Housing Loans (Credit Policy) Guidelines

April 2025 Credit Policy

Policy Guidance on the operation of the Local Authority Home Loan Scheme and Local Authority Purchase and Renovation Loan

[To be read in conjunction with SI 701 of 2021 Housing Loans Regulations 2021; Amendment Regulations 76 of 2023 and Circular 07 of 2023; Amendment Regulations SI 221 of 2024 and Circular 15 of 2024; Housing Purchase and Renovation Loans Regulation SI 353 of 2024 and Circular 25 of 2024; Circular 12 of 2025 and LA Home Loan Technical and Operational Manual].

Table of Contents

1. Overview

The Local Authority Home Loan is a Government backed mortgage obtained through local authorities for first time buyers or other eligible applicants who are unable to obtain sufficient financing from commercial lenders. The Local Authority Home Loan scheme is for the purchase of new or second-hand residential properties and for self-builds. It also includes the purchase of homes through State schemes such as the Tenant Purchase Scheme and Affordable Purchase Scheme, with the exception of the First Home Scheme.

The Local Authority Purchase and Renovation Loan is for the purchase and/or renovation of properties that are eligible for the Vacant Property Refurbishment Grant. Except for the renovation element of Local Authority Purchase and Renovation Loans, the terms of the Local Authority Purchase and Renovation Loan are largely similar to the Local Authority Home Loan and this document can be used, except where Section 12 of this document sets out differences, for the assessment of both loans.

A 'Fresh Start' principle applies to the Local Authority Home Loans scheme for certain categories of persons who previously owned a home. People who are divorced, legally separated/separated or the relationship has ended and have no financial interest in the previous family home are eligible to apply under this scheme. It also applies to people who have been divested of a home through personal insolvency/bankruptcy proceedings who may also be eligible to apply for the Local Authority Home Loans Scheme. In such cases the most recently owned home must have been lost due to the Fresh Start event, i.e. experienced divorce / separation or insolvency/bankruptcy.

The Minister shall issue guidelines, such as set out in this document, to housing authorities setting out the terms and conditions for making of home loans by housing authorities in compliance with Section 5, Housing (Miscellaneous Provisions) Act 2009, hereafter referred to as the 'Credit Policy'. **Technical and operational requirements for local authorities are now outlined in the LA Home Loans Technical and Operational Manual which local authorities should read in conjunction with this Credit Policy.**

1.1. Credit Policy

The Credit Policy sets out;

- detailed requirements in relation to the financial standing of applicant(s),
- proof of applicant(s) financial contributions,
- proportion of net monthly income of applicant(s) allowable to make home loan repayments,
- employment conditions of applicant(s),
- valuation/compliance requirements,
- Insurance and Mortgage Protection Insurance requirements, and
- categories of ineligible applicants.

Decisions on all home loan applications shall be made by housing authorities in accordance with the credit policy.

This credit policy complies with appropriate legislation including;

- Housing (Miscellaneous Provisions) Act 1992; Section 11 refers to Housing Loans by housing authorities,
- Housing (Miscellaneous Provisions) Act 2009, Section 5; refers to Credit Policy Guidelines 2021, which the Minister has the power to make under section 5 of the Act of 2009. The Credit Policy are the Guidelines, which have been made in respect of the Home Loans Scheme,
- Housing (Miscellaneous Provisions) Act 2009: Part 3: Incremental Purchase Arrangements and Part 4: Tenant Purchase of Apartments Scheme,
- Housing (Miscellaneous Provisions) Act 2014; Part 3 Purchase of Houses by Tenants,
- Affordable Housing Act 2021 (as amended):
    - the purchase of an open market dwelling under section 6 or 7 of the Act of 2021,
    - Section 9.(5) 'Notification of and applications for affordable dwelling purchase arrangements' and
    - Section 10. 'Assessment of eligibility for affordable dwelling purchase arrangement' with the exception of 10(6)
- Housing Loans Regulations 2021 (SI No. 701 of 2021),
- Housing Loans (Amendment) Regulations 2023 (SI No. 76 of 2023).
- Housing Loans (Amendment) Regulations 2024 [S.I. No 221 of 2024)
- Housing Purchase and Renovation Loans Regulations 2024 (S.I. 353 of 2024)

2. Reporting Requirements and Processing of Applications for Local Authorities

The LA Home Loans Technical and Operational Manual for Local Authorities provides further information on technical and operational requirements and should be read by local authorities in conjunction with this section.

2.1 Reporting to the Department of Housing, Local Government and Heritage

All local authorities shall provide reports to Department in respect of their loan activity at regular intervals.

2.2 Processing Applications

Applicants must apply to the local authority where the property they intend to purchase or self-build is located. Applicants are permitted to submit an application to more than one local authority if they are searching for a property in more than one area. However, for clarity, only one loan can be drawn down and this must be from the local authority where the dwelling for purchase/construction is located.

Upon the receipt of the LAHL application form, the local authority should check whether the application is complete and whether all the required documentation has been provided. If not, they should revert to the applicant seeking this documentation. Only once all the required information has been provided should an application be considered as valid.

The local authority should perform an initial screening of each applicant's eligibility for the Local Authority Home Loan including Local Property Tax Check [Section 2.3]. If it is clearly evident that an applicant is not eligible, the local authority can decline the application at this stage.

2.3 LPT process and documentation for underwriting purposes

A Local Property Tax check is carried out by the Local Authority. The LPT check will compare the applicant(s) PPSN against a database of people registered for the Local Property Tax.

2.4 Central Credit Check

A Central Credit Register (CCR) report must be conducted by the local authority once eligibility has been confirmed. Applicant(s) consent to the Central Credit Register (CCR enquiry) is mandatory.

An application will be classified as incomplete if all parties to the Local Authority Home Loan application have not signed the CCR consent.

For the purposes of the CCR enquiry, some applicants may have a negative credit event on their CCR report (for example Fresh Start- Post Bankruptcy applicants). However, a negative credit event does not automatically disqualify applicants. Local authorities should have regard to Sections 3.7, 4.3 (for Fresh Start – Post Bankruptcy) and 5.3 in deciding whether the applications of an applicant with a negative credit event should be declined at this stage. In case of doubt, the application should be sent to the Housing Agency for assessment by their specialist team of underwriters.

2.5 Applications for assessment by Underwriters

Only validated and eligible applications should be sent to the Housing Agency for assessment by their specialist team of underwriters. In addition, validated applications where eligibility needs further assessment should also be sent to the Housing Agency for their review.

Applications should not be sent to the Housing Agency unless CCR and LPT check is completed.

The Housing Agency will assess the creditworthiness of the applicant. They will issue a recommendation to the Local Authority on whether the applicant is creditworthy and if so for how much.

Recommendations to approve or decline an application, or to vary the amount sought, will be sent to the Local Authority for Credit Committee decision.

2.6. Local Authority Home Loan Credit Committee

The Local Authority Credit Committee decides, in accordance with the credit policy, whether a loan application should be approved or not, having due regard to the recommendation of the Housing Agency on each loan application. See Section 2.5 of the LA Home Loan Technical and Operational Manual for further details regarding the Local Authority Credit Committee.

The final decision on home loan applications is a matter for individual Credit Committees and should be recorded and communicated to the applicant in a full and timely manner, as set out below.

In the event that an application is declined, the letter should state the reasons for the decline.

In the event the application is Approved in Principle (AIP), the letter should contain the following information;

- the amount of the loan approved,
- the term of the loan,
- the Fixed interest rate,
- the APR,
- the monthly loan repayment,
- the monthly MPI repayment,
- the total monthly repayment,
- the total amount to be repaid (excluding MPI),
- the end date of the AIP, which should be 6 months from the date of the AIP. It should be clear that the AIP expires on this date, and will only be extended upon a justified request from the applicant in advance of the expiration date,
- That the AIP is conditional and that in advance of any loan drawdown the local authority can at any time request further information to ensure that the property meets the scheme's rules and that the applicants financial position remains sufficiently creditworthy,
- The interest rate for the mortgage as is determined by the applicable rate at the time of drawdown.
- Any other relevant information.

2.7 Appeals Process

Each Local Authority will have an Appeals Procedure to allow a dissatisfied applicant(s), who have provided a complete application, including supporting documentation, to appeal a loan application decision of the credit committee. An Appeals Panel should be established comprising of personnel not involved in the original decision that is subject to appeal. Procedures for the making of an appeal should be established by each Local Authority.

Any decision from the Appeals Panel to overturn a Credit Committee's decision must be reported to the Department.

