Rebuilding Ireland Home Loan

Making home ownership more affordable for first time buyers

Rebuilding Ireland

Action Plan for Housing and Homelessness

What is a Rebuilding Ireland Home Loan?

The Rebuilding Ireland Home Loan is a new Government backed mortgage for first time buyers. It is now available nationwide from all local authorities.

As a first time buyer you can apply for a Rebuilding Ireland Home Loan to purchase a new or second- hand property, or to build your own home.

The loan is a normal Capital and Interest-bearing mortgage which is repaid by direct debit on a monthly basis.

You can borrow up to 90% of the market value of the property. Maximum market values of the property that can be purchased or self-built are:

- **€320,000** in counties Cork, Dublin, Galway, Kildare, Louth, Meath and Wicklow, and
- **€250,000** in the rest of the country.

Am I eligible?

To qualify for a Rebuilding Ireland Home Loan you must:

- Be a first-time buyer.
- Be aged between 18 and 70 years.
- Be in continuous employment for a minimum of two years, as a primary applicant. Be in continuous employment for a minimum of one year, as a secondary applicant.
- Have an annual gross income of not more than €50,000 as a single applicant, or not more than €75,000 combined as joint applicants.
- Submit two years certified accounts if self-employed.
- Provide evidence of insufficient offers of finance from two banks or building societies.
- Not be a current or previous owner of residential property in or outside the Republic of Ireland.
- Occupy the property as your normal place of residence.
- Purchase or self-build a property situated in the Republic of Ireland, of no more than of 175 square metres (gross internal floor area).
- Purchase or self-build a property which does not exceed the maximum market value applicable for the county in which it is located.
- Consent to an Irish Credit Bureau search.

What are my interest rate options?

Rebuilding Ireland Home Loan offers three rate products:

- **2%*** fixed for up to 25 years (APR 2.02%*).
- **2.25%*** fixed for up to 30 years (APR 2.27%*).
- **2.30%*** variable (subject to fluctuation) for up to 30 years (APR 2.32%*).

* These rates, while correct at time of print, are subject to change and dependent on market conditions.

All rates are exclusive of Mortgage Protection Insurance (MPI), which is a requirement of borrowing. Eligible borrowers are required to partake in the Local Authority collective MPI Scheme.

If you choose a fixed interest rate

Your monthly repayments remain the same for the full fixed rate loan period, making budgeting easier - but during the fixed rate period, you may be liable for a breakage fee if you switch to a variable rate or pay off all or part of your mortgage.

If you choose a variable interest rate:

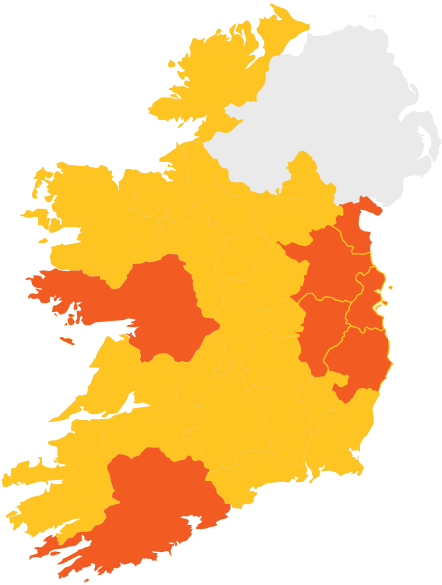
You have the flexibility to make lump sum repayments, increase your repayments or make early repayments - but your monthly repayments could rise or fall over the life of your mortgage.

How much can I borrow?

With the Rebuilding Ireland Home Loan, you can borrow up to **90%** of the market value of a residential property. Maximum market values of the property that can be purchased or self-built are:

€320,000
in counties Cork, Dublin , Galway, Kildare, Louth, Meath and Wicklow

€250,000
in the rest of the country



This limits the amount that can be borrowed to no more than **€288,000** in counties Cork, Dublin, Galway, Kildare, Louth, Meath and Wicklow and no more than **€225,000** in the rest of the country.

A Home Loan calculator is available on **www.rebuildingirelandhomeloan.ie** which will give you an indication of how much you can borrow and the estimated repayments.

How do I apply?

1. If you think you are eligible and can afford the repayments on the amount you need to borrow, you can complete the Rebuilding Ireland Home Loan application form - available from your Local Authority or download from **www.rebuildingirelandhomeloan.ie**

2. You must complete all sections of the application form and provide the supporting documents described in the applicant checklist.

3. Your application form must be signed by all applicants and submitted to your local authority. Applicants are strongly advised to submit their applications in person, as posted applications are often not completed correctly and have to be returned.

4. Your application will be assessed and you will be advised of the decision in writing.

Further information is available at any of the following:

- Housing Section of your Local Authority
- Help Desk at **051 349720**
- **www.rebuildingirelandhomeloan.ie**

Frequently asked questions

1

Who can apply for a Rebuilding Ireland Mortgage?

The Rebuilding Ireland Home Loan is available to first time buyers who meet all of the following conditions:

- Aged 18 years - 70 years.
- For single applicants:
  - earning a gross income of less than €50,000, and
  - in 2 years continuous employment (including self-employment).
- For joint applicants:
  - earning a combined gross income of less than €75,000, and
  - the primary applicant must be in 2 years continuous employment (including self-employment), with the second applicant in 1 year continuous employment (includes self-employment).
- Applicant(s) must have received insufficient offers of finance from two mortgage lenders.
- Satisfies other conditions and/or requirements, as stipulated by the Local Authority.

2

Am I eligible if I am not a first-time borrower?

No.

3 Are there different maximum borrowing limits for Dublin and other areas?

Yes, borrowing limits are higher in Dublin, Kildare, Louth, Meath, Wicklow, Cork and Galway, to reflect the more expensive property markets in those areas.

4 How much can I borrow?

The maximum loan amount under the Rebuilding Ireland Home Loan is limited to **90%** of the purchase price of the property or, in the case of self-build properties, the total build costs. For properties in Dublin, Kildare, Louth, Meath, Wicklow, Cork and Galway: maximum loan amount is **€288,000**. For the rest of the country: maximum loan amount is **€225,000**. The maximum loan amount is also limited by a Net Income Ratio.

5 What type of home can I purchase?

The Rebuilding Ireland Home Loan is only available for financing a Principal Private Residence (PPR) for the following purposes:

- To purchase a new, second-hand or new-build property.
- Where the gross internal floor area of the property does not exceed 175m^2.
- The property complies with planning and building regulations.
- The property is located in the Republic of Ireland.

6 What is a fixed rate mortgage?

A fixed rate mortgage is a loan where the interest rate stays the same throughout the agreed period of "fixing" and is repaid by an annuity of principal and interest, combined, at monthly intervals.

7

What are the advantages of a fixed rate on my mortgage?

The main advantages of fixing rates on your mortgage are that stress-testing is not applicable and loan repayments are not subject to fluctuation, offering certainty of loan repayment amounts.

8

Can I repay a fixed rate loan early?

Paying back a loan before the end of its term may seem like a great idea, but you need to be aware that a fixed rate loan may have charges associated with paying off the balance early. No early repayment charges apply on the variable rate option.

9

What are the likely costs of early repayment of my fixed rate loan?

Costs of early repayment of a 25-year fixed rate mortgage would be calculated as the difference between the current fixed rate available for the remaining loan term and the original mortgage fixed rate, multiplied by the outstanding loan balance for years remaining.

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