# Mortgage Portfolio Business Plan

Dublin Mortgage Runoff

DOCUMENT GUIDE

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Planning decision aid prepared 4 October 2026. All acquisition and financing figures are hypothetical. The proposed purchase should not proceed on the present assumptions. This document covers ownership, borrower administration, controls and a ten-year runoff model.

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# Executive summary

Dublin Mortgage Runoff is a proposed Irish investment company acquiring a small seasoned residential mortgage portfolio and overseeing its runoff. The illustrative book is €10 million across 50 planning loans acquired at par; neither a loan tape nor an agreed purchase exists. The proposal seeks €6 million equity and €5 million debt, both uncommitted. A ten-year monthly model makes repayment, credit losses and operating costs visible.

The acquisition should not proceed on these assumptions. A small pool carries the fixed cost of governance and servicing oversight while its interest base declines. The plan separates interest income from returned principal and shows an unfunded liquidity shortfall in every case under the zero-cost-deduction tax reserve. Neither residual book equity nor collateral coverage is a realised return. A lower purchase price would require a new acquisition accounting model, not a cosmetic profit adjustment.

Verified model version 1.0 reports ten-year net operating losses of €2,257,896 in Base, €3,374,797 in Downside and €1,746,471 in Upside. Base minimum available cash is €(260,921). Under the conservative zero-cost-deduction tax reserve all three cases require additional available funding. Downside requires €509,909 and first becomes unfunded in month 24. Restricted cash is excluded.

| Case | Ten year net profit EUR | Additional available funding EUR |
|---|---|---|
| Base | (2,257,896) | 260,921 |
| Downside | (3,374,797) | 509,909 |
| **Upside** | **(1,746,471)** | **164,407** |

02 / BUSINESS PLAN

# Business details

The concept would be based in Dublin and acquire existing Irish principal dwelling home mortgages for investment. Its purpose is loan ownership and orderly collections, rather than new mortgage origination, retail investment solicitation or mortgage advice. Dublin is the management location; eligibility would extend nationally to avoid assuming a verified Dublin-only sale pipeline.

A private limited company is a proposed structure, subject to advice on the owner and legal-title holder’s regulatory perimeter, tax and investor arrangements. The business name is a working label. No founder biography, registration number, licence, institutional mandate, property valuation or capital commitment has been supplied.

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# Business concept and objectives

The first transaction would be a fully diligenced closed book with documented payment history, enforceable first-ranking security, clear transfer rights and a suitable authorised servicing arrangement. These are admission criteria, not facts about assets presently available. The model deliberately assumes no repeat acquisition or growth to conceal the economics of one transaction.

First-year objectives are to obtain regulatory and tax opinions, reject incomplete loan files, secure independent valuation review, negotiate binding funding and servicing documents, test borrower notices and reconcile every transfer balance. Loan-level actual performance would replace pooled assumptions before any investment decision. A minimum liquidity policy must be funded separately from security reserves.

04 / BUSINESS PLAN

# Business model canvas

The seller supplies an eligible mortgage book, professional equity supplies patient capital, and a lender supplies a negotiated amortising facility. The purchaser owns the economic exposure while the legally appropriate authorised parties manage servicing and title. Borrowers receive accurate account information and fair arrears treatment; they are not acquired marketing leads.

The value chain is diligence, transfer, cash allocation, oversight, restructuring and eventual runoff. Revenue is contractual interest on performing balances. Principal is capital returned. Costs are funding interest, servicing, staff, administration, tax and credit expense. At this small scale the fixed operating layer is the principal weakness, so a sourcing opportunity alone does not establish an investable business.

| Focus | Decision or control |
|---|---|
| Partners | Authorised servicer, counsel, bank, valuation reviewer |
| Activities | Diligence, transfer, reconciliation, oversight, runoff |
| Resources | Capital, legal rights, controlled records, two paid roles |
| Value | Accurate transfer and accountable borrower administration |
| Relationships | Seller diligence; investor reporting; borrower continuity |
| Channels | Professional portfolio processes; service-provider contact |
| Segments | Eligible sellers; professional capital; existing borrowers |
| Costs | Interest, servicing, staff, credit expense and tax |
| Revenue | Performing loan interest only |

05 / BUSINESS PLAN

# SWOT and longer term goals

Strengths are transparent monthly reconciliation, no reliance on further acquisitions and a conservative reserve separation. Weaknesses are a small declining interest base, unquoted service costs and an untested management team. Opportunities are disciplined purchase pricing and pooled administration, subject to a new model and sufficient scale. Threats include prepayment, arrears, title defects, security disputes and borrower harm.

Years three to five should be governed by actual cash and service outcomes. Expansion would require a distinct approval and revised capacity, capital and compliance assessment. The current plan does not rely on future scale. A deterioration in complaints or liquidity triggers acquisition suspension and a servicer-led recovery plan rather than pressure for quicker enforcement.

| Focus | Decision or control |
| --- | --- |
| Strength | Transparent runoff and reserve separation |
| Weakness | Small interest base and fixed overhead |
| Opportunity | Validated pricing and shared administration |
| Threat | Defaults, title defects, prepayment and provider failure |

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# TOWS strategy matrix

Combine the explicit runoff design with strict seller data gates: require a signed balance reconciliation and an independently reviewed sample before a bid. Pair the weak interest base with disciplined price negotiation and an external minimum-fee quote. Neither tactic has been assumed to deliver a discount in the forecast.

Use borrower treatment controls to counter reputation and enforcement risk. Mitigate the unfunded downside by securing extra available capital before completion, reducing the transaction or declining it. A restricted account cannot be used to repair operating liquidity unless release is legally allowed and expressly modelled. The decision remains no acquisition on present evidence.

| Focus | Decision or control |
|---|---|
| SO | Use reconciliation discipline to evaluate a suitable sale |
| WO | Obtain minimum-fee quotes before bidding |
| ST | Audit borrower continuity and legal permissions |
| WT | Secure available capital or decline the acquisition |

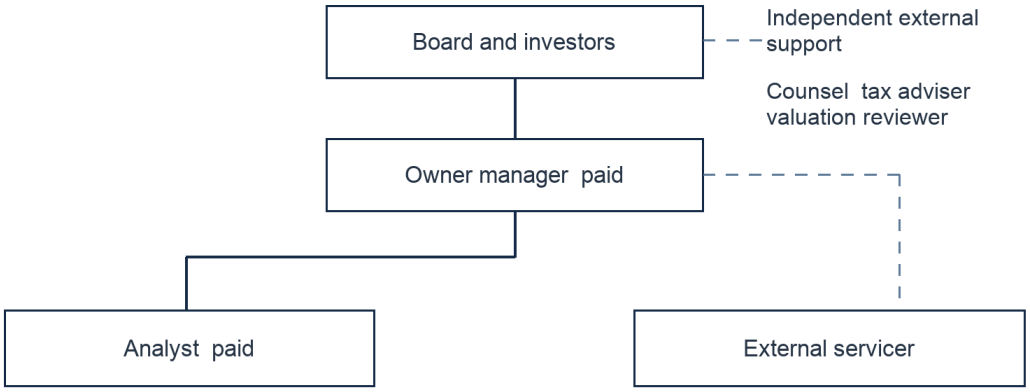
07 / BUSINESS PLAN

# Owner and management

The proposed owner-manager is accountable to the board for acquisition diligence, capital, servicing oversight and financial reporting. An analyst supports tape validation and monthly reconciliation. Both are budgeted as paid roles, with no assumption that a founder can subsidise the business through unpaid full-time work.

An external servicer handles borrower administration under the required permissions and agreed controls; counsel, tax adviser and independent valuation reviewers support the board. Outsourcing does not remove management responsibility. Approvals for restructuring, litigation, distributions and related-party transactions require documented authority and conflict review.

## Management and external support




**Reporting hierarchy. Solid lines are internal reporting; dashed lines indicate external support.**

08 / BUSINESS PLAN

# Owner and key personnel profiles

No person-specific experience has been evidenced. Recruitment criteria for the owner-manager include residential loan administration, credit analysis, operational controls and consumer-protection judgement. The analyst requires accounting reconciliations, controlled data access and the ability to distinguish principal from income. Verify qualifications, references and any applicable fitness and probity requirements.

The investor register, ownership percentages, beneficial owners and sources of funds remain open. No investor is represented as committed. The board should include sufficient independent challenge to prevent a sourcing executive from approving their own price, collateral file or servicer exceptions. Compliance support must have direct access to the board.