Dissatisfied applicant(s), who have provided a complete application, including supporting documentation, will be able to appeal a loan application decision in the following areas

- An appeal will be considered on the reason(s) as stated in the Letter of Decline returned by the Local Authority.
- An appeal of the loan amount provisionally approved may be considered on foot of a review of the original Local Authority Home Loan application and supporting documentation provided.
- An appeal by an applicant must be raised within 20 business days of the date on the decision letter.
- The provision of additional information will NOT be grounds for an appeal of the original Local Authority Home Loan application and decision. This constitutes a new application and will be treated as such.
- An appeal on the validity of an application, or the eligibility of an applicant, can be considered.

2.8 Complaints Process

If applicant(s) have exhausted the Appeals Process and remain unhappy with the local authority decision, they can make a formal complaint to the Local Authority Complaints department.

If the applicant(s) complaint is not resolved satisfactorily, the applicant(s) can make a complaint to the Ombudsman by:

- clicking on the Make A Complaint' link at www.ombudsman.ie or
- writing to: Office of the Ombudsman, 6 Earlsfort Terrace, Dublin 2, D02 W773 or
- calling the Ombudsman on 01 639 5600 if the applicant(s) have any queries or if they need help making their complaint.

2.9 Mortgage Protection Insurance

Local Authority Mortgage Protection Insurance (LA MPI) is a requirement of the Local Authority Home Loan scheme. Applicants deemed eligible for LA MPI, regardless of whether applying as a single applicant or as part of a joint application, must accept and maintain LA MPI cover for the duration of the loan. Applicants deemed ineligible for LA MPI, either as part of a joint application or as a single application, must have comparable and alternative cover and provide evidence of this cover at the time of drawdown of the loan and each year for the duration of the term of the loan. For clarity, in the case of joint applications, if one applicant is deemed ineligible and the other applicant(s) are deemed eligible then the eligible applicant must accept and maintain LA MPI cover for the duration of the loan and the ineligible applicant(s) must source comparable and alternative cover for the duration of the loan.

3. Key Eligibility Criteria

3.1 First Time Buyer Status / Fresh Start Principle

In order to qualify for the Local Authority Home Loan scheme, each applicant must either be a first-time buyer (applicants cannot have previously, either individually or jointly, purchased or built on their own behalf, a residential property either in Ireland or elsewhere for their own occupation) or be eligible under the Fresh Start principle (more details on treatment of Fresh Start applicants are set out in Section 4).

Applicants who declare that they are first time buyers must authorise the Local Authority to conduct such checks as are necessary to confirm this, such as consulting with the Revenue Commissioners to conduct a Local Property Tax and CCR checks.

3.2 Joint Applicant Status

Joint applicants are two or more persons who apply for a housing loan together. In accordance with section 5(2) of SI 701 of 2021 (as amended), married and co-habiting couples, as well as persons in an intimate and committed relationship, must apply together with their spouse, civil partner, or partner with whom they intend to reside.

For the purposes of a joint application, each applicant must either qualify as a first-time buyer or be eligible under the Fresh Start Principle.

3.3 Applicant(s) Eligibility

Age

Applicant must be aged between 18 years old and 70 years old. The end date of the mortgage shall not go beyond the applicant's 70th birthday (in the case of a joint application, not beyond the oldest applicant's 70th birthday). Section 7.3 sets out this in more detail.

Income Eligibility

- A single applicant income cannot earn more than €70,000 gross annual income per annum.
- Joint applicants cannot have a joint income of more than €85,000 gross annual income per annum.
- Details on income to be assessed for scheme eligibility is set out in Section 6.

3.4 Residency

Applicant(s) must have a right to reside in the State. Each applicant must provide evidence of this right to reside.

3.5 Employment Record

The primary earner on the application must have at least two years continuous employment in Ireland or Northern Ireland (this can be self-employment). [1]

[1] An exemption to the requirement for continuous employment can be given in situations where an applicant has verifiable income from an alternative source, such as a pension from a previous employment, for the last 2 years (or 1 year if they are secondary earners in a joint application). However, this income must be of a sufficiently long-term and guaranteed nature as to provide a sustainable basis for repaying a mortgage.

- Single applicant: must have 2 years of continuous employment.
- Joint applicant: 1 earner – the earning applicant must have 2 years of employment. For clarity, there is no requirement that the second applicant in a joint application must be in employment, one-earner joint applications are permissible.
- Joint applicant: 2 earners – primary earner must have 2 years of employment. Income of second earner can be considered towards repayment capacity but must have at least one years of employment.

Further details as to the required employment history are set out in Section 6.6.

3.6 Insufficient Offers of Finance

The LAHL is only available to creditworthy applicants who cannot receive sufficient offers of finance from commercial lenders to buy their desired property (which must be within the LAHL property price criteria).

Proof of insufficient mortgage offers from two regulated financial providers in the Republic of Ireland must be submitted as part of the Local Authority Home Loan application. The evidence must be dated within 12 months of the application, and the amount must be equal to or less than the Local Authority Home Loan amount sought.

Further details are set out in proof of documentation table in Section 8.

3.7 Creditworthiness Requirements

Notwithstanding an applicant's eligibility for the LAHL based on the criteria set out in sections 3.1-3.6, a separate creditworthiness assessment is required to determine whether an applicant is sufficiently creditworthy to be offered a mortgage.

Further details are set out in Section 5.3 but in any case the following applicants are **ineligible to apply** (unless there are exceptional circumstances that would need to be clearly documented by the approving Local Authority):

- Applicant(s) who are currently the subject of legal action for debt recovery.
- Applicant(s) who are currently subject to bankruptcy or insolvency proceedings unless they have been discharged from such proceedings.
- Applicant(s) who have a current court order (judgment) for recovery of debts granted against them unless they have been discharged from such proceedings
- Applicant(s) whose exit date from insolvency or bankruptcy proceedings is less than 12 months from the date of their LAHL application.

3.8 Property Eligibility

The property eligibility is set out as follows;

- the applicant(s) intends to occupy the property as their principal private dwelling.
- the property must be situated in the Republic of Ireland,
- be in a habitable condition acceptable to the Local Authority, supported by a Valuation Report carried out by an approved independent or Local Authority Valuer,
- the value of the ownership of the property is sufficient to provide adequate security for the home loan, taking account of the independent professional valuation received,
- the title to the ownership is one which an ordinary mortgagee would be willing to accept.

3.9 House Price Limits

The maximum market price, or purchase price if bought under an LA Affordable purchase scheme, of dwellings that can be purchased under the LAHL are set out below. For clarity, the market/purchase price cannot exceed the limits below, even if the borrower uses their own financing to fund the excess.

- €360,000 in Dublin, Kildare or Wicklow, or
- €330,000 in Cork, Galway, Louth or Meath, or
- €300,000 in Clare, Kilkenny, Limerick, Waterford, Westmeath or Wexford, or
- €275,000 in Carlow, Cavan, Donegal, Kerry, Laois, Leitrim, Longford, Mayo, Monaghan, Offaly, Roscommon, Sligo or Tipperary.

In tandem with the maximum house price limits, the maximum loan amounts are is specified in the Housing Loans (Amendment) Regulations 2023 (S.I. No. 76 of 2023) or any Regulations or enactment amending or replacing those Regulations.

3.10 - Interaction of Other Housing Schemes with the LAHL

3.10.1 Tenant Purchase Applicants

The Local Authority Home Loan can be used to finance the purchase of a home under the Local Authority Tenant Purchase Schemes. Tenant purchase specific conditions surrounding the purchase price of the home and the deposit required are set out in section 5.1.

With regard to loans for purchasing a home under Tenant Purchase Schemes, it is important to note the conditions set out in Section 12 of this Credit Policy, namely the ownership of the property is sufficient to provide adequate security for the home loan and the title to the ownership is one, which an ordinary mortgagee would be willing to accept.

To be eligible for the Local Authority Home Loan, all persons involved in the tenant purchase arrangement must be named on the mortgage and must all be eligible to apply for the home loan scheme. The loan cannot be granted in situations where a person who is not part of the mortgage application has a legal right to part ownership of the house.

3.10.2 Local Authority Affordable Purchase Scheme

The LAHL can be used in conjunction with the LA Affordable Purchase Scheme. If a dwelling is being purchased under a Local Authority Affordable Purchase scheme (LAAP), the relevant price for the determination of dwelling's eligibility for the LAHL and for the maximum borrowing amount, is the 'purchase price' determined by the relevant local authority for that Affordable Purchase home. Regardless of the market value, if the 'purchase price' is below the relevant maximum price under the LAHL for that local authority, it is eligible to be purchased using the LAHL. The normal 10% deposit of the Purchase Price is required when purchasing a property under the Local Authority Affordable Purchase Scheme.

Given how that the LAAP scheme has variable purchase prices based upon the applicant's borrowing capacity, specific guidance on how the criterion of insufficient offers of finance should be assessed in cases where the LAHL is being used to finance the purchase of a LA Affordable Purchase property.

A guidance note on the Affordable Purchase Scheme's interaction with the LAHL is available on the local authority home loan website: www.localauthorityhomeloan.ie.

