Banks plc
Bankcentre
Ballsbridge
Dublin 4
By email [REDACTED]

21 April 2020

Re: Residential Certificate of Title System

Dear Colin,

I am writing on behalf of members whose clients have been severely inconvenienced in relation to the recent action of AIB and its subsidiaries, EBS and Haven, in introducing new requirements for the release of loan funds in residential loan cases.

I am attaching a sample of a letter of confirmation that was sought by the bank from solicitors in addition to the agreed standard solicitor's undertaking. This letter was usually forwarded with a covering email from the bank stating that the letter of confirmation was being sought because the PRA had temporarily suspended operations because of Covid-19 and that the bank would not be issuing clients' loan funds unless the solicitor signed and returned it to the bank.

It is the view of the Law Society that this additional requirement essentially amounts to the borrower's solicitor being required to underwrite any risk to the bank caused by the closure of the PRA. This is unacceptable to the profession on a number of levels, including –

1. The agreed certificate of title system is confined to the use of the agreed documentation only. There is no scope within the system for individual banks to introduce new requirements that are not agreed on behalf of the profession. The Society views the bank's action as a serious breach of the certificate of title agreement – an agreement that has worked well for the most part until now for financial institutions and the profession.
2. All matters to do with the reliability of Land Registry or Registry of Deeds records are matters for the PRA. The Law Society or any of its members are not the parties to guarantee PRA records on which the system of priorities in registration and the accuracy of searches are based.

KEN MURPHY, DIRECTOR GENERAL

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3. Every lender in the State, including your organisation, and their legal advisers are well aware that borrowers' solicitors have no control over the registration system.
4. Solicitors are but one of several stakeholders in the conveyancing system, including lenders, who operate in good faith and rely on the integrity of the Register. It is wholly inappropriate for another stakeholder to attempt to pass all risks back to the solicitor's profession.

The Society calls on the bank to immediately desist from seeking this or any other additional requirements as a pre-condition of release of loan funds in residential mortgage lending.

This may also have been a factor in relation to commercial mortgage loan cases, and I may come back to you in relation to those cases in due course.

With kind regards.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Ken Murphy".

Ken Murphy
Director General

Encl.