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# Target customers

There are three distinct counterparties: mortgage sellers, capital providers and existing borrowers. Sellers need a buyer who can demonstrate lawful transfer, completion funds and reliable administration. Equity and debt providers need credible loan-level cash forecasts and reporting. Borrowers need continuity and accessible support. These needs should not be collapsed into a consumer sales funnel.

The priority transaction would be a small seasoned performing book with manageable complexity and transparent arrears history. Deeply distressed assets, mixed jurisdictions, second liens and interest-only balloons are outside the initial model. A distressed pool would require separate cure, legal cost and enforcement cash-flow schedules.

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# Segmentation targeting and positioning

Segment potential books by payment performance, remaining term, rate type, jurisdiction, security and data quality. Target only the eligible segment where loan terms and payment records can be reconciled, and where servicing can be lawfully delivered. The initial planning count is 50; it is not observed seller supply.

Position the concept as a careful closed-book owner with accountable outsourced administration. Do not position it as a guaranteed yield product or faster repossession platform. Professional investor suitability and any fundraising permissions require separate review. The strategy favours rejecting undocumented risks over winning a transaction.

| Focus | Decision or control |
| --- | --- |
| Segment | Performing Irish PDH first liens with complete files |
| Target | One small seasoned book; no new origination |
| Position | Careful ownership and accountable administration |
| Exclusion | Distressed, second-lien, foreign-currency and balloon pools |

11 / BUSINESS PLAN

# Value proposition canvas

For sellers, the job is a clean portfolio transfer; the difficulty is incomplete documentation and failed completion. The response is a staged data room, legal exceptions register and funds evidence. For investors, the job is evaluating credit and liquidity; the response is visible monthly loan and cash schedules, with no assumed residual sale price.

For borrowers, the job is maintaining a mortgage and resolving difficulty without confusion. The response is verified notices, accessible contact, correct allocation of payments and a compliant arrears process. The company cannot promise a lower interest rate, refinancing or an automatic cure. The servicing contract must support these outcomes and measure errors and complaints.

| Focus | Decision or control |
|---|---|
| Seller job | Complete a lawful funded transfer |
| Seller difficulty | Incomplete files and uncertain completion |
| Response | Data gates, exceptions register and funds evidence |
| Investor job | Assess credit and liquidity |
| Response | Monthly principal, income, loss and cash separation |
| Borrower job | Pay correctly and receive support |
| Response | Verified notices, statements and arrears process |

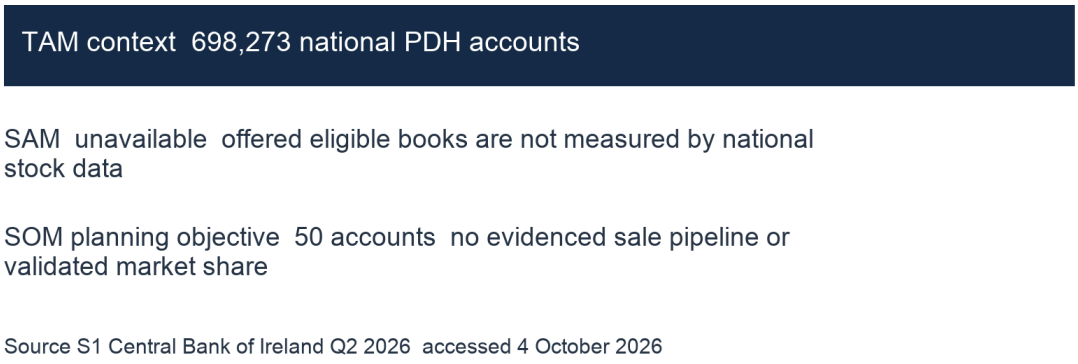
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# Market size and trends

Central Bank data for end-June 2026 report 698,273 principal dwelling home mortgage accounts, including 104,344 held by non-banks [S1]. These national stocks establish market context. They do not measure eligible loans offered for sale, a Dublin acquisition pipeline or this company's achievable market share.

TAM is the national PDH account stock as a context measure. SAM is the subset offered for sale with eligible performance, rate and security characteristics; no reliable public estimate is available. SOM is a planning transaction of 50 accounts, not validated share. The model's €10 million face balance is an assumption. The scope chart must display the two unavailable measures explicitly rather than extrapolate the national stock.

## Market scope  accounts at end June 2026




**National stock context from S1; SAM unavailable; 50-account SOM is a planning objective, not observed market share.**

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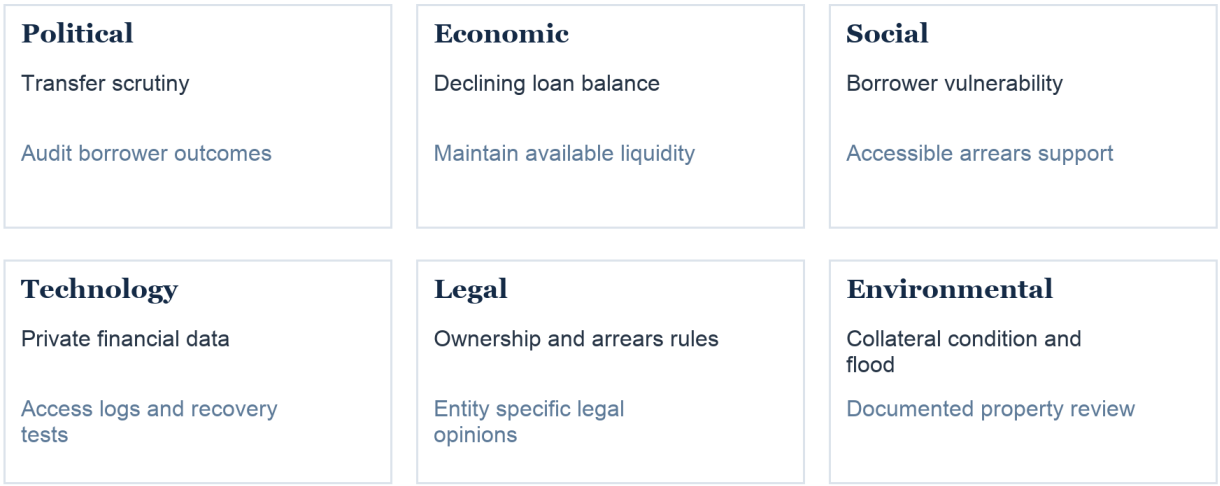
# PESTLE analysis

Political scrutiny of mortgage transfers makes borrower outcomes and governance material. Economic risks are a declining balance, refinancing and funding-rate exposure. Social risks include vulnerability, communication barriers and public mistrust. Technology can improve reconciliations but exposes private financial data. Legal constraints include ownership authorisation and current arrears regulations.

Environmental exposure belongs in collateral diligence: flood risk, condition and energy performance can affect affordability and recoveries, but no property-level evidence exists. Respond with verified security files, access controls, resilience tests, borrower support and liquidity triggers. These measures cost money and are represented by staffing, servicing and administration allowances.

| Focus | Decision or control |
|---|---|
| Political | Mortgage-transfer scrutiny → borrower-outcome oversight |
| Economic | Runoff and funding pressure → cash triggers |
| Social | Vulnerability → accessible servicing |
| Technology | Private data → access logs and recovery tests |
| Legal | Ownership and arrears rules → entity-specific opinions |
| Environmental | Collateral exposure → documented property review |

## PESTLE factors and proposed responses




**Six external factors and proposed responses. Qualitative assessment, 4 October 2026.**

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# Local demand and evidence

The business is not dependent on footfall or local retail demand. Dublin offers a relevant administration setting, but the pipeline requires actual seller engagement. A non-bank mortgage stock demonstrates existing asset ownership; it does not prove available supply or investor appetite. No observed demand, signed expression of interest or servicing proposal has been received.

Before bidding, obtain anonymised loan-level balances, contractual coupons, remaining terms, arrears histories, payment allocations, restructures and security details. Validate them against seller ledgers and independent samples. Exclude personal information not needed for diligence. Keep missing evidence visible; do not populate a fictional borrower tape.

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# Competitors and positioning

Alternatives for a seller include retaining the pool, selling to an established purchaser or financing through a larger institutional structure. Alternatives for an investor include bank deposits, listed debt and diversified credit funds, each with different risks and liquidity. No competitor price, rating or transaction execution claim is asserted.

The proposed advantage is reporting transparency and transaction discipline. Its disadvantage is small-scale overhead and unproven execution capability. An established servicer may have stronger infrastructure; the purchaser should seek documented service terms rather than claim operational superiority. A non-competitive purchase price is a reason to decline.