3.10.3 First Home Scheme

The LAHL cannot be used for home purchased under the First Home Scheme (S.I. No. 184/2022 - Affordable Housing (No. 2) Regulations 2022).

4. Fresh Start Principle

4.1 Exception to First Time Buyer Status

A 'Fresh Start' principle applies for applications to the Local Authority Home Loan. This means that the following categories of persons who are not first time buyers are eligible to apply for the Local Authority Home Loan:

Fresh Start – Relationship Termination (further details in Section 4.2)
Persons who previously purchased or built a property, together with a spouse, a civil partner or a person with whom they were in an intimate and committed relationship, are eligible under the Fresh Start principle if the following conditions are met;

- the marriage, civil partnership or relationship concerned has ended, and
- the person is now applying to purchase a property on their own or with a different person, and
- the person has divested themselves of their interest in any previous properties purchased or built and
- their most recently owned dwelling must have been lost as a result of the fresh start event.

Fresh Start – Post-Bankruptcy (further details Section 4.3)
Applicant(s) that previously purchased or built a dwelling but has been divested of this through insolvency or bankruptcy proceedings, are eligible to apply after 12 months after their exit from insolvency or bankruptcy proceedings. However, a separate assessment of creditworthiness will be conducted by the Housing Agency.

Treatment of Previous Ownership of Dwellings under Fresh Start – Applies to both Relationship Termination and Post-Bankruptcy.

In some cases, applicants who have been through Fresh Start events (such as divestment of a dwelling through divorce/insolvency) may have purchased or built other homes prior to the Fresh Start event. Once they meet the other conditions of Fresh Start, the purchase/building of these other homes does not render an applicant ineligible for a housing loan, provided that they have sold or divested themselves of these previous homes. .

4.2 Fresh Start – Relationship Termination

4.2.1 Proof of Fresh Start – Relationship Termination Eligibility Criteria

If applying under the Fresh Start – Relationship Termination principle

The applicant must meet all the following criteria;

- The marriage, civil partnership or relationship with the person with whom they purchased or built the property has ended, and
- The person is now applying to purchase a property on their own or with a different person, and
- have left the family property and retained no interest in it, and
- the property under the Local Authority Home Loan is the first residential property purchased since leaving the family property.

Additionally, 'Fresh Start' allows a person who has experienced divorce/separation to be eligible to apply for a LAHL irrespective of the number of previous dwellings that person may have owned. In such cases the most recently owned home must have been lost due to the 'Fresh Start' event i.e.

experienced divorce/separation or. It remains the case that Fresh Start applicants must have been divested of all previous homes that they purchased or built. An applicant cannot apply under the Fresh Start principle but still retain ownership of dwellings previously bought or built.

Particular notice should be paid to the condition that the marriage, civil partnership or relationship with the person with whom the applicant purchased or built the previous property has ended.

- Where a marriage or civil partnership that has been legally or otherwise dissolved, the court order/separation agreement/other legal document should be provided as proof of the relationship ending. If there are acceptable reasons why elements of such documents cannot be provided (such as containing personal information not relevant to the mortgage application), a redacted version may be provided, along with a solicitor's letter confirming that the redacted information has no financial implications.
- Where the intimate and committed relationship with the person with whom the applicant purchased or built the previous property has ended, and where no legal process has occurred, a solicitor's letter or an affidavit/declaration from the applicant will be required to confirm the relationship has ended. Any relevant legal or financial obligations stemming from the relationship terminating should also be provided.

4.2.2 Financial Information for Underwriters

As with any application, only applications which contain the necessary financial information should be forwarded to the Housing Agency for Assessment.

The following financial details should be supplied with the application;

- The extent of maintenance being received or paid by the applicant,
- The circumstances under which the maintenance payments can cease (typically age of majority of dependent children and/or remarriage),
- Details of any payment(s) to be made in respect of the removal of spousal/partnership rights to the existing family home or other property which could have a bearing on ability to repay the mortgage,
- That no onerous conditions exist.

4.3 Fresh Start – Post Insolvency/Bankruptcy

A person who has exited insolvency/bankruptcy proceedings and had previously purchased a property may still be eligible for Local Authority Home Loan if, as a result of insolvency or bankruptcy, they had to sell or had been divested of their property.

It is not relevant for persons who were insolvent/bankrupt but who never purchased a property, they are eligible as first time buyers, subject to meeting the other eligibility and creditworthiness requirements of the scheme.

It is not relevant for most persons who have gone through a successful Personal Insolvency Arrangement as these generally result in a person keeping their home.

Applicants under Fresh Start – Post Bankruptcy must provide details of their eligibility at application stage.

Additionally, the 'Fresh Start' allows a person who has experienced insolvency/bankruptcy to be eligible to apply for a LAHL irrespective of the number of previous dwellings that person may have owned. In such cases the most recently owned home must have been lost due to the 'Fresh Start' event i.e. insolvency/bankruptcy. It remains the case that Fresh Start applicants must have been divested of all previous homes that they purchased or built. An applicant cannot apply under the Fresh Start principle but still retain ownership of dwellings previously bought or built.

Proof of Fresh Start eligibility for Insolvency/bankruptcy

- Written evidence that the applicant has successfully exited insolvency or bankruptcy or another legal process consequent upon insolvency, e.g. repossession as part of a court order, at least 12 months previously, and
- Proof that where having had previously purchased a dwelling, this property has been sold or they have been fully divested of that property and any other properties as a result of such process.

Fresh Start – Post Bankruptcy – Creditworthiness Considerations

Meeting the Fresh Start – Post Bankruptcy condition merely means a person is eligible to apply for the scheme, it does not mean that they will receive an offer of a mortgage, as they may not be sufficiently creditworthy.

Exiting insolvency/bankruptcy returns an individual to solvency. Returning to solvency should not be interpreted as a return to creditworthiness. Creditworthiness should be assessed in the normal way (Section 5.3)

5. Good Financial Standing

5.1 10% Deposit Requirement

- Applicant(s) must have a minimum deposit equivalent to 10% of;
    - the market price of the property purchased on the open market; or

    the purchase price of a property purchased under the Local Authority Affordable Purchase Scheme, whichever is the lesser.
- the purchase price of a property in cases where an applicant(s) has inherited a portion of a property and wishes to buy out the remainder of the property from those who have also inherited the property. The purchase price is determined by deducting the value of any inherited share of the property from the property's open market value (OMV). Accordingly, the deposit required is based on this determined purchase price.
- Applicants availing of the Tenant Purchase Scheme are exempt from this requirement for a deposit, i.e. 100% funding can be provided based on the purchase price, subject to scheme property price limits.
- Supporting documentation as set out in Section 8 must be provided.

5.2 Deposit conditions

- The source of all the applicant's financial contribution that makes up the 10% deposit must be provided as part of the LAHL application and be verifiable.
- For new properties and self-builds, the Help to Buy Scheme, operated by Revenue, can be used towards the 10% deposit.
- Discounts from vendors will not be counted as part of the deposit calculations.
- The minimum 10% deposit can be made up of both cash savings and gifts/other un-borrowed sources, but cash savings must be no less than 3% of the market/purchase price and evidenced at the time of making a Local Authority Home Loan application.
    - The applicant(s) must provide bank or similar statements (post office, credit union, etc.) clearly showing a credible and consistent track record of savings. For clarity, it is not necessary that the full 10% deposit is solely gathered within the preceding 12 month period. However, a track record of savings in the 12 month period prior to application must be consistent and would be expected to show regular savings and the deposit being maintained and/or increased in this period. If this is not the case, further financial information will be requested.
    - Unexplained lump sum lodgements made to any account within the 12-month period will not be considered when computing the cash saving element of the deposit.
    - For clarity, even if gifts or money from other unborrowed sources make up more than 7% of the purchase price, documented cash savings of at least 3% of the purchase price are still required. All of the applicant(s) financial contribution(s) (from unborrowed sources) must be in place and evidenced in the applicant(s) bank account(s) prior to loan drawdown. Their source must be verified and provided as part of the Local Authority Home Loan application.

5.3 Borrowing Record and Creditworthiness

Only eligible applicants who are deemed creditworthy can be offered financing under the Local Authority Home Loan. The creditworthiness assessment is supported by specialised underwriters in the Housing Agency who issue recommendations to Local Authority Credit Committees to approve or decline applications.

In order to properly assess an applicant's creditworthiness, where the applicant(s) has a previous or existing borrowing record, this must be provided as part of the application for the Local Authority Home Loan.

- Applicant(s) must give consent for credit checks in the Central Credit Register.
- Applicant(s) must provide evidence of all existing borrowings with 12-month up-to-date statements.

While the assessment of an applicant's creditworthiness is dependent on an overall assessment of the applicant's financial history, the following points should be considered.

