



# **Rebuilding Ireland Home Loan**

## **TERMS AND CONDITIONS**

## KILKENNY COUNTY COUNCIL

### HOUSING (MISCELLANEOUS PROVISIONS) ACT, 1992

#### HOUSING (REBUILDING IRELAND HOME LOANS) REGULATIONS 2018 (S.I. No. 25 of 2018)

Kilkenny County Council can consider loan applications for the purchase or construction of houses situated within its administrative area from persons who have been refused by two Mortgage Lenders (letters of refusal must accompany the application) and satisfy the eligible requirements.

#### ORDINARY LOAN – MAXIMUM €225,000

##### Key Criteria:-

##### **Eligibility for the Rebuilding Ireland Home Loan**

1. The House Purchase Loan is available for **first time buyers** and is for a maximum loan-to-value ratio (LTV) of 90%. Applicants must be first time buyers as defined in the Housing (Rebuilding Ireland Home Loans) Regulations 2018 (S.I. No. 25 of 2018).

A first time buyer is defined by Section 92B of the Stamp Duties Consolidation Act 1999 (as amended) i.e. a person, (or, where there is more than one buyer, each of such persons:))

- who has not on any previous occasion, either individually or jointly, purchased or built on his/her own behalf a house (in Ireland or elsewhere) and
  - where the property purchased is occupied by the purchaser, or a person on his behalf, as his/her only principal place of residence.
  - Where no rent, other than rent a room scheme is derived from the property for five years after the date of current purchase.
2. Applicants must be aged between 18 and 70 years.
  3. Neither applicant can be a current owner of property.
  4. The property must be situated in the Administrative Area of County of Kilkenny and must be in good condition and have a good marketable title. The property cannot exceed a value as determined by the Council.
  5. **The applicants must occupy the property as their normal place of residence.**
  6. All loans will be advanced on the applicant's ability to repay.
  7. The house must be suitable for the persons needs. The maximum loan available is 90% of the purchase price (**10% deposit is required**) of the house, subject to an overall maximum loan of €225,000.

##### Applications can be submitted by the following:

- A first time buyer being persons who either individually or jointly have never purchased or built a house. (exceptions may apply)
- Persons who have been accepted on the Council's housing list.
- Local authority tenants or tenant purchasers who wish to buy a private house and return their present home to the local authority.
- A tenant, for more than one year of a house provided by a Voluntary Housing Body under the Rental Subsidy Scheme, who wishes to buy a private and return present home to the Body.

## **Income Eligibility**

1. The income of a **single applicant cannot exceed €50,000 per annum** The combined income of **joint applicants cannot exceed €75,000 per annum.**
- 2 Applicants must have a 10% deposit as well as a credible savings record
- 3 Applicants must be of good credit standing with a satisfactory credit record. An Irish Credit Bureau search and a judgement search will be undertaken on each applicant.
- 4 **For single applicants**
  - The applicant must have two years continuous permanent employment (this can be self employment)**For joint applicants**
  - The primary earner on the application must have; two years continuous permanent employment.
  - The second applicant must have one year continuous employment. (If employed)
- 5 The application must provide details of marital status, dependants, current and previous employments, borrowings, savings, details of property proposed for purchase and any other information that may be required by the Council.

## **Term of Loan, Rate of Interest, Repayments**

### **The Rebuilding Ireland Home Loan offers three rate products**

2.495% fixed for up to 25 years (APR 2.52%)

2.745% fixed for up to 30 years (APR 2.78%)

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.

1. The repayment period can be 25 or 30 years to a maximum age of 70
2. **Variable interest rate is no longer available.**
3. With a Fixed Rate Loan there is a breakage fee to the borrower if they repay part or all of their loan earlier than the term secured.
4. With a Variable Rate Loan there is flexibility to make lump sum repayments, increase repayments, or make early repayments. There is no breakage fee Monthly payments could rise or fall over the lifetime of the mortgage.
5. The mortgage repayments will be by monthly instalments of principal and interest combined.
6. The borrower(s) will be requested to complete Direct Debit Mandate for the Council to arrange monthly payment of their loan instalment.

## **Mortgage Protection Insurance:-**

1. It is a legal requirement that all applicants have an approved Local Authority mortgage protection policy in place for the term of the loan prior to cheque drawdown .
2. Where eligible, the borrower must avail of mortgage protection insurance (MPI) policy under the Local Authorities' group MPI scheme until their loan has been fully repaid. Full cover is available to borrowers **under 55 years of age** who are in good health and gainful employment at date of loan approval. (see terms and conditions of MPI policy). The key benefits for valid claims under the policy are death benefit (the insurer repays the outstanding capital loan balance to the local authority in the event of the death of the borrower) and disability (the insurer pays the monthly loan instalment to the local authority in the event of the disability of the borrower) Terms and conditions are set out in the MPI policy available on request.
3. 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. The loan applicant should notify the Local Authority if they are ineligible for the Local Authority's MPI .
4. Borrowers should carefully retain a copy of any MPI Policy document that they sign upon acceptance of a loan offer, to refer to its terms and conditions during the term of the loan.
5. House Purchase Loans include loan protection so that eligible borrowers' loans may be repaid in the event of death. In the event of temporary total disablement, loan repayments after 3 months of disability may be maintained (subject to certain provisions and limitations).
6. The cost is met by an inclusion of a charge of some 0.5550% (which is variable) in the mortgage protection rate charged to eligible borrowers. Full cover is available to borrowers under 55 years of age who are in good health and gainful employment at the date of the loan approval. The cover is subject to the terms and conditions of the policy.