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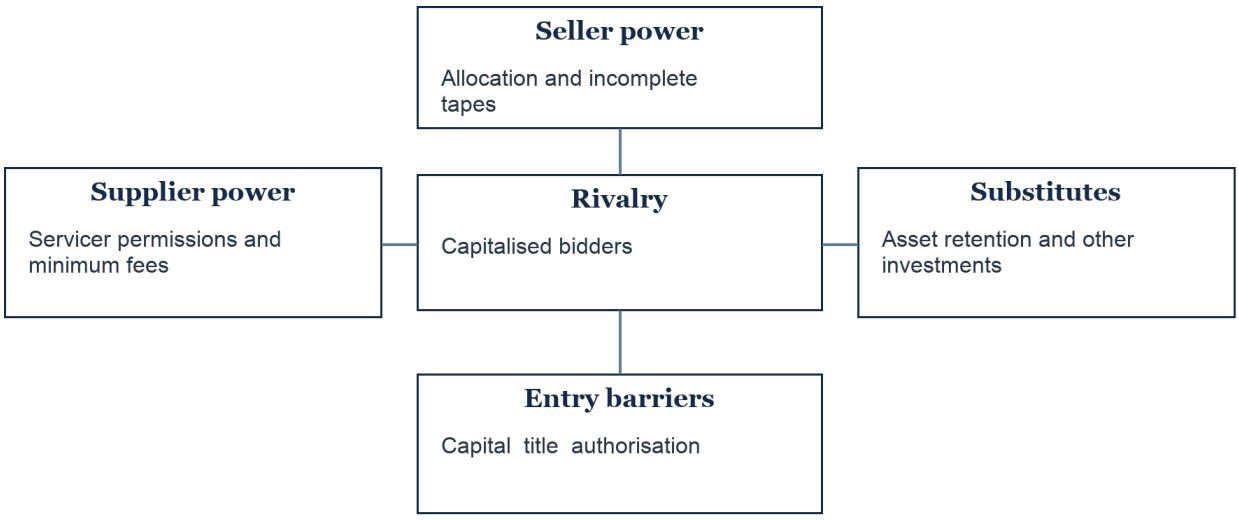
# Porter five forces

Rivalry is driven by bidders with capital and servicing relationships. Sellers exert power through allocation and information access. Servicers and legal advisers exert power through specialist permissions, onboarding and minimum fees. Substitutes include holding assets and other investments. Entry requires capital, authorisation analysis and operating controls.

These forces constrain acquisition yield. The response is a disciplined bid ceiling, competing written service quotes and a refusal to rely on uncommitted financing. The five-forces diagram is qualitative judgement supported by the ownership regime and model economics, not surveyed market scores.

| Focus | Decision or control |
|---|---|
| Rivalry | Capitalised bidders → disciplined bid ceiling |
| Seller power | Allocation and data access → reject incomplete tapes |
| Supplier power | Specialist servicers → written fee and exit terms |
| Substitutes | Retention and alternative investments → no guaranteed yield |
| Entry | Capital and legal gates → staged preparation |

## Mortgage acquisition five forces



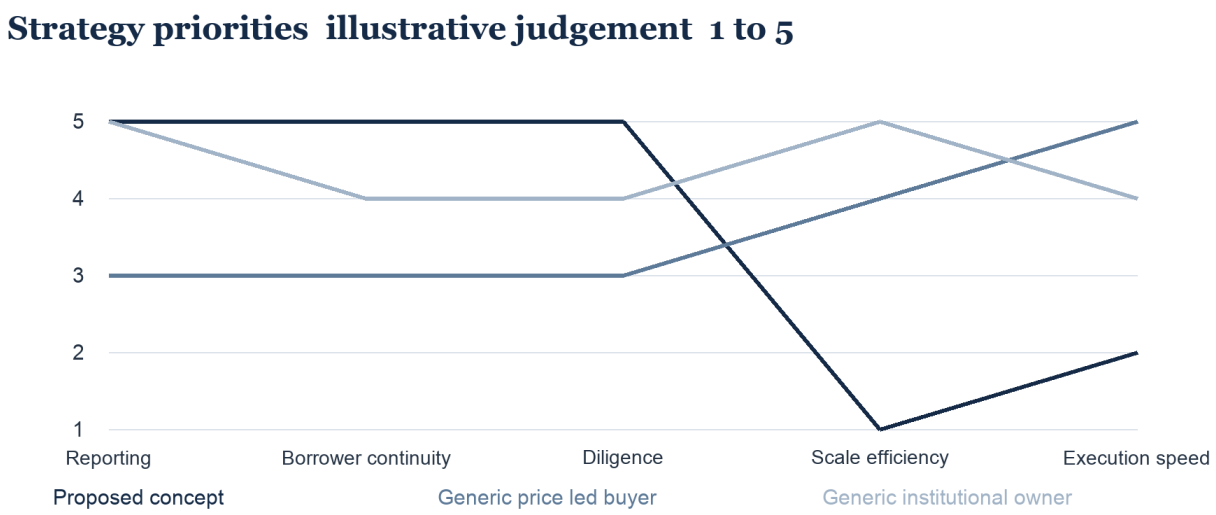

**Mortgage acquisition forces. Ratings are qualitative judgement; no competitor survey.**

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# Strategy canvas

The canvas compares proposed operating priorities against two generic alternatives: a price-led purchaser and a diversified institutional owner. Scores are explicitly management judgements on a five-point scale, not measured competitor performance. The useful axes are reporting depth, borrower continuity, diligence, scale efficiency and transaction speed.

The proposed concept allocates more attention to diligence and continuity, but rates itself poorly on scale efficiency and rapid execution. That honest disadvantage is consistent with the model. A stronger narrative cannot offset the small pool’s costs. Replace the illustrative comparison with documented proposals before using it for procurement or investment marketing.




**Illustrative management priorities, scale 1 to 5. Generic alternatives, not measured competitor performance.**

# Location and premises

Use a small secure Dublin office or controlled hybrid workspace for two staff. Budget is within annual administration rather than a customer-facing branch. No lease is signed and no address is presented as secured. Require private calls, controlled printing, encrypted equipment and access logs before borrower information is handled.

Avoid a costly fit-out while the purchase decision is unresolved. A written lease or workspace quote must confirm taxes, insurance, data security and exit terms. Servicer location, data hosting and subcontractors must be separately reviewed. Physical presence does not establish regulatory eligibility.

# Equipment and resource plan

An illustrative €20,000 capital budget covers managed devices, secure access equipment and reporting setup. It is depreciated over 36 months with zero residual value. Software subscriptions and recurring support are expenses within administration. No technology supplier quote exists; procurement must confirm security, backups and data portability.

The operating resource is reliable loan information, not office equipment. Require a controlled ledger mapping seller identifiers to cash and statements, without repurposing the forecast as a real borrower record. Prepare a migration rehearsal, recovery procedures and a termination data export before signing a servicer contract.

# Mortgage eligibility and portfolio strategy

Acquire at par in this planning illustration; there is no purchase discount, origination fee, gain on sale or servicing-right asset. The pool is modelled as 50 equivalent €200,000 balances with a 15-year remaining term. Equivalent loan count is an analytical exposure metric, not a prediction of discrete surviving accounts.

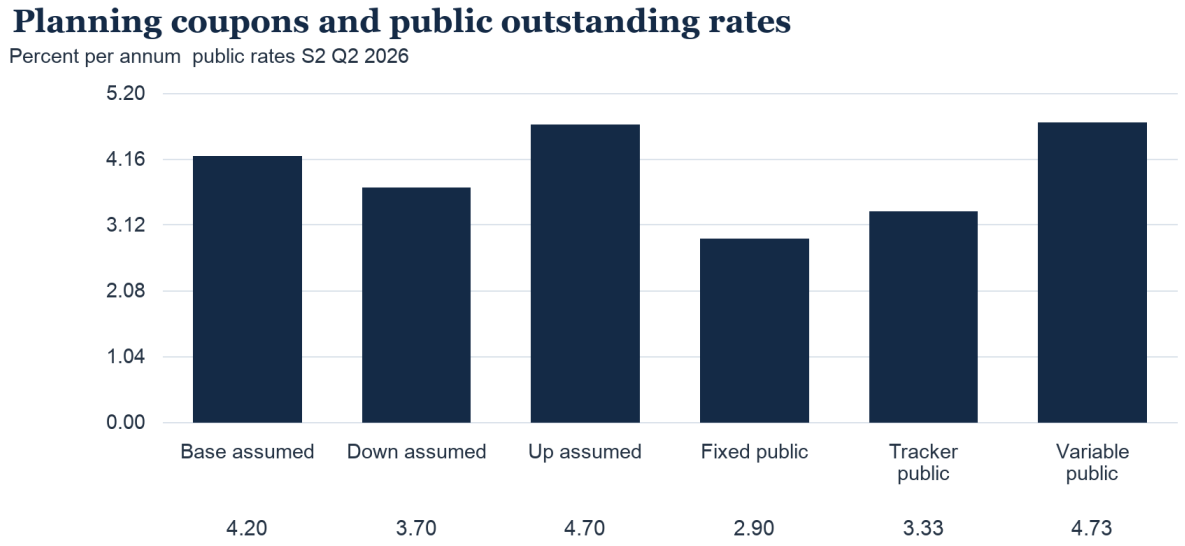
The initial scope excludes new lending, further purchases, interest-only loans, foreign currency and collateral development. Actual annuity schedules, rate resets and borrower behaviour must replace equal-principal pooled amortisation. Pooled recovery assumptions do not establish property values or enforcement certainty.