- Applicant(s) with poor payment record would generally not be accepted. However, the size of the payment issue and length of time that has passed since it occurred should be taken into account in the assessment of creditworthiness. Minor credit issues should not automatically result in a decline of credit but should be considered in combination with an applicant's overall financial history.
- Applicant(s) with undisclosed borrowings should not normally be approved.
- Applicant(s) currently more than 3 months in arrears on their rent or other debt repayments, or who have had 3 months arrears at any stage over the past year, should not normally be approved, unless a satisfactory explanation is received.

Applicants who have been through bankruptcy/insolvency, for example Fresh Start – Post Bankruptcy applicants, may be eligible to apply for the LAHL. However, particular care should be taken with their creditworthiness assessment. Bankruptcy is clearly a serious credit event, but if the applicant can show that they now are creditworthy then their application should be considered. The Central Credit Register enquiry may not show the full details of their bankruptcy event, depending on the amount of time that has elapsed, as it only shows 5 years of records. If required, additional details may be sought from these applicants.

The following conditions apply to persons who have been through bankruptcy/insolvency;

- they are only eligible to apply for the LAHL 12 months after they exit bankruptcy/insolvency; and
- they must have a clean credit record for a minimum duration of no less than 12 months prior to their LAHL application; any payment issue in this period should be considered as demonstrating a lack of creditworthiness.

6. Income and Employment – Considerations for Scheme Eligibility and Repayment Capacity

6.1 Income

Only income originating in the Republic of Ireland or Northern Ireland by applicants with rights of residency and rights to seek employment in the Republic of Ireland will be reckonable in calculating borrowing and repayment capacities.

Applicants must provide the income and employment details set out in sections 6.2 to 6.7, where relevant to their situation. Any supporting documentation set out in Section 8 must also be provided.

6.2. Determination of Income for Eligibility purposes

Single applicants must not be earning greater than €70,000 annual gross income.

The combined income of joint applicants must not be greater than €85,000 annual gross income.

The Local Authority must determine whether an applicant's gross income is within the relevant scheme limits and thus eligible for the scheme. In the case of joint applicants, the gross incomes of all applicants must be taken into account.

Gross income (including taxable social welfare payments with the exception of specific types as set out below) is the income reported for the payment of tax. For the avoidance of doubt, non-taxable social welfare payments are excluded for determining income eligibility.

This gross income must have been below the relevant scheme limits in the tax year before application for the LAHL was made. In limited circumstances, one-off lump sum payments received in a given tax year that are not related to income earned in that year, but can be demonstrated to relate to income in a previous tax year(s) may be disregarded. If in doubt, income relates to year it is taxed.

The following taxable social welfare payments may be disregarded for the purposes of calculating gross income for eligibility purposes.

- Carers Benefit
- Carers Allowance
- Community Employment Schemes

6.3 Determination of Income for repayment purposes

The Housing Agency's underwriters will calculate the repayment capacity of an applicant and communicate this recommendation to the relevant local authority, who should have regard to this recommendation in their final decision on a loan application.

The amount of money that can be borrowed under the scheme is calculated based on the level of an applicant's net income determined as available for repayment purposes. This is further limited by Net Income Ratios as described in Section 7.1.

The source and long-term nature of income needs to be considered in determining whether it can be taken into account in repayment capacity. While in most cases the incomes will be same as the income taken into account for assessing eligibility, certain types of income (irregular incomes, bonuses, commission, temporary social welfare payments, redundancy and tax refunds), will be discounted in calculating borrowing and repayment capacities.

Income will generally be of an earned nature. However, in situations where an applicant has verifiable income from an alternative source, such as a pension from a previous employment, this may be taken into account in determining repayment capacity. However, this income must be of a sufficiently long-term and guaranteed nature as to provide a sustainable basis for repaying a mortgage.

6.3.1 Treatment of Additional Income

Given their potentially irregular nature, the following restrictions apply to the amount of income from the sources below that be used towards determining repayment capacity. If there are specific reasons to consider that an applicant's income from the sources below is more regular, greater amounts can be used towards determining repayment capacity.

Overtime	Generally restricted to a maximum of 10% of basic income
Bonus	Generally restricted to 10% of basic income
Subsistence	Generally restricted to 10% of basic income
Commission	Generally restricted to 30% of basic income
Other income	Shift allowance, where evidenced, treated same as basic earned income

6.3.2 State Benefit Payments

Generally, social welfare payments would not be considered as part of repayment capacity. However, certain long-term State benefit payments may be considered as repayment income only where more than 50% of the income that forms the full Home Loan application is from a source other than State benefit payments. In cases where an applicant's social welfare income is greater than 50% of their total income, then the maximum social welfare income that will be utilised for the assessment of borrowing and repayment capacity will be an amount equivalent to the applicant's earned income.

Long-term State benefit payments considered include;

- State Pension (Contributory),
- State Pension (Non-Contributory),
- Widow's/Widower's Pension,
- Blind Pension,
- Invalidity Pension.

In calculating borrowing and repayment capacity, 100% of the above long-term State benefits payments will be reckonable.

The long-term nature of the payment must be confirmed by the Department of Social Protection or other relevant Government Department.

6.4 – Income Documentation required from Applicants

Income details provided by the applicant(s) must be supported by the documentation set out under the various employment categories listed below.

6.4.1 PAYE Employment Income

Basic earned income as evidenced in the LAHL Salary Certificate, payslips and bank account lodgements to be provided as follows;

- Employment Detail Summary for the previous tax year to December 31,
- Statement of liability for the previous tax year to December 31,
- Date of leaving provided by employer on last payslip where required,
- Most recent payslips (3 if paid monthly, 6 if paid fortnightly and 12 if paid weekly),
- Completed Salary Certificate from the Local Authority Home Loan application form,
- Proof that employer accepts long-term remote working in cases where property for purchase is a long distance from place of work.

Waged/salary payments must be visible on bank statements.

- Minimum 12 months most recent current account bank statements, including digital banking services, verifying net income and 12 months most recent statements verifying savings.

Note: Employment Detail Summary for the previous tax year (except for applications made in months of January and February for which the Employment Detail Summary for the previous but one year can be used).

6.4.2. Self-Employed Applicant(s)

Income details and documentation must be provided as set out below:

- Minimum of two years certified accounts, Revenue Form 11 and an Accountant's or Auditor's Report (a qualified report is not acceptable) from a suitably qualified practitioner (such as ACCA/FCA/CPA/IPA) confirming;
    - That all taxes, personal and business, are up to date and in order and that there are no arrangements in place with Revenue in respect of outstanding tax liabilities.
    - The figure reported as Directors remuneration/Drawings will be used as income for the purpose of the net ratio calculation. However, the underwriter will consider other factors including (but not limited to) profitability trends, cash flows and balance sheet structure in deciding the most relevant figure for income and may require additional information in this regard.
    - Applicants must also produce a minimum of 12 months most recent personal current account bank statements and a minimum of 12 months most recent business current account statements verifying net income and 12 months most recent statements verifying savings.

6.4.3. Contract Employment Income

Contract income will be considered in the calculation of repayment capacity provided that:

- The applicant works in an industry where contract income is regarded as common, e.g. (retail, hospitality, education, health, and financial services)
- The applicant has been on contract in a similar industry for at least the last two years or, where recently commenced a contract, has been employed in a similar industry for a minimum of the previous two years before their application date.

Where an applicant(s) contract has three or fewer months to expiry and the contract provider has given written confirmation that the contract is to be renewed.

6.5 Maintenance

- Where an applicant is responsible for paying maintenance to a third party, and there is a maintenance order in place, a copy of the maintenance order will be required. The total amount of this maintenance payment will be included as a fixed outgoing in the net income calculation.

- Where the applicant receives maintenance payments, which are the subject of a maintenance order, these payments must be evidenced. If the maintenance is not paid directly to the applicant's bank account, a copy of the maintenance order must be provided. The inclusion of maintenance payments is generally restricted to 10% of basic income for repayment capacity purposes. Maintenance payments for children will not be included in net income calculations.
- Where either party to a mortgage application is separated or divorced, the following details should be supplied with the application;
    - The extent of maintenance being received or paid by the applicant,
    - The circumstances under which the maintenance payments can cease,
    - Details of any payment(s) to be made in respect of the removal of spousal/partnership rights to the existing family home or other property which could have a bearing on the ability to repay the mortgage.

6.6 Continuous Employment Condition

The primary earner on the application must have at least two years continuous employment in Ireland or Northern Ireland (this can be self-employment).

- Single applicant: must have 2 years of continuous employment.
- Joint applicant: 1 earner – the earning applicant must have 2 years of employment. For clarity, there is no requirement that the second applicant in a joint application must be in employment, one-earner joint applications are permissible.
- Joint applicant: 2 earners – primary earner must have 2 years of employment. Income of second earner can be considered towards repayment capacity but must have at least one years of employment.

