

LOCAL AUTHORITY AFFORDABLE PURCHASE SCHEME

EXCEPTION TO THE INCOME LIMIT:

In accordance with Affordable Housing Regulations 2023; S.I. No. 20(3) of 2023 an applicant shall not be ineligible for an affordable dwelling purchase arrangement on the basis that the applicant is unable to secure, from a bank or financial institution, a mortgage for 85.5%, or more, of the market value of the dwelling concerned and produces written evidence to that effect from a bank or financial institution.

In general, the income limit for an affordable dwelling is 85.5% of market valued divided by 4. The exception caters for a situation where an applicant's income multiplied by 4 exceeds 85.5% of the market value of the dwelling, but the applicant is in fact unable to secure a mortgage from a bank/financial institution for 85.5 % of the market value of the dwelling. This might be for example, due to the age of a person making the application.

For example:

Dwelling Market Value:	€390,000
85.5% of Market Value:	€333,450
Income Limit:	€83,362
Applicant Income:	€85,000
Max Borrowing Capacity from Bank/Lender:	€300,000

As can be seen in the above example, the applicants Income exceeds the Income Limit for the property however their Max Borrowing Capacity is less than the 85.5% of market value. Where an applicant provides written evidence from a bank/financial institution confirming that the maximum mortgage he/she/ they can get is less than 85.5% of the market value, the applicant will not be deemed ineligible for an affordable dwelling purchase arrangement.