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# Acquisition pricing and loan economics

The price assumption is €10 million for €10 million face principal. The base contractual coupon is 4.2% and debt cost 4.5%; these are hypotheses, not loan offers. Central Bank variable-rate non-bank PDH context is 4.73% at end-June 2026 [S2], but no public average can validate a particular acquired tape.

Interest is earned only on average performing principal. Annual default and prepayment rates are converted to monthly hazards; defaults leave the interest base before scheduled repayment and prepayment. No penalty fees, arrears interest or escrow income are forecast. A revised discount requires effective-interest and purchase-credit accounting rather than recognising face less cost as instant income.




**Planning coupon cases compared with public non-bank outstanding mortgage rates from S2.**

# Market pricing comparison

The Central Bank’s Q2 2026 non-bank PDH statistics report average fixed 2.90%, tracker 3.33% and variable 4.73% coupons [S2]. These are borrower interest rates on outstanding books, not portfolio purchase yields or lender financing quotes. Their purpose is to challenge the plausibility of an assumed coupon mix.

The planning book uses base 4.2%, downside 3.7% and upside 4.7%. No ability to reprice fixed or tracker contracts is assumed. The actual weighted coupon, fees, reset rights and consumer restrictions must be confirmed in diligence. Funding, servicing and capital assumptions require independent quotes.

# Brand and borrower experience

Use a plain identity and clearly distinguish the owner from the borrower-facing servicer. Transfer notices must identify responsibilities, payment arrangements and contact routes. Avoid aggressive collections language, guaranteed returns and suggestions that purchased mortgages lose existing protections.

Service standards include correct allocation, timely account statements, accessible communication, complaints tracking and support for vulnerable customers. Define escalation and remediation with the authorised service provider. Management reviews outcomes monthly; a high collection rate is not success if achieved through errors or unsuitable arrangements.

# Acquisition channels and process

Source through documented seller contacts, professional advisers and competitive portfolio processes. The sequence is perimeter review, data request, indicative assessment, legal and credit diligence, conditional bid, binding contracts, funds evidence and migration testing. Do not advertise new retail mortgages under this plan.

Completion requires reconciled balances and notice schedules, independent legal checks and lender consent to the final assets. A failed gate stops the transaction. Acquisition payments occur once at day zero in the model. Origination and further acquisition rows remain zero to make scope visible.

# Launch communication and diligence

Launch activity is transaction preparation, not a retail advertising campaign. The €180,000 setup expense allowance includes legal and regulatory assessment, financial and security diligence, servicing onboarding, transaction administration and contingency. These costs are unquoted; the itemised schedule must be replaced with approved scope and fees.

Before transfer, rehearse borrower notices and payment continuity with the servicer. Communicate only verified completion details. No public investor campaign is assumed or budgeted. Public securities promotion, fundraising and investment-management activities require their own regulatory assessment before any communication.

# Retention and ongoing portfolio oversight

A runoff company does not seek repeat retail purchases. Retention means protecting reliable administration and suitable borrower engagement, without obstructing lawful refinancing or prepayment. The model applies CPR to capture principal returned early and the resulting loss of future interest.

Quarterly oversight should review arrears, restructures, errors, complaints, loan-file exceptions and cash allocation. No cross-sell or new loan revenue is assumed. Servicer performance reviews must consider borrower outcomes and control quality alongside collections. Data rights and migration readiness allow an orderly provider change if needed.

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# Daily operations and suppliers

Each day, the servicer receives and allocates borrower cash; the purchaser's analyst reconciles reports to controlled bank records. Exceptions go to the owner-manager and designated compliance support. Funding interest, debt repayment and tax liabilities are reconciled monthly with the model and the legal waterfall.

Written agreements are required with the servicer, bank, counsel, accountant and technology providers. The forecast's servicing fee is the greater of a balance-based fee and an illustrative €50,000 annual minimum covering all 50 borrower files, including arrears and default cases. Both terms require a quote. If the minimum exceeds the fee allowance, update the model before an acquisition decision.

# Sustainability practices

Assess collateral environmental exposure where lawful and relevant, including flood and condition risks. No property value uplift, carbon benefit or green financing discount is included. Preserve only necessary data, use digital statements where suitable and avoid treating borrowers who need paper communication as a cost exception.

Measure data errors, accessible-contact performance, complaints resolution and operational resilience rather than announce unevidenced social impact. Sustainable arrears arrangements require affordability review by the appropriate provider. Portfolio ownership is not itself an environmental improvement.

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# Staffing and training

The planning roster is one owner-manager at €60,000 annual gross pay and one analyst at €50,000, both paid throughout the forecast. A 15% employer allowance is a budgeting assumption, not a verified payroll rate. Salaries grow 2.5% annually. External servicing is paid separately; no loan officer or branch staff are included.

Training covers payment allocation, account reconciliation, borrower vulnerability, complaints, privacy and incident escalation. The 50-account scope is subject to a capacity review of exception volumes. A complex arrears pool may need more staff even when account count is low. The model should not treat loan balance alone as service workload.

## Servicing capacity retains the full file scope

### 50 planning borrower files retained for oversight

Arrears and default cases remain within servicing scope. A balance equivalent is not a borrower count and never frees file capacity.

Staff roster: one paid owner manager and one paid analyst. External servicing is budgeted separately with a per-file minimum.

**Fifty borrower files remain within oversight scope. Fractional balance equivalents never reduce file capacity.**

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# Staff skills and fair work

Hiring should test actual reconciliation skill, credit judgement and respectful borrower communication. Reference checks and any role-specific regulatory requirements precede appointment. Define working hours, leave coverage, access privileges and segregation of duties; staffing continuity cannot depend on uninterrupted owner availability.

Pay is a planning budget, not a labour-market survey or employment offer. Use written contracts and local payroll advice. The owner’s salary is separate from equity returns and distributions. No unpaid intern, outsourced compliance sign-off or borrowed professional credential is used to make the plan affordable.

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# Legal insurance and consumer protection

Irish ownership and servicing permissions must be established before activity. The Central Bank describes legal-title holding as within the expanded credit-servicing definition and a distinct 2023 servicer/purchaser regime [S3]. Counsel must assess the actual structure; use of an external servicer is not a universal exemption.

The Consumer Protection Code 2025 took effect on 24 March 2026 [S4]. Map mortgage arrears obligations to current Part 3 Chapter 9 [S5], including assessment, suitable arrangements, appeals and restrictions on legal action. Security validity and transfers require loan-file review [S10]. Obtain professional indemnity, cyber and directors' cover quotations; do not claim insurance is bound.

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# Opening roadmap

Months before completion: obtain ownership-perimeter and tax opinions, identify conditional capital, assess loan data and seek servicing quotes. Next, complete security and borrower-file diligence, negotiate finance terms and run a migration rehearsal. Completion is conditional on every gate; January 2027 is a forecast start date rather than a promised launch.

First 90 days: validate opening balances, notices and first statements, review payment failures, reconcile every bank receipt and test incident escalation. If authorisation, financing or transfer documentation is unresolved, do not acquire. Delay costs require a refreshed forecast; the current model contains no funded regulatory application timeline.

| Focus | Decision or control |
| --- | --- |
| Gate 1 | Entity-specific regulatory and tax opinions |
| Gate 2 | Validated tape, security and independent review |
| Gate 3 | Binding funds, service and transfer documents |
| Gate 4 | Migration rehearsal and accurate borrower notices |
| Gate 5 | First 90-day reconciliations and service audit |

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# Risks and management actions

The main risks are poor acquisition pricing, fixed costs on a shrinking pool, delayed recoveries, funding-rate pressure, servicing error and defective security. All three cases show negative available cash under the zero-cost-deduction tax reserve, even while loans and book equity remain. That is an unfunded execution failure, not evidence that assets can instantly be sold.