Exceptions

- Continuous employment does not need to be permanent, but broadly continuous in nature. This means that an applicant may have been in more than one employment over a two-year period; however, the break from employment cannot have been for more than 4 weeks.
- An exemption to the requirement for continuous employment can be given in situations where an applicant has verifiable income from an alternative source, such as a pension from a previous employment, for the last 2 years (or 1 year if they are secondary earners in a joint application). However, this income must be of a sufficiently long-term and guaranteed nature as to provide a sustainable basis for repaying a mortgage.
- Contract employment, where this is standard in the area of employment of the applicant (as set out in Section 6.4.3), can count as meeting the continuous employment requirement. However, multiple casual employments will not be considered as meeting the continuous employment requirement.
- Where the applicant has a long-term income source other than from current employment, such as a pension or other financial product, then the requirement for 2 years of continuous employment can be disregarded. However, this exception should only be applied in limited circumstances, where the local authority can assure itself that the alternative income source is sustainable and sufficient in the long-term.

7. Overall Scheme Rules – Term, Loan Size and Repayment Capacity/ Net Income Ratio Calculation

7.1 Maximum Repayment capacity – Net Income Ratio

The Housing Agency and the Local Authority Credit Committee will carry out an individual assessment of each applicant's repayment capacity in accordance with the scheme rules as set out in the Credit Policy.

However, regardless of an individual applicant's circumstances, there is an overall scheme requirement that repayments (principal, interest and MPI) on the mortgages advanced should not exceed a maximum of 35% of after-tax disposable income.

The method for calculation of this maximum borrowing capacity is determined using;

- allowable net monthly income and application of income restrictions where required,
- existing applicant(s) commitments,
- maximum allowable loan over the term available to the applicant(s),
- monthly loan repayment,
- monthly mortgage protection insurance payment.

The **maximum** permissible net income ratios are as follows:

Table 2 - Maximum Permissible Net Income Ratios		
Gross Income	**Single**	**Joint Applicants**
€	**Max Ratio**	**Max Ratio**
€0 -- €24,999	30%	30%
€25,000--€30,999	30%	30%
€31,000--€34,999	31%	30%
€35,000--€39,999	32%	30%
€40,000--€44,999	33%	31%
€45,000--€49,999	34%	32%
€50,000--€54,999	35%	33%
€55,000--€59,999	35%	34%
€60,000--€70,000	35%	35%
€70,001--€85,000	N/A	35%

7.2 Loan Conditions – Rate and Size

All LAHL loans are fixed-rate loans for periods of up to 25 years (300 months) or over 25 to 30 years (360 months).

The interest rate on the loan is the rate that applies at the date of drawdown. Interest rates applying at the relevant drawdown period are sent directly to Local Authorities via Circular and can also be found on the Housing Manual.

The maximum mortgage loan cannot exceed;

- €324,000 in Dublin, Kildare or Wicklow, or
- €297,000 in Cork, Galway, Louth or Meath, or
- €270,000 in Clare, Kilkenny, Limerick, Waterford, Westmeath or Wexford, or
- €247,500 in Carlow, Cavan, Donegal, Kerry, Laois, Leitrim, Longford, Mayo, Monaghan, Offaly, Roscommon, Sligo and Tipperary.

7.3 Term

The maximum term over which the Local Authority Home Loan can be borrowed is the lesser of 30 years or the period until the applicant (in a joint application it is the older applicant) reaches their 70th birthday.

For example;

- This means a single applicant aged 35 years may have a loan term up to a maximum of 30 years but a single applicant aged 45 years may only have a loan term up to a maximum of 25 years.
- In the case of a joint application, one applicant aged 35 years and the other aged 45 years, the couple may have a loan term up to a maximum of 25 years.

In the event the (oldest) applicant reaches 70 years of age before the maximum term of 30 years, they must be allowed a mortgage option that takes them to 70 years of age, provided they meet the other eligibility and repayment criteria.

8. Supporting Documentation

The following list details the standard documentation required to complete a LAHL application. Further documentation may be requested at the discretion of the Local Authority as part of the Local Authority Home Loan application process at any time up to the drawdown of a loan.

8.1 Proof of Identity, address and PPSN

All parties to LAHL applications will need to provide proof of their name, their address and proof of PPSN or TRN. Local Authorities are required to collect and verify each applicant(s) Personal Public Service Number (PPSN) or Tax Reference Number (TRN). This is required by the Central Bank of Ireland's Central Credit Register for Customer Identification.

The following documents outline what Local Authorities are required to seek to validate a LAHL application:

Proof of Identity	
Original of:	• Current valid passport or passport card • Current valid Irish, UK or European driving licence
Proof of Address	
Original of:	• A utility bill (dated within the last 3 months) or • A bank/ building society/credit union statement issued in the last 3 months or • Tax Credit Certificate for the current year or • Original household, health or motor insurance documents (less than 12 months old)
Proof of PPSN	
Original of:	Correspondence from the Department of Social Protection or the Revenue Commissioners showing PPSN or Payslip, Employment Detail Summary (Formally P60)/, Statement of Liability (formally P21), Tax Assessment or Tax Credit Certificate Medical Card/Drug Payment Scheme (DPS) Card
Proof of Right to Reside in the State	
Original of:	Provide proof of a right to reside in the State such as current valid Irish, UK, EU/EEA or Swiss passport or a valid Irish Residence Permit.

Financial Documentation	
Originals or where E-statements printed from online banking certified by regulated financial provider	• **12** months most recent current account bank statements showing salary lodgements and • **12** months most recent savings account statements (including credit union) and • **12** months most recent loan account statements (including credit union) and • **6** months most recent credit card statements
Renting	
Local Authority/ Approved Housing Bodies(AHB) Tenants	Most recent 12 months evidence of rent payments. Tenants of a local authority or tenants under the RAS/HAP Scheme must submit a letter from the Rent Assessment Section confirming that their rent assessment is up to date and the account is clear for 6 months before applying for a LAHL.
Private Rental Tenants	Most recent 12 months evidence of rent payments. If an applicant is in private rental, and there is no regular standing order or direct debit evidencing 12 months' rent being paid out of their current account, a copy of the lease or rental agreement will be required.

Proof of Insufficient Loan Offers

Applicant must provide proof as set out below

The value of the mortgage the applicant(s) were refused for from two regulated financial providers must be equal to or less than the Local Authority Home Loan amount sought.

A regulated financial provider is a company, or mortgage broker, regulated by the Central Bank of Ireland and is permitted by the Central Bank of Ireland to provide monies to borrowers who wish to purchase a property. Acceptable evidence of this are:

- letters of insufficient mortgage offer from the regulated financial provider(s) showing the amount requested,

  or

- letters stating that the application is outside the lending criteria of the regulated financial provider(s),

  or

- lender calculator output sheets from the regulated financial provider(s), showing insufficient borrowing capacity for the amount sought under the LAHL application. (For calculator output sheets the relevant salary inputs must be clearly evident).

In all instances, the evidence must be dated within 12 months of submitting a Local Authority Home Loan application. Copies of all documentation are required as part of the application process.

Source of Deposit
Applicant(s) must provide evidence, through bank or similar statements which allows the source of the 10% deposit to be determined. For the portion of the deposit that must come from savings, which is 3% of the market/purchase price, aapplicant(s) must provide evidence, through bank or similar statements, clearly showing a credible and consistent track record of savings. Help to Buy Scheme (Applicant(s) can claim a maximum of 10% of the property's value or €30,000 – whichever is lower). Evidence of Approval of HTB., i.e. an application number, summary of the maximum amount, and an access code must be provided. ▪ If part of the deposit is made up of a gift, a letter is required, detailing: • the gift amount, • that the amount is non repayable and • the disponer giving the gift will have no interest in the property purchased with LAHL. ▪ Mortgage Details page on LAHL Application Form completed in full.

