



## **FREQUENTLY ASKED QUESTIONS**

### **REBUILDING IRELAND HOME LOAN**

#### **1. WHAT IS THE GENERAL CRITERIA REQUIRED TO APPLY FOR A REBUILDING IRELAND HOME LOAN**

- You must be a first time buyer
- Be aged between 18 and 70 years
- Be in continuous permanent employment for a minimum of two years as a primary applicant (highest income earner) for one year as secondary applicant (lower income earner)
- 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.
- If you are self employed, you must submit two years certified accounts
- You must provide evidence of insufficient offers of finance from two mortgage lenders
- 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 within the administration area of Kilkenny County Council.
- Consent to an Irish Credit Bureau and/or a Central Credit Register Search.

#### **2. IS THERE A LOAN APPLICATION FEE**

- There is no application fee payable

#### **3. WHEN APPLYING FOR A MORTGAGE TO KILKENNY COUNTY COUNCIL UNDER THE REBUILDING IRELAND HOME LOAN, SHOULD THE PROPERTY BEING PURCHASED OR CONSTRUCTED BE WITHIN THE ADMINISTRATIVE AREA OF COUNTY OF KILKENNY.**

- Yes the property being purchased or constructed must be within the administrative area of the County of Kilkenny.

4. **WHO CAN APPLY FOR A MORTGAGE WITH KILKENNY COUNTY COUNCIL?**

*Any person who is a first time buyer, and who has been refused by two financial institutions.*

*The loan applicant must provide confirmation of inadequate loan offers by two financial institutions (bank or building society lenders only). The refusal letters received from financial institutions should be provided to support their application. The refusal letter should detail the amount of loan funds requested, date loan application submitted to Financial Institution and reason for refusal.*

5. **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, the maximum loan amount is €225,000 where the loan is for purchase of or for self-build properties within the administration jurisdiction of Kilkenny County Council. The maximum loan amount is also limited by a Net Income Ratio.*

6. **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*

*With Self Build, the gross internal floor area of the property must not exceed 175m<sup>2</sup>*

*The property must also comply with Planning and Building Regulations*

7. **IF I AM NOT A FIRST TIME BUYER, CAN I APPLY FOR A LOAN TO KILKENNY COUNTY COUNCIL ?**

*There are certain exceptions in some cases and where they apply the House Purchase Loans staff are happy to advise you.*

8. **WHAT IS THE CURRENT MAXIMUM LOAN AMOUNT?**

*The maximum loan amount is €225,000 (90% of market value of property, max market value €250,000 within Kilkenny)*

9. **IS THERE AN INCOME LIMIT?**

*The maximum income limit for a single application is €50,000, joint application is €75,000.*

*The income assessed is income from employment or self employment.*

**10. WHAT WILL BE THE AMOUNT OF LOAN FUNDS THAT MY INCOME WILL SECURE**

*All Loans will be advanced based on the applicant's capacity to repay using net income ratio calculations. Every application is assessed individually on the basis of information provided on the application form.*

**11. HOW LONG DO I HAVE TO BE IN EMPLOYMENT**

*The primary earner must have at least two years of continuous permanent employment (this can be self employment) The second earner must have at least one year continuous permanent employment.*

*In certain circumstances exceptions to this policy can be considered.*

**12 WILL THE IRISH CREDIT BUREAU UNDERTAKE A SEARCH ON EACH APPLICANTS CREDIT HISTORY?**

*In completing the Loan Application form from Kilkenny County Council, applicants must consent to the carrying out of credit checks and reporting. A credit check will be undertaken on each applicant's credit history.*

**13 HOW DO I PAY MY LOAN?**

*SEPA Direct Debit. This differs from standing orders in that you are instructing your bank to deduct variable amounts from your bank account every month. The Direct Debit Form is enclosed in the Loan Pack.*

**14 DO I NEED TO INSURE THE DWELLING PRIOR TO LOAN FUNDS ISSUING FROM LOCAL AUTHORITY?**

*Prior to drawdown adequate building reinstatement insurance must be in place. It is a requirement that Local Authority's interest is noted on the policy*

**15 HOW MUCH OF A DEPOSIT WILL I HAVE TO PAY?**

*Upon purchase of a property, the loan applicant will have to pay 10% of the market value of the dwelling. For example, if the market value of a property is €100,000, the loan applicant will have to pay €10,000. (10% of €100,000) (The Local Authority will fund 90% only)*

**16 DO I NEED TO ENGAGE A SOLICITOR?**

*You need to engage a Solicitor to act on your behalf in the issuing of a Loan.*

**17 WHO PAYS THE LEGAL COSTS?**

*The loan applicant is responsible for their own legal costs and engaging their own Solicitor to act on their behalf.*

**18 DO I NEED TO AVAIL OF MORTGAGE PROTECTION INSURANCE?**

*Where eligible, the borrower must avail of Mortgage Protection Insurance (MPI) policy under the local authority's group MPI scheme until their loan has been fully repaid. (Term and conditions of Mortgage Protection Insurance Policy is available on request from Local Authority).*

*Where ineligible for the aforementioned MPI policy, the borrower is obliged to put in place an alternative MPI policy that is acceptable to the local authority.*

**19 WHAT IS THE COST OF MORTGAGE PROTECTION INSURANCE UNDER THE COUNCIL'S GROUP MORTGAGE PROTECTION INSURANCE SCHEME?**

*The cost of Mortgage Protection Insurance (MPI) is met by the inclusion of an additional charge to your loan instalment at a specified Variable MPI Rate . The monthly payment in respect of MPI is determined by the initial loan amount and specified variable rate of MPI charge.*

**20 WHAT IS FIXED RATE MORTGAGE**

*A fixed rate mortgage is a loan where the interest rate stays the same throughout the period of "fixing" and is repaid by an annuity of principal and interest, combined at monthly intervals. The monthly repayment on the loan will be a fixed amount each month.*

**21 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.*

**22 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 balances early. No early repayment charges apply on the variable rate option.*

**23 WHAT ARE THE LIKELY COSTS OF EARLY REPAYMENT OF MY FIXED RATE LOAN.**

*Cost 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 less the original mortgage fixed rate, multiplied by the outstanding loan balance for years remaining.*

## 24 WHAT ARE THE INTEREST RATE OPTIONS UNDER THE REBUILDING IRELAND HOME LOAN

- 2.745% **fixed** for up to 25 years (APR 2.78%)
- 2.995% **fixed** for up to 30 years (APR 3.04%)

*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. MPI is payable monthly, in addition to loan repayments.*

*If you choose a **fixed interest rate** product:*

- *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** product:*

- *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.*

*Note:- You should seek independent financial advice on which product is most suitable for you.*