Owner-manager actions are to obtain more available capital, renegotiate scope, reduce costs with validated quotes, change acquisition economics through a new model or decline the purchase. Maintain a compliant backup servicer plan. Do not assume lender forbearance, reserve release, refinancing or collateral liquidation as an automatic cure.

# Research and evidence

The retained source register contains 11 primary sources S1 to S11 from Central Bank, Revenue, Data Protection Commission and Tailte Eireann materials, accessed 4 October 2026. Statistics describe end-June 2026 where stated. Source dates and scope are preserved in the retained research register. Regulations and statistics must be rechecked before any transaction.

Research supports local context and control design. It does not evidence seller supply, borrower performance, founder credentials, funding or collateral. Mortgage and loan-runoff templates were inspected but the model is rebuilt for this Irish concept. The US gain-on-sale and MSR template mechanics are deliberately excluded.

S1 Central Bank of Ireland Mortgage Arrears Q2 2026. 30 June 2026. Accessed 2026-10-04. https://www.centralbank.ie/statistics/data-and-analysis/credit-and-banking-statistics/mortgage-arrears

S2 Central Bank Non-bank Mortgage Interest Rates. Q2 2026. Accessed 2026-10-04. https://www.centralbank.ie/statistics/frontierstatistics/non-bank-mortgage-interest-rates

S3 Central Bank Credit Servicing Firms and Credit Servicers. Current guidance. Accessed 2026-10-04. https://www.centralbank.ie/regulation/industry-market-sectors/credit-servicing-firms-credit-servicers

S4 Central Bank Consumer Protection Code 2025. Current guidance. Accessed 2026-10-04. https://www.centralbank.ie/regulation/consumer-protection/consumer-protection-code

S5 Consumer Protection Regulations Part 3. Current guidance. Accessed 2026-10-04. https://www.centralbank.ie/regulation/consumer-protection/consumer-protection-code/section-48-regulations/part-3-consumer-banking--credit--arrears-and-certain-other-financial-arrangements

S6 Revenue Corporation Tax Basis of Charge. Current guidance. Accessed 2026-10-04. https://www.revenue.ie/en/companies-and-charities/corporation-tax-for-companies/corporation-tax/basis-of-charge.aspx

S7 Revenue Close Companies Surcharge on Undistributed Income. 2025-11-19. Accessed 2026-10-04. https://www.revenue.ie/en/companies-and-charities/corporation-tax-for-companies/close-companies/surcharge.aspx

S8 Data Protection Commission Mortgage Loan Sale Case Study. 2019. Accessed 2026-10-04. https://www.dataprotection.ie/en/dpc-guidance/case-studies/objection-to-processing/unlawful-processing-and-disclosure-special-category-data

S9 Data Protection Commission Controller and Processor Relationships. Current guidance. Accessed 2026-10-04. https://dataprotection.ie/en/organisations/know-your-obligations/controller-and-processor-relationships

S10 Tailte Eireann Charge Application Registration Guide. 2025-02-26. Accessed 2026-10-04. https://tailte.ie/ga/charge-application-for-registration-of-a-mortgage-loan/

S11 Revenue Expenses of Management of Investment Companies TDM04-06-11. December2024. Accessed 2026-10-04. https://www.revenue.ie/en/tax-professionals/tdm/income-tax-capital-gains-tax-corporation-tax/part-04/04-06-11.pdf

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# Quotes assumptions and outstanding evidence

Obtain the actual loan tape, legal-title and economic-transfer structure, independent security checks, collateral assessments, servicer minimums, tax opinion, insurance quotes, banking terms and investor funds evidence. No loan-level facts are implied by the pooled forecast. Changes must flow through the model and narrative together.

All forecast scalars are assumptions. Credit provision is a simplified planning allowance, not a loan-level IFRS 9 assessment. Tax is a conservative reserve rather than a statutory return. The original proposed structure and its losses remain visible until independently supported inputs justify a replacement.

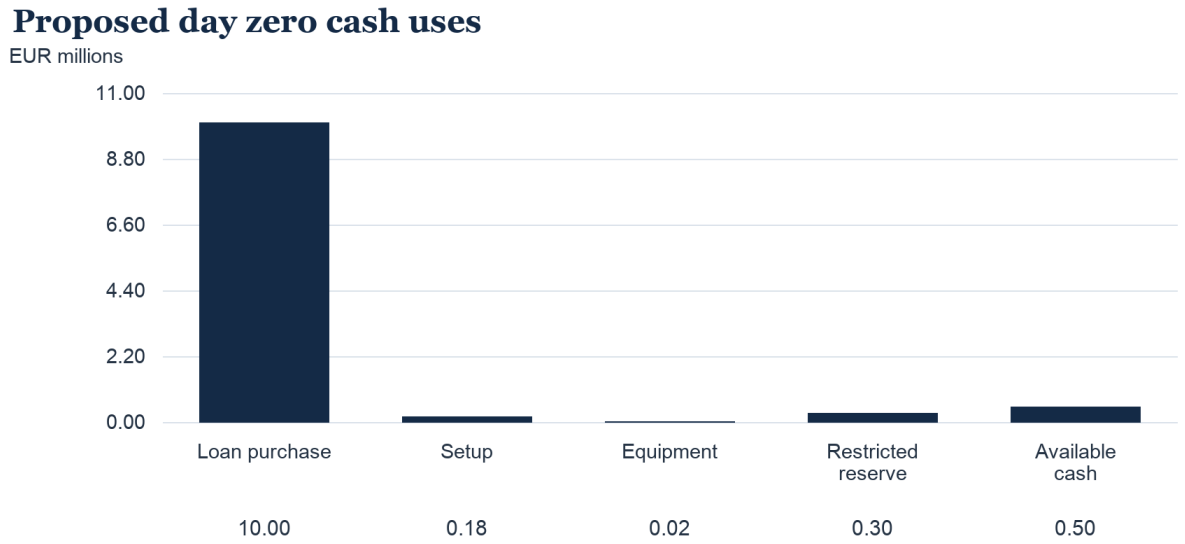
| Focus | Decision or control |
| --- | --- |
| Loan data | Actual tape and seller balance reconciliation |
| Security | Registered title, ranking, transfer and valuation review |
| Services | Servicing minimums, liability, audit and exit rights |
| Funding | Binding loan terms and investor funds evidence |
| Tax | Classification, surcharge, deductions and transfer taxes |

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# Startup costs and funding

Proposed sources total €11 million: €6 million equity and €5 million debt. Opening balances are assumed at 31 December 2026, before the January 2027 forecast. Day-zero uses are €10 million acquired principal, €180,000 setup expenses, €20,000 equipment and €300,000 restricted reserve, leaving €500,000 available operating cash. Restricted cash remains locked throughout the model.

The equity and facility are entirely hypothetical. Opening credit allowance reduces book equity but does not consume cash again. Costs are paid before the forecast and are not recharged monthly. A funding shortfall is reported explicitly; no extra debt, shareholder cash or balancing amount is assumed.




**Proposed day-zero cash uses, EUR millions. Available cash and restricted reserve are distinct.**

| Sources and uses | EUR |
|---|---|
| Proposed equity | 6,000,000 |
| Proposed debt | 5,000,000 |
| Acquired loan principal | 10,000,000 |
| Setup expense | 180,000 |
| Equipment | 20,000 |
| Restricted security cash | 300,000 |
| **Available opening cash** | **500,000** |

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# Itemised startup costs

The €180,000 setup allowance is split provisionally into legal and regulatory assessment €60,000, credit and security diligence €60,000, servicing onboarding €30,000, transaction administration €15,000 and contingency €15,000. Equipment capex is €20,000. Amounts are budgeting allowances inclusive of unrecovered indirect taxes where applicable.

The reserve is a security cash asset, not an expense. The mortgage acquisition is an investment asset, not revenue or operating cost. Accountant advice must confirm VAT exemption, recovery restrictions and acquisition taxes or duties; no tax-free transfer or fully recoverable VAT is asserted.

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# Owner personal survival budget

Illustrative owner spending is €2,000 monthly housing and utilities, €650 food and household, €350 transport, €250 insurance and health and €500 personal contingency, totalling €3,750. No reliable other income is assumed. These are an example household budget, not the founder's actual commitments.