Income Confirmation	
Employed (PAYE)	**Payslips** • **3** of the most recent payslips if paid monthly • **6** of the most recent payslips if paid fortnightly • **12** of the most recent payslips if paid weekly • Waged/Salary payments must be visible on bank statements • Date of leaving provided by employer on last payslip where required • LAHL salary certificate completed and stamped by the employer. • Employment detail summary (formally P60) for the year ending December 31 prior to the LAHL application • Statement of Liability (formally P21) for the year ending December 31 prior to the LAHL application • Proof of remote working from employer for purposes of establishing primary principal residence being a long distance from place of work
Employed (PAYE) Contract	**Payslips** • **3** of the most recent payslips if paid monthly • **6** of the most recent payslips if paid fortnightly • **12** of the most recent payslips if paid weekly • Waged/Salary payments must be visible on bank statements • Copy of contract where required • Statement of Liability (formally P21) for the year ending December 31 prior to the LAHL application • Employment detail summary for the **two years** ending December 31 prior to the LAHL application (formerly P60)

Self Employed	Minimum of two years certified accounts, Revenue Form 11 and an Accountant's or Auditor's Report (a qualified report is not acceptable) from a suitably qualified practitioner in the State (such as ACCA/FCA/CPA/IPA), confirming; that all taxes, both personal and business, are up to date and in order and that there are no arrangements in place with Revenue and there are no outstanding tax liabilities.
Company Directors	Letter from Accountant confirming that all personal and business taxes are up to date and in order. Where a director of a company is being paid via PAYE and has a shareholding **equal to or greater** than **25%,** they must submit 2 years of company accounts in addition to the PAYE requirements. Where a director of a company is being paid via PAYE and has a shareholding of **less** than **25%,** they must submit the PAYE requirements and a Statement of Liability (P21) for the year ending December 31 prior to their LAHL application.
If in receipt of Department of Social Protection benefits	Completed Appendix 2 from Local Authority Home Loan application form. Benefit payments received in the previous 12 months must be verified by the Department of Social Protection
Maintenance Payments	Where the applicant is **responsible for paying maintenance** to a third party, and there is a maintenance order in place, a copy of the maintenance order will be required. The extent of this maintenance will be included as a fixed outgoing in the net income calculation. Where the applicant **receives** maintenance payments, which are the subject of a maintenance order, these payments must be evidenced (through bank statements or, if not, a copy of the maintenance order must be provided for at least the previous 12 months. Maintenance payments for children will not be included in net income calculations.

9. Insurance

9.1 Building Insurance

Building Insurance in the amount of the rebuilding cost specified in the Valuation report for the security property must be in place prior to loan drawdown.

A letter of indemnity containing the standard mortgagee's clause will be provided by the insurer as confirmation of same prior to loan drawdown, along with the full policy document confirming that:

- The interest of the Local Authority is noted,
- The address matches that listed as the security property on the Letter of Loan Offer,
- The inception date of the policy pre-dates the loan cheque issue date,
- Building insurance will be required for self-builds. This must cover loss or damage to the building in the course of construction and must be in place before construction commences. The interest of the local authority must be noted on the policy.

10. Valuations/Compliance

10.1. Valuation Reports where a Property is Purchased

Under the Local Authority Home Loan, the property must have a prevailing market value, or purchase price if purchased under a Government scheme, that does not exceed the values as specified in the Housing Loans Regulations.

A Valuation Report must be carried out by an approved independent or Local Authority Valuer will be required before a Letter of Loan Offer is issued. The valuation should be completed within 6 months on a Valuation Report such as the indicative template form set out in Appendix 2 of the LA Home Loan Technical and Operational Manual.

Each property is provided as security on its own merits, taking account of the independent professional valuation received for all applications. Local authorities should ensure that the price being paid by the applicant for the property reflects an independent valuation of the property.

Where the property is sourced by the applicant on the open market:

- Each application must be supported by a valuation report carried out by an approved independent or Local Authority Valuer. The standard valuation report set out in Appendix 2 of the LA Home Loan Technical and Operational Manual is provided as an indicative template. The signed report shall not contain significant disclaimers or concerns about the condition/saleability of the property.
- Certificates of compliance with planning and building regulations are required for all properties mortgaged and must be provided by suitably qualified insured architects, engineers or building surveyors. The forms of compliance shall be those approved by the Royal Irish Architects Ireland (R.I.A.I), Engineers Ireland (E.I.) or the Society of Chartered Surveyors (S.C.S.).

Refer to 11.5 for additional guidance regarding the valuation of self-builds.

Refer to 12.3 for additional guidance regarding the valuation of renovated houses under the Local Authority Purchase and Renovation loan.

11. Self-Build Criteria

Applications for a Local Authority Home Loan for the purposes of funding a self-build property will only be considered in circumstances where the security property in question is a new construction, i.e. properties that are part-built or otherwise commenced at the time of making a Local Authority Home Loan application will not be eligible for consideration.

Full compliance with the Building Control statutory certification is a requirement of the Local Authority Home Loan, the facility to opt out of statutory certification (allowed for in Building Control (Amendment) (No. 2) Regulations 2015 (SI 365 of 2015)) is not available to applicant(s).

An application for Local Authority Home Loan for the purposes of funding a self-build property will be considered in two stages, as follows:

1. Application for funding under Local Authority Home Loan
2. Satisfaction of Local Authority requirements for self-build property

11.1 Loan to Value for Self Builds

Full Planning on Owned Site: Where an applicant(s) is building their own home on a pre-owned site with planning permission, the loan will not exceed;

- 95% of build cost and professional fees for fixed price contracts and
- 85% of build cost and professional fees for self builds by direct labour.

Full Planning on Site to Purchase: Where an applicant(s) is building their own home on a site with planning permission to be purchased, the loan will not exceed;

- 90% of site cost, build cost and professional fees for fixed price contracts and
- 80% of site cost, build cost and professional fees for self builds by direct labour.

For all self builds Borrower(s) are required to ensure that an appropriate contingency is included in the initial project budget.

In the event of borrower(s) requesting additional funding following a cost overrun, the matter must be re-examined by the local authority lending manager and an excess of up to 10% may be contemplated, subject to the 90% LTV and not exceeding the maximum loan amount specified in the Housing Loans Regulations 2021 (S.I. No. 701 of 2021) and [amending Regulations] or any Regulations or enactment amending or replacing those Regulations.

If borrower(s) require additional funding, the Local Authority should be notified as soon as possible.

Note: Loan applications for self-build will not be considered if no planning permission is in place.

11.2 Self Builds under Fixed Price Contract

Where a self-build is to be completed under a fixed price contract, it must meet the following criteria:

- Fixed price contract.
- Comply with the requirements of the Building Control Acts 1990-2014; appropriately designed, inspected, constructed, supervised and certified.
- Opt into the Building Control Management System (BCMS)
- Comply with Health and Safety Legislation
- Appropriate insurance.

- Construction is covered by latent defect insurance policies and underwritten by Insurance Companies. Builders', manufacturers' or engineers' certifications are not equivalent to latent defect insurance and cannot be used as a substitute.

11.3 Self-Builds by Direct Labour

Where a Local Authority decides, at its discretion, to provide loans for self-builds by direct labour, it must meet the following criteria:

- Comply with the requirements of the Building Control Acts 1990-2014; appropriately designed, inspected, constructed, supervised and certified.
- Opt into the Building Control Management System (BCMS)
- Comply with Health and Safety Legislation
- Construction is covered and underwritten by Insurance Companies.
- A Certificate of Self-Build insurance cover incorporating Public Liability, Employers Liability and Property cover must be arranged by the Borrower and the interest of the Lender noted on the insurance policy.
- The construction must be supervised by a qualified Architect/ Engineer/ Chartered Building Surveyor who must, on completion, give a certificate of compliance with Planning Permission and the Building Regulations and also certify the following:
    A. That he supervised the opening and laying of the foundations and that they are suitable for the Secured Property and the ground conditions;
    B. That he supervised the construction of the Secured Property through all stages;
    C. That the Secured Property has been completed in accordance with good building practice; and
    D. That there is no further work outstanding.
- The Borrower must produce a certificate from their Architect or Engineer confirming that they supervised the opening of the foundations and the build of the Security Property and you must produce a copy of the Architect's/Engineer's professional indemnity insurance.
- The construction supervisor must hold Professional Indemnity insurance cover of at least €1m on each and every claim basis with no aggregate cap. A copy of the certificate of Professional Indemnity must be provided prior to loan approval.

11.4 Site

The applicant(s) solicitor must confirm the following:

- The applicant(s) have full-unencumbered title and that no liens/charges exist.
- There are no easements, way leaves or rights of way in favour of or over subject property.
- The site must have direct access to the public road over land in the applicant's ownership or a registered right of way.
- Where the property is not on mains, all services must be contained within the site boundaries.
- The lending manager should factor in potential Capital Acquisition Tax liabilities where the land was gifted.

11.5 Valuation Reports for Self Builds

The Valuer is required to estimate, during the application process, what the market value of the proposed house, including the site value, would be upon completion. If this estimate is below the relevant scheme limits, the application and potentially subsequent drawdowns can be approved.

For clarity, if property prices rise between the initial approval of the loan and the eventual completion of the self-build, and the completed property has a value above the scheme limits, this does not render the property ineligible if the initial valuation was completed on a best efforts basis.

A Valuation Report carried out by an approved independent or Local Authority Valuer will be provided before a Letter of Loan Offer is issued. The Valuation Report will be based on the property being completed to the specifications outlined in the most recent planning permission granted by the Local Authority and will be provided prior to a Letter of Loan Offer being issued for a self-build.

The valuation should be completed on a Valuation Report such as the indicative template form set out in Appendix 2 the LA Home Loan Technical and Operational Manual.

