FREQUENTLY ASKED QUESTIONS – HOUSE PURCHASE LOAN APPLICATIONS –KILKENNY COUNTY COUNCIL

1. HOW MUCH IS THE LOAN APPLICATION FEE

 €40.00

1. WHEN APPLYING FOR A MORTGAGE TO KILKENNY COUNTY COUNCIL, 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.

1. 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.*

1. *IF I’M 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.*

1. WHAT IS THE CURRENT MAXIMUM LOAN AMOUNT?

The maximum loan amount is €200,000

1. 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.

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

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

8. HOW LONG DO I HAVE TO BE IN EMPLOYMENT

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

In certain circumstances exceptions to this policy can be considered.

1. 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 applicants’ credit history.

1. 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.

1. 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 . If the purchaser is obtaining private household insurance, it is a requirement that Local Authority’s interest is noted on the policy

1. HOW MUCH OF A DEPOSIT WILL I HAVE TO PAY?

Upon purchase of a property, the loan applicant will have to pay 3% of the purchase price of the dwelling. For example, if the purchase price of a property is €100,000, the loan applicant will have to pay €3,000.(3% of €100,000)(The Local Authority will fund 97% only)

1. DO I NEED TO ENGAGE A SOLICITOR?

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

1. 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.

1. DO I NEED TO AVAIL OF MORTGAGE PROTECTION INSURANCE?

Where eligible, the borrower must avail of Mortgage Protection Insurance (MPI) policy under the local authorities’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.

1. 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.