The model pays €5,000 monthly gross owner salary in year one. A 70% net retention estimate implies €3,500 monthly net and a €250 personal shortfall. Retention is not a tax calculation. The owner must verify actual net pay and fund the household separately; reducing remuneration to close the portfolio's loss is not assumed.

| Illustrative monthly household | EUR |
|---|---|
| Housing | 2,000 |
| Food | 650 |
| Transport | 350 |
| Insurance | 250 |
| Contingency | 500 |
| Reliable other income | – |
| Monthly expense total | 3,750 |
| Gross monthly pay indicated | 5,357 |
| Model monthly net pay | 3,500 |
| **Monthly surplus or shortfall** | **(250)** |

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# Financing terms and security

The planning facility is €5 million at a case-specific annual cost, drawn at completion with no later draw. All collected principal and recoveries repay senior debt until it is retired; the illustrative facility matures after 120 months and any remaining debt is then paid as a balloon without rollover or a loan-asset sale. Interest and operating costs are paid separately from collections. No mezzanine, investor distribution or reserve release is assumed.

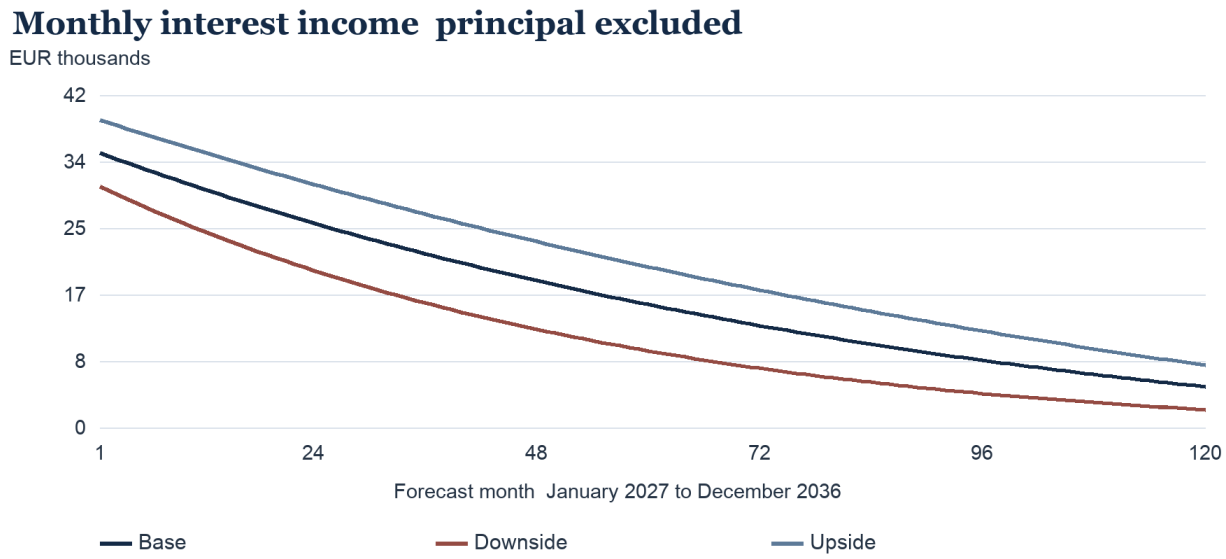
The facility may require security over loans and accounts, but eligibility, advance rates, concentration limits, cash control and perfection are unagreed. A 50% face advance is not a collateral LTV or proof of lender support. Restrictions and covenant cures must come from signed documents. Debt cannot be labelled secured simply because a mortgage pool exists.

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# Interest revenue forecast and capacity

The projection spans 120 monthly periods from January 2027 through December 2036, with ten calendar-year summaries. A 180-month starting remaining term deliberately leaves assets outstanding beyond the horizon. Monthly interest uses the average performing balance; future principal collections are not forecast sales.

The schedule shows defaults, scheduled principal, prepayments, recoveries and equivalent loan counts. The latter is balance divided by initial average loan size and is explicitly fractional exposure, not surviving borrower count. There are no new acquisitions or originations. No terminal liquidation or residual return is manufactured.




**Monthly contractual interest, EUR thousands. Principal is not revenue.**

## Interest revenue forecast and capacity / 2027 to 2031

| EUR except file count | 2027 | 2028 | 2029 | 2030 | 2031 |
|---|---|---|---|---|---|
| Interest income | 389,973 | 334,479 | 285,310 | 241,813 | 203,400 |
| Principal collections | 1,213,528 | 1,081,451 | 962,654 | 855,864 | 759,926 |
| Recovery cash | – | 58,714 | 104,880 | 89,738 | 76,331 |
| Performing principal | 8,597,867 | 7,354,615 | 6,253,912 | 5,281,012 | 4,422,607 |
| **Files in oversight scope** | **50** | **50** | **50** | **50** | **50** |

## Interest revenue forecast and capacity / 2032 to 2036

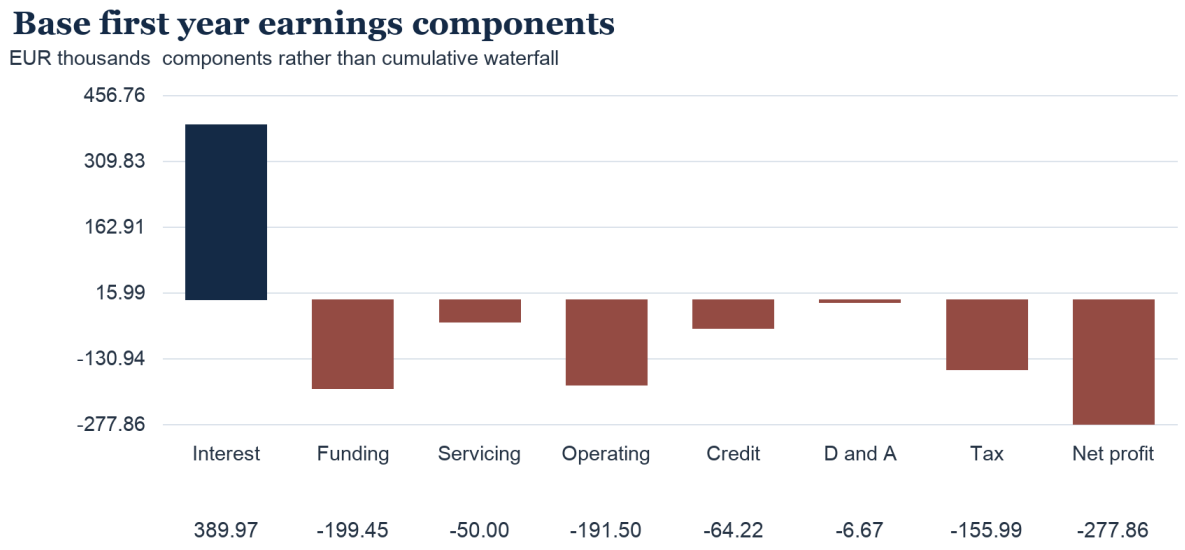
| EUR except file count | 2032 | 2033 | 2034 | 2035 | 2036 |
|---|---|---|---|---|---|
| Interest income | 169,539 | 139,751 | 113,605 | 90,712 | 70,722 |
| Principal collections | 673,794 | 596,517 | 527,236 | 465,169 | 409,610 |
| Recovery cash | 64,480 | 54,023 | 44,813 | 36,720 | 29,623 |
| Performing principal | 3,666,695 | 3,002,453 | 2,420,127 | 1,910,933 | 1,466,959 |
| **Files in oversight scope** | **50** | **50** | **50** | **50** | **50** |

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# Costs and projected profit

Funding interest is charged on opening debt at the selected annual rate divided by twelve. Servicing is the greater of a balance-based fee and a €50,000 annual floor. Payroll, employer allowance, administration and other costs are explicit annual drivers. Fixed overhead grows even as assets shrink; this is the economic reason a small runoff pool can lose money.

Credit expense combines expected loss at default with the change in a performing-book planning allowance. Recoveries are separately timed cash receipts; they do not become interest revenue. Depreciation is non-cash, tax provision can differ from cash tax and principal repayment is financing cash rather than expense.




**Base first-year profit bridge from verified monthly model, EUR thousands.**

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# Profit and loss forecast

The model reports interest income, funding interest, servicing, operating expense, depreciation, credit expense, pretax profit, corporation-tax provision, close-company surcharge reserve and net profit. Pre-forecast setup expense and allowance are recorded in the 31 December 2026 opening retained earnings. Calendar-year results sum monthly flows from January 2027 and exclude that pre-forecast loss. The tax reserve can accrue even when accounting profit is negative; no cost deductions are assumed until advice supports them.