The Valuation Report must:

- be completed in full, with no unanswered questions.
- be signed and dated with the Valuer firm's stamp imprinted thereon. No amended valuation amounts, either by overwriting or by the use of correction fluid, will be accepted.
- not contain significant disclaimers or concerns about the condition/saleability of the security property.

Valuation/survey fees are payable by the applicant(s) to the firm of Valuers who undertake the valuation.

11.6 Compliance with Planning & Building Regulations

A Certificate of Compliance is provided by an architect, surveyor or engineer, to certify that they have supervised your construction project and that it has been built in compliance with Building and Planning Regulations.

Certificates of compliance with planning and building regulations are required for all properties prior to drawdown, and must be provided by suitably qualified insured architects, engineers or building surveyors and should be submitted with your Valuation Report. The forms of compliance shall be those approved by the Royal Institute of the Architects of Ireland (R.I.A.I.), Engineers Ireland (E.I) or the Society of Chartered Surveyors Ireland (S.C.S.I).

11.7 Self Builds General Conditions - Compliance with Building Control Acts

Properties should be designed and constructed in accordance with the Building Control (Amendment) Regulations 2014 (S.I. No. 9 of 2014) and should be complied with in full. The facility to opt out of statutory certification (allowed for in the Building Control (Amendment) (No. 2) Regulations 2015 (S.I. No. 365 of 2015)) should not be available to borrowers.

The owner must assign competent persons to design, build, inspect and certify the building works who, in turn, must account for their role through the lodgement of compliance documentation, inspection plans and statutory certificates.

The roles and responsibilities of owners, designers, builders, assigned certifiers, etc. during building works are set out in the *Code of Practice for Inspecting and Certifying Buildings and Works*.

In summary;

- Designs must be certified by a registered construction professional. Certified designs and compliance documentation must be submitted to the local building control authority before works commence.
- Owners must appoint a “competent” builder to undertake and certify construction works[2]
- Owners must appoint an “assigned certifier” to:
    - Prepare an inspection plan for the building works, and
    - Carry out, or oversee, inspections in accordance with the inspection plan
- The builder and the assigned certifier sign a statutory *Certificate of Compliance on Completion.* It must be accompanied by plans and documentation to show how the constructed building complies with the building regulations and also the inspection plan, as implemented.

The construction supervisor must hold Professional Indemnity insurance cover of at least €1m on each and every claim basis with no aggregate cap. A copy of the certificate of Professional Indemnity must be provided prior to loan approval.

11.8 Stage Payments

At an operational level, it is recommended that Local Authorities restrict stage payments to no more than 6 drawdowns.

Suggested stages of drawdown are;

- Foundations
- Wall Plate Level
- Roof Level
- First Fix
- Second Fix
- Completion

Each stage payment must be accompanied by a Stage Payment Certificate in the format supplied by the Local Authority and signed by the construction supervisor.

11.9 Self-Build Supporting Documentation

The following documents must be provided with the loan application:

A Certificate of Inspection completed by the construction supervisor confirming the following: • The site on which the construction is to occur has full planning permission. • The date on which the planning permission expires.
In accordance with the Building Control Regulations: • Design Certificate signed by a registered construction professional confirming compliance of the design with the building regulations • Notice of assignment of Assigned Certifier & Undertaking by Assigned Certifier • Preliminary Inspection Plan prepared by the Assigned Certifier • Notice of Assignment of Builder & Undertaking by Builder in accordance with the Building Control Regulations.

[2] For the avoidance of doubt, the building control regulations do not prevent an owner from taking on the role of the builder for the purposes of these regulations, provided they are competent to do so.

- Full detailed architects/engineers plans and specification
- Certified site layout map showing site dimensions.
- Certified copy of grant of planning permission.
- Valuation Report detailing site value, cost of works and post construction market value of completed property.
- Bill of Quantities prepared by quantity Surveyor showing full costings of proposed works.
- Building programme giving time scale of works from commencement to completion.
- A copy of the certificate of Professional Indemnity insurance for the construction supervisor.
- Certificate of Self Build insurance cover incorporating Public Liability, Employers Liability and Property cover.

On completion of the property the construction supervisor must provide in accordance with the Building Control Regulations, a Completion Certificate signed by the builder (part A) and by the registered construction professional (part B) and accompanied by up-to-date schedule of compliance documents and the inspection plan as implemented:

- A Building Energy Rating (BER) certificate.

Non-standard certificates or standard certificates which have been altered by the supervising person are not acceptable

12. Purchase & Renovation Loan Scheme Criteria

This Section sets out the criteria for the Local Authority Purchase and Renovation Loan.

Additional guidance can be found in the LAPR Processing Toolkit, on the Housing Manual, for information on how to process loan applications.

Attention is drawn to specific points.

- Only homes eligible for the Vacant Property Refurbishment Grant will be eligible for the LAPR.
- Similarly, it should be noted that a home that is eligible for the VPRG and is habitable does not need to be purchased with the LAPR, as it may be eligible for a standard LAHL. This could be relevant if the applicant proposes a renovation project that takes it outside the LAPR criteria (e.g. if it raises the value of the house above the LAPR scheme limits); in this case the applicant could be informed that the house could be purchased using the LAHL. Funding the renovation would be a matter for the applicant to address on their own.
- It remains the case that non-habitable homes that require renovations are not eligible for the Local Authority Home Loan. Applicants must apply for the LAPR if they wish to purchase these homes.

The condition of the home, the end of works value and the amount of renovation works that need to be carried out will be a factor in the lending criteria and project assessment.

Local Authorities should have due regard to the viability of any renovation costs and the borrower's ability to repay on a case by case basis.

Full compliance with the Building Regulations and Building Control Regulations is a requirement of the Local Authority Purchase and Renovation Loan.

*12.1 **Applicant Eligibility for LAPR***

The personal, financial and creditworthiness criteria of the LAHL, set out in Sections 3, 4, 5, 6 and 7 of the Credit Guidelines also apply to the LAPR.

There are minor differences as regards to the definition of first time buyers and insufficient offers of finance. These are set out below.

First Time Buyers of an LAPR Eligible Property

An applicant is permitted to have purchased the property which is the subject of the LAPR application and still be eligible for the LAPR, in which case they would be applying for a renovation-only LAPR. This must be the first home that they have purchased and they must have no outstanding mortgage on the property (as the LAPR must have the first charge).

As with the LAHL, LAPR applicants who own a property but did not purchase it, for example through inheritance, are eligible.

Insufficient Offers of Finance for the LAPR

The amount that is being checked against insufficient offers of finance is the full LAPR amount (not just the annuity loan) that is required to fund the purchase and renovation project.

If the loan that would be available from the commercial lenders is below the LAPR required, then the applicant meets the insufficient offers of finance criteria. This is similar to the standard LAHL requirement.

If LAPR required appears to be within borrowing capacity of an applicant based on their stated income, (i.e. LAPR required is less than 4 times income), the applicant required to show two specific loan rejections from commercial lenders for this renovation project.

Special attention should be paid to applications for relatively lower amounts or for bridging loans only. Personal loans for home improvements are commercially available for amounts up to €70,000. For loans around this amount, the applicant should provide evidence of rejections for these types of loans.

If evidence of insufficient offers of finance are not provided, the applicant is ineligible, and the process ends.

12.2 Project Specific Requirements

The project viability assessments will form part of the project specific requirements. These should be completed by the applicant's Registered Construction Professional (RCP). This is a two stage process:

- Stage 1 Viability Assessment - Building Survey and Scope of Works and a Cost Plan
- Stage 2 Viability Assessment - Cost Plan and a Scope of Works

Stage 1 Viability Assessments will be required for all projects. Stage 2 Viability Assessments will be required once the project has been passed at Stage 1 by the Local Authority. The local authority may at its discretion not require a Stage 2 Viability Assessment if in its opinion the project is sufficiently straightforward.

General Project Requirements

- The LAPR should only be used in situations where the applicant requires loan funding to renovate, or renovate and extend, a dwelling. If an applicant is not seeking funding for renovations, and the dwelling is otherwise eligible for the LAHL, then the applicant should apply for the LAHL.
- Full compliance with Building Regulations and Building Control Regulations is a requirement of the Local Authority Purchase and Renovation Loan. Projects that do not meet these requirements cannot be funded with an LAPR loan.
- Please note that renovation projects which are classified as 'major renovations[3]' must reach a BER of B2 or the cost optimal equivalent.
- Professional assessments of the scope of works and associated costings are required before any loan approval. These must be verified as part of the loan assessment process (see LAPR Processing Toolkit).
- Projects which have already commenced should not normally be considered. In particular, projects such as new extensions to existing dwellings already commenced are not eligible.