## **Legal Fees.**

The following charges will be payable by the borrower:-

The borrower will be required to engage a Solicitor to act on their behalf and the borrower will be responsible for payment of their legal costs. Legal costs will be the cost of investigating the title, preparing and registering the mortgage and other outlay that may arise.

## **Buildings Insurance**

You must arrange for a suitable Buildings Insurance Policy to be put in place (which must include fire cover) following loan approval and drawdown of your loan. The sum insured under that buildings protection policy must equal or exceed the reinstatement value of the Security Property specified in the report of the valuer. You must procure that our interest in the Security Property is noted on that buildings insurance policy. This insurance must be renewed annually and a copy forwarded to Kilkenny Co. Co. each year for your file.

## **For Purchase of New/Secondhand homes**

Once Approval In Principle issues by the Local Authority, Loan Applicants must provide the following:-

- Sales Advice Note or copy of Contract of Sale,
- Ber Cert and Ber Cert Advisory Note .
- Valuation report form must also be completed by an independent Valuer/Auctioneer.
- Contact Tel. No of Vendor/Auctioneer for our Engineer to gain access to view house

**Note: The property must comply with the Planning and Building Regulations.**

**Any house selected by the loan applicant is subject to suitability/value approval by the Housing Engineer.**

**In the Case of New Homes**

- a)
    - i. The property must have a gross internal floor area of 175 square metres or less, be in good condition and have good marketable title. The property cannot exceed a value as determined by the Council.
    - ii. The house shall be constructed with good building practice. Materials, fittings and appliances must be in conformity with the relevant Irish Standard Specifications and be acceptable of the County Council. For specific guidelines on these standards, consult Memorandum H.A. 1 of the Department of the Environment (conditions for the payment of the New House Grant)
    - iii. The dwelling shall comply with building regulations
    - iv. If the dwelling is to be provided in total or mainly by contract, it must be registered under the Home Bond. This will guarantee the house for six years against major structural defects.
    - v. Appropriate insurance cover will be required while the house is under construction.
  - b) In the case of previously occupied houses, the house must be in sound structural condition.
  - c) The dwelling must comply in all respects with the Local Authority planning requirements.
  - d) Title to the site must be registered with the Land Registry in the name of the applicant/s and must be free of all burdens. The sum advanced must be secured by the completion of a mortgage/charge document duly registered in accordance with the appropriate statutory provisions.
- 6 In all cases the dwelling must comply with the Local Authority Planning requirements. **It should be noted that the payment of a loan involves no warranty on the part of Kilkenny County Council or its employees as to the structural soundness of a dwelling.** Applicants are advised to get an independent technical survey of the house before proceeding with the purchase.
- 7 Advances in respect of a house may be made in instalments from time to time as work progresses. The first payment is made when the house has reached wall plate level, subject to the Council's Solicitor having received satisfactory title. In this connection, the title to the site must be registered with the Land Registry in the name of the applicants and must be free of all burdens. The sum advanced must be secured by the completion of a mortgage/charge document duly registered in accordance with the appropriate statutory provisions. The total instalments paid at any time shall not exceed 90% of the value of the work done.
- 8 **General conditions which apply when the loan is advanced:**  
The borrower will be obliged to comply with the following conditions until the loan with interest is fully paid.
- a) Every sum for the time being due in respect of principal or interest shall be punctually paid.

- b) The house shall be kept insured against fire for such sum as the Local Authority may require, **in the joint names of the borrower and the County Council and the receipt for the premium shall be produced for inspection immediately after payment of same.**
- c) The borrower shall use the house as his normal place of residence unless the Housing Authority consents to his residing elsewhere, whether indefinitely or for a specified period.
- d) The house shall be kept in good sanitary condition and repair.
- e) The house shall not be used in such a manner as to be a nuisance to the owners or occupiers of adjacent houses.
- f) The housing authority may authorise any person, in writing, to inspect the house at all reasonable times for the purpose of ascertaining whether these conditions are complied with.
- g) The dwelling or any part thereof shall not, without the written consent of Kilkenny County Council, or until the loan is fully repaid, be mortgaged, changed or alienated otherwise than by devise or operation of the law.

**General Conditions Governing Loan Advances by Kilkenny County Council:-**

Applicants can purchase a new, second-hand or construct a house on their own site.

In the case of construction of house on own site., please be advised of the following:-

**Self Builds by Contract.**

When a self build is to be completed under contract, it must meet the following criteria:

- Fixed price contract.
- Appropriately supervised.
- Appropriate insurance.
- Construction covered by Homebond or Premier Guarantee.

**Self Builds by Direct Labour.**

Kilkenny County Council has a 'Direct Labour Build' Policy in place which must be adhered to if applicants intend building through this method. You may wish to contact Kilkenny County Council to discuss your proposal

**Your home is at risk if you do not keep up payments on a mortgage or any other loan secured on it.**