Tax reserve assumes 25% on a positive interest-income base with no expense deduction or loss utilisation until an entity-specific opinion is obtained, then 20% on the after-tax amount to allow for undistributed close-company investment income [S6,S7]. The monthly reserve and 12-month cash lag are budget proxies; the statutory surcharge is collected in the following accounting period, with distribution relief and a €2,000 exemption not modelled. Revenue’s management-expense guidance [S11] makes deductions conditional, including borrowing-interest and director-pay treatment. A typed deduction fraction is zero until advice supports a change; accountant review may change classification and timing.

## Profit and loss forecast / 2027 to 2031

| EUR except file count | 2027 | 2028 | 2029 | 2030 | 2031 |
|---|---|---|---|---|---|
| Interest income | 389,973 | 334,479 | 285,310 | 241,813 | 203,400 |
| Funding interest | 199,453 | 147,062 | 96,587 | 51,112 | 11,654 |
| Servicing | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| Operating expenses | 191,500 | 195,962 | 200,530 | 205,205 | 209,990 |
| Credit expense | 64,225 | 54,774 | 46,414 | 39,031 | 32,524 |
| Depreciation | 6,667 | 6,667 | 6,667 | – | – |
| **Pretax profit** | **(121,872)** | **(119,986)** | **(114,887)** | **(103,535)** | **(100,768)** |
| Corporation tax | 97,493 | 83,620 | 71,328 | 60,453 | 50,850 |
| Surcharge | 58,496 | 50,172 | 42,797 | 36,272 | 30,510 |
| Tax provision | 155,989 | 133,792 | 114,124 | 96,725 | 81,360 |
| **Net profit** | **(277,861)** | **(253,777)** | **(229,012)** | **(200,261)** | **(182,128)** |

## Profit and loss forecast / 2032 to 2036

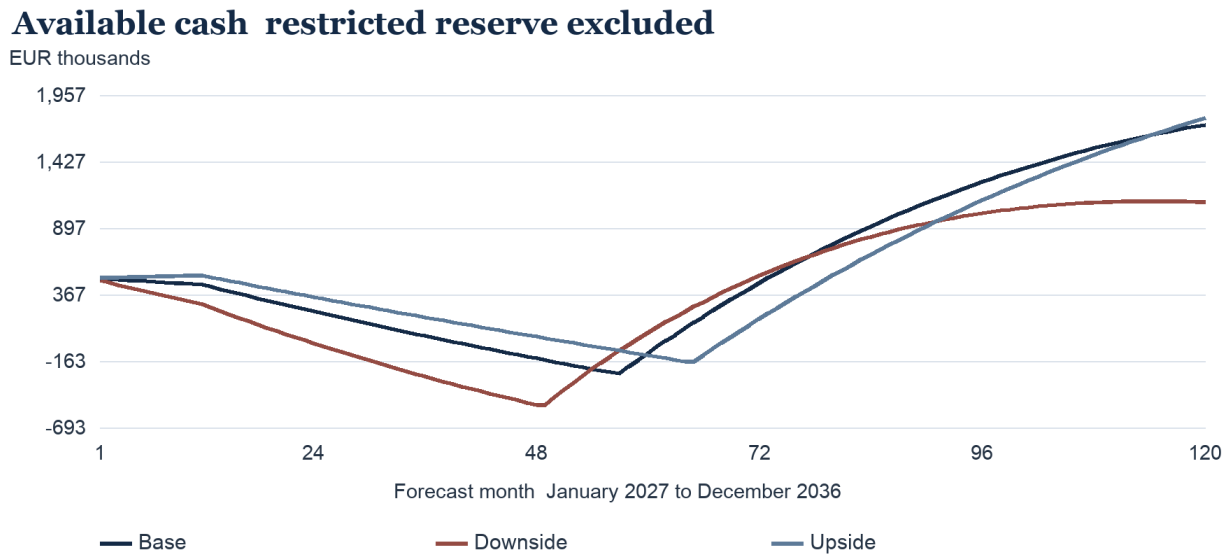
| EUR except file count | 2032 | 2033 | 2034 | 2035 | 2036 |
|---|---|---|---|---|---|
| Interest income | 169,539 | 139,751 | 113,605 | 90,712 | 70,722 |
| Funding interest | – | – | – | – | – |
| Servicing | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| Operating expenses | 214,888 | 219,902 | 225,033 | 230,286 | 235,662 |
| Credit expense | 26,800 | 21,776 | 17,377 | 13,537 | 10,193 |
| Depreciation | – | – | – | – | – |
| **Pretax profit** | **(122,150)** | **(151,927)** | **(178,805)** | **(203,110)** | **(225,134)** |
| Corporation tax | 42,385 | 34,938 | 28,401 | 22,678 | 17,680 |
| Surcharge | 25,431 | 20,963 | 17,041 | 13,607 | 10,608 |
| Tax provision | 67,815 | 55,900 | 45,442 | 36,285 | 28,289 |
| **Net profit** | **(189,965)** | **(207,827)** | **(224,247)** | **(239,395)** | **(253,423)** |

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# Cash flow and financial position

Cash receipts include contractual interest, scheduled principal, prepayments and recoveries. Payments include interest, servicing, paid operating costs, tax and senior principal. Credit expense and depreciation do not consume cash separately. The cash schedule reconciles opening cash, receipts, payments and ending cash without a plug.

Signed forecast cash is shown to expose an unfunded deficit. A negative balance is not an executable bank balance or an approved overdraft. Book equity can remain positive while the business cannot pay obligations. Restricted cash is separately disclosed and is never added to spendable cash or used in minimum-liquidity conclusions.




**Available cash for all three cases; restricted cash excluded.**

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# Cash flow forecast months one to six

The first six months show cash rather than profit. Scheduled and prepaid principal flow first to debt principal, while coupons pay funding and servicing. Fixed costs begin immediately; no customer ramp or new lending is assumed. Early collections do not automatically improve operating profitability.

Day-zero cash is €500,000 after acquisition, setup, capex and reserve. Cash tax starts only after the 12-month planning payment lag, while tax liabilities accrue earlier. Recovery receipts start after the case-specific recovery lag. This lag is a model hypothesis rather than an expected court timetable.

| EUR | 2027-01 | 2027-02 | 2027-03 | 2027-04 | 2027-05 | 2027-06 |
|---|---|---|---|---|---|---|
| Open cash | 500,000 | 495,909 | 491,788 | 487,638 | 483,458 | 479,249 |
| Interest income | 34,784 | 34,355 | 33,929 | 33,508 | 33,091 | 32,678 |
| Principal collections | 106,520 | 105,511 | 104,510 | 103,519 | 102,535 | 101,561 |
| Recovery cash | – | – | – | – | – | – |
| Funding interest | 18,750 | 18,351 | 17,955 | 17,563 | 17,175 | 16,790 |
| Servicing | 4,167 | 4,167 | 4,167 | 4,167 | 4,167 | 4,167 |
| Opex | 15,958 | 15,958 | 15,958 | 15,958 | 15,958 | 15,958 |
| Tax paid | – | – | – | – | – | – |
| Debt repayment | 106,520 | 105,511 | 104,510 | 103,519 | 102,535 | 101,561 |
| **Close cash** | **495,909** | **491,788** | **487,638** | **483,458** | **479,249** | **475,012** |

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# Cash flow forecast months seven to twelve

Months seven to twelve continue the same closed-book schedule. Base recoveries remain absent during year one under the 18-month lag; downside uses 36 months and upside 12. A faster prepayment speed reduces debt but also the future interest base. Both effects must be shown.

Review payment allocation and arrears data monthly against actual servicer reports once a pool exists. If the operating forecast falls below the board's available-cash threshold, act before payments fail. No automatic equity call is built into the scenario. Investor support must be separately evidenced and added as a documented financing assumption.

| EUR | 2027-07 | 2027-08 | 2027-09 | 2027-10 | 2027-11 | 2027-12 |
|---|---|---|---|---|---|---|
| Open cash | 475,012 | 470,747 | 466,455 | 462,136 | 457,790 | 453,418 |
| Interest income | 32,270 | 31,865 | 31,464 | 31,068 | 30,675 | 30,286 |
| Principal collections | 100,595 | 99,637 | 98,688 | 97,747 | 96,814 | 95,890 |
| Recovery cash | – | – | – | – | – | – |
| Funding interest | 16,409 | 16,032 | 15,659 | 15,288 | 14,922 | 14,559 |
| Servicing | 4,167 | 4,167 | 4,167 | 4,167 | 4,167 | 4,167 |
| Opex | 15,958 | 15,958 | 15,958 | 15,958 | 15,958 | 15,958 |
| Tax paid | – | – | – | – | – | – |
| Debt repayment | 100,595 | 99,637 | 98,688 | 97,747 | 96,814 | 95,890 |
| **Close cash** | **470,747** | **466,455** | **462,136** | **457,790** | **453,418** | **449,020** |

# Financial position summary

Assets are signed available cash, restricted cash, performing mortgage principal, expected recoveries less performing-book allowance and remaining equipment. Liabilities are senior debt and unpaid tax provision; equity is contributed capital plus retained earnings. Each month includes an explicit balance check.