[3] As per Technical Guidance Document L 2022 Conservation of Fuel and Energy – Dwellings, *Major Renovation: means the renovation of a building where more than 25 % of the surface of the building envelope undergoes renovation. The surface area of the building thermal envelope means the entire surface area of a building through which it can lose heat to the external environment or the ground, including all heat loss areas of walls, windows, floors and roof. The surface area should be calculated as outlined in section 0.4 of Technical Guidance Document L 2022 Conservation of Fuel and Energy – Dwellings using internal dimensions.*

However, local authorities can use their discretion to consider whether renovation only projects that have already commenced may be eligible for the LAPR.
In such cases, the project must satisfy all the conditions of the LAPR, for example the projects must have the appropriate reports from professionals and the completed building must meet the requirements of the Building Regulations.
In these cases, funding cannot be provided for works already completed but only for works carried out following approval to participate in the scheme.

- The work must be signed off by the appropriate professionals (see Section 12.5of this Credit Policy).
- The Local Authority must have first charge on the property.
- The applicant must consent to the VPRG being used to repay the Bridging Loan element of the LAPR.

12.3 Property Eligibility

Eligible Homes included as follows:

Only homes that are eligible for the VPRG, or the VPRG Derelict Top-up, are eligible for the LAPR.

Applications can be processed where VPRG has not yet been obtained. However drawdown will only be permitted where the property is confirmed to be eligible for VPRG and the VPRG amount approved is known.

Home value (at end of works)
The limitations on home values are the same as LAHL.
Similarly to the approach to the valuation of Self Builds in section 11.5, the relevant valuation is what the valuer estimates the value of the house will be when the renovation works are complete. The end-of-works value should not exceed the relevant geographic house caps, as follows:

- €360,000 in Dublin, Kildare or Wicklow,
- €330,000 in Cork, Galway, Louth or Meath,
- €300,000 in Clare, Kilkenny, Limerick, Waterford, Westmeath or Wexford
- €275,000 in Carlow, Cavan, Donegal, Kerry, Laois, Leitrim, Longford, Mayo, Monaghan, Offaly, Roscommon, Sligo or Tipperary.

The Valuer is required to estimate, during the application process, what the market value of the proposed house, including the site value, would be upon completion of the renovation works. If this estimate is below the relevant scheme limits, the application and potentially subsequent drawdowns can be approved.

Furthermore, if the LAPR is being used to purchase an eligible house, two valuation reports are required as part of the application; the first valuing the house at its current market value and the second valuing it at its end-of-works value. Both must be below the relevant geographic price caps.

For clarity, if property prices rise between the initial approval of the loan and the eventual completion of the renovation works, and the completed property has a value above the scheme limits, this does not render the property ineligible if the initial valuation was completed on a best efforts basis.

A Valuation Report carried out by an approved independent or Local Authority Valuer, will be provided as part of the loan application process. The Valuation Report will be based the current valuation of the property and the end of works value[4] (after the works are completed in compliance with the building regulations). In the event the Local Authority has reservations around the valuation(s) provided, it should obtain an independent valuation, at its own expense.

The valuation should be completed on a Valuation Report such as the indicative template form set out in the Appendix 2 of the LA Home Loan Technical and Operational Manual.

The Valuation Report must:

- be completed in full, with no unanswered questions.
- be signed and dated with the Valuer firm's stamp imprinted thereon. No amended valuation amounts, either by overwriting or by the use of correction fluid, will be accepted.
- not contain significant disclaimers or concerns about the condition/saleability of the security property.

Valuation/survey fees are payable by the applicant(s) to the firm of Valuers who undertake the valuation.

12.4 Lending criteria

The maximum amount of an LAPR loan is the same as applies in the LAHL. However, depending on the type of project, lower loan limits can apply. The factors assessed in considering loan criteria such as maximum lending amounts and maximum loan to value ratios depends upon the type of dwelling purchased and the extent of renovation works planned.

The LAPR is comprised of two loan types, an annuity loan (similar structure to the LAHL) and a bridging loan (a variable rate loan that is to match the amount of the VPRG approved).

The total LAPR amount cannot exceed defined percentages (set out below) of the cost of the house purchase and/or renovation cost.

The annuity loan extended cannot exceed defined percentages (set out below) of the end of works value of the dwelling. This amount, combined with the bridging loan, gives the maximum LAPR allowed.

The amount of a purchase and renovation loan shall not exceed—

(a) where the dwelling is situated in—

(i) in the county of Dublin, Kildare or Wicklow, €324,000,

(ii) in the county of Cork, Galway, Louth or Meath, €297,000,

(iii) in the county of Clare, Kilkenny, Limerick, Waterford, Westmeath or Wexford, €270,000, or

(iv) in the county of Carlow, Cavan, Donegal, Kerry, Laois, Leitrim, Longford, Mayo, Monaghan, Offaly, Roscommon, Sligo or Tipperary, €247,500,

[4] End of Works Value is defined as 'the estimated market value of a dwelling after renovation works are completed'

- in the case of a dwelling which is eligible for the vacant property refurbishment grant, where the renovation is not a major renovation a purchase and renovation loan shall not exceed—
  - (i) 90% of the cost of the property purchase,
  - (ii) 90% of the renovation cost, and
  - (iii) in respect of the annuity mortgage attached to the loan, 90% of the end-of-works value,

- in the case of a dwelling which is eligible for the vacant property refurbishment grant, where the renovation is a major renovation a purchase and renovation loan shall not exceed —
  - (i) 90% of the cost of the property purchase,
  - (ii) 90% of the renovation cost, and
  - (iii) in respect of the annuity mortgage attached to the loan, 85% of the end-of-works value,
- in the case of such a dwelling which is eligible for the vacant property refurbishment grant derelict top up in addition to the refurbishment grant, a purchase and renovation loan shall not exceed—
  - (i) 80% of the cost of the property purchase,
  - (ii) 90% of the renovation cost, and
  - (iii) in respect of the annuity mortgage attached to the loan, 80% of the end-of-works value.

In the event of borrower(s) requesting additional funding following a cost overrun, the matter must be re-examined by the local authority and additional funding may be contemplated, subject to the 90% LTV and not exceeding the maximum loan amount specified in the Housing Purchase and Renovation Loans Regulations 2024 (S.I. No. 353 of 2024) or any Regulations or enactment amending or replacing those Regulations. The local authority should satisfy that the additional funding will complete the project and the borrower has the means to repay the additional amount.

12.5 ***Compliance with Planning & Building Regulations***

Planning permission

The refurbishment, or refurbishment and extension, of a derelict property for occupation may constitute development that requires planning permission.

Where appropriate, and as part of the loan application, an applicant under the scheme must indicate whether planning permission for is required the development / works proposed or a declaration of exemption under the Planning Acts. Prior to final loan approval, they must provide evidence that the planning permission has been granted.

In cases where a question arises in relation to whether a proposed development needs planning permission or is an exempted development, an applicant under the scheme will be required to submit a declaration of exemption under Section 5, of the Planning and Development Act 2000. This question may arise in particular in the case of:

- a change of use,
- properties that have been derelict for a long period of time, and

- properties that are in a substantial state of disrepair and / or require substantial works.

A local authority may give approval in principle to a loan application where the applicant is required to obtain planning permission for the development / works involved. In these circumstances, the applicant shall provide details of their current planning application at a later stage of their loan application. Any loan approval in principle shall not be confirmed as approval in full until a final decision has issued in respect of the planning application by the planning authority.

Loan drawdowns for renovation, or renovation and extension, will not be granted if required planning permission is not in place.

Building Regulations

All renovation and extension works will be required to comply with the requirements of the Building Regulations and Building Control Regulations.

Building Regulations apply to existing buildings where works are being performed on a building as prescribed in the Building Regulations 1997 (S.I. No. 497 of 1997) as amended.

The primary responsibility for compliance with the requirements of the Building Regulations rests with the designers, builders and owners of buildings.

Guidance on the application of the requirements of the Building Regulations and Building Control Regulations may be found in Appendix 2 of the '**Bringing Back Homes Manual for the reuse of existing buildings (2nd edition)**' and its associated FAQ's are available to view or download at gov.ie[5].

Registered construction professional (RCP)

It is considered necessary that a registered construction professional, referred to in the following sections, should hold one of the following qualifications:

- Architects on the register maintained by the RIAI under Part 3 of the Building Control Act 2007,
- Building Surveyors on the register maintained by the SCSI under Part 5 of the Building Control Act 2007,
- Chartered Engineers on the register maintained by Engineers Ireland under Section 7 of The Institution of Civil Engineers of Ireland (Charter Amendment) Act 1969.

The RCP must hold Professional Indemnity insurance cover of at least €1m on each and every claim basis with no aggregate cap. A copy of the certificate of Professional Indemnity must be provided prior to loan approval.

Renovations only, or Renovations with an extension of less than 40sqm

The applicant must appoint an 'RCP' to design, inspect and certify the building works who, in turn, must account for their role through the lodgement of appropriate documentation, inspection