Defaulted face leaves performing assets. Only estimated recoverable principal stays as a recovery asset, then leaves when cash is received; unrecoverable amounts are charged to credit expense. Recovery fractions represent hypothetical net cash after direct workout and sale costs, and are not collateral valuations or assured enforcement outcomes. Actual IFRS 9 staging, cure, accrued interest, discounting and tax accounting are outside this pooled planning model. Residual assets after year ten require ongoing servicing and costs beyond the horizon.

## Financial position summary / 2027 to 2031

| EUR except file count | 2027 | 2028 | 2029 | 2030 | 2031 |
|---|---|---|---|---|---|
| Available cash | 449,020 | 234,486 | 38,888 | (139,740) | (101,623) |
| Restricted cash | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 |
| Performing principal | 8,597,867 | 7,354,615 | 6,253,912 | 5,281,012 | 4,422,607 |
| Recovery asset | 113,163 | 151,529 | 129,479 | 109,962 | 92,718 |
| Planning allowance | 68,783 | 58,837 | 50,031 | 42,248 | 35,381 |
| Net loan asset | 8,642,247 | 7,447,307 | 6,333,359 | 5,348,726 | 4,479,944 |
| Equipment net book value | 13,333 | 6,667 | – | – | – |
| **Total assets** | **9,404,600** | **7,988,460** | **6,672,247** | **5,508,986** | **4,678,321** |
| Senior debt | 3,786,472 | 2,646,306 | 1,578,773 | 633,171 | – |
| Tax payable | 155,989 | 133,792 | 114,124 | 96,725 | 81,360 |
| **Total liabilities** | **3,942,461** | **2,780,098** | **1,692,897** | **729,896** | **81,360** |
| Retained earnings | (537,861) | (791,638) | (1,020,650) | (1,220,910) | (1,403,039) |
| Contributed equity | 6,000,000 | 6,000,000 | 6,000,000 | 6,000,000 | 6,000,000 |
| **Total book equity** | **5,462,139** | **5,208,362** | **4,979,350** | **4,779,090** | **4,596,961** |
| **Total liabilities equity** | **9,404,600** | **7,988,460** | **6,672,247** | **5,508,986** | **4,678,321** |
| **Balance check** | **–** | **–** | **–** | **–** | **–** |

## Financial position summary / 2032 to 2036

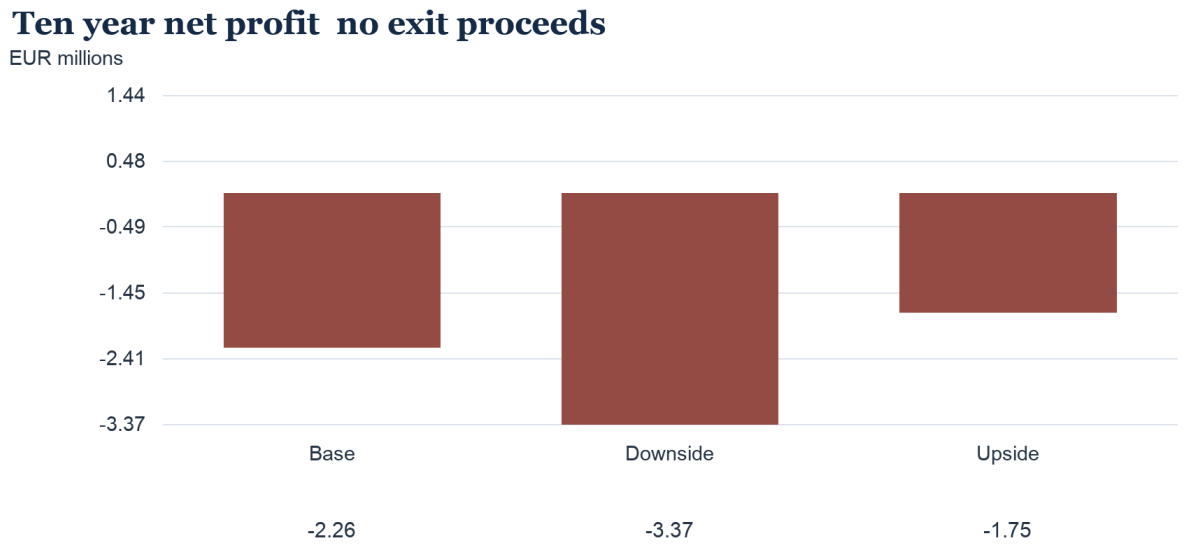
| EUR except file count | 2032 | 2033 | 2034 | 2035 | 2036 |
|---|---|---|---|---|---|
| Available cash | 459,942 | 912,516 | 1,267,237 | 1,534,110 | 1,722,118 |
| Restricted cash | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 |
| Performing principal | 3,666,695 | 3,002,453 | 2,420,127 | 1,910,933 | 1,466,959 |
| Recovery asset | 77,508 | 64,120 | 52,361 | 42,056 | 33,051 |
| Planning allowance | 29,334 | 24,020 | 19,361 | 15,287 | 11,736 |
| Net loan asset | 3,714,870 | 3,042,554 | 2,453,127 | 1,937,701 | 1,488,274 |
| Equipment net book value | – | – | – | – | – |
| **Total assets** | **4,474,812** | **4,255,070** | **4,020,364** | **3,771,811** | **3,510,393** |
| Senior debt | – | – | – | – | – |
| Tax payable | 67,815 | 55,900 | 45,442 | 36,285 | 28,289 |
| **Total liabilities** | **67,815** | **55,900** | **45,442** | **36,285** | **28,289** |
| Retained earnings | (1,593,004) | (1,800,831) | (2,025,078) | (2,264,474) | (2,517,896) |
| Contributed equity | 6,000,000 | 6,000,000 | 6,000,000 | 6,000,000 | 6,000,000 |
| **Total book equity** | **4,406,996** | **4,199,169** | **3,974,922** | **3,735,526** | **3,482,104** |
| **Total liabilities equity** | **4,474,812** | **4,255,070** | **4,020,364** | **3,771,811** | **3,510,393** |
| **Balance check** | **–** | **–** | **–** | **–** | **–** |

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# Break even and scenarios

Evaluate base, downside and upside in one live build. Coupon, default, prepayment, recovery amount and lag, funding cost, servicing and cost multiplier all change with the selector. Scenario comparisons are captured snapshots and must visibly flag any changed shared or case input, including inactive blanks.

The pre-tax operating required coupon is annualised funding interest plus servicing and operating cost divided by average performing principal; the pre-tax accounting required coupon also includes depreciation and credit expense. Both exclude CT, the close-company surcharge and debt principal payments, and therefore do not establish cash sufficiency. They are required-yield indicators with no ability to reprice borrowers. No equity IRR is shown because the horizon has unresolved assets and no verified exit proceeds.




**Ten-year net profit and minimum available cash by case; no terminal exit proceeds.**

## Scenario comparison / 2027 to 2036

| EUR | Base | Downside | Upside |
|---|---|---|---|
| **Net profit** | **(2,257,896)** | **(3,374,797)** | **(1,746,471)** |
| Min cash | (260,921) | (509,909) | (164,407) |
| Max funding gap | 260,921 | 509,909 | 164,407 |
| Closing performing | 1,466,959 | 733,394 | 2,004,209 |
| Closing recovery | 33,051 | 68,567 | 17,219 |
| **Closing debt** | **–** | **–** | **–** |

The ten-year operating losses exclude setup expense and opening credit allowance, which are already reflected in opening retained earnings. No case provides a realised exit return. All three case gaps must be funded before execution; later positive cash does not repair earlier missed payments.

# Model guide and completion

Editable blue assumptions feed active case inputs and a single monthly build. Case selector must be the integer 1, 2 or 3. Required active inputs must be numeric and within defined bounds; blanks do not become zero. Counts and lags must be integers and useful denominators positive. An unselected blank should leave the current build live but mark comparison snapshots stale.

Before any investment decision, replace assumptions with a validated tape, update source dates and obtain professional approvals. Run the retained JavaScript, native recalculation and case-capture verification to refresh financial results and document charts together. The final package is a planning decision aid; its conclusion is not a recommendation to acquire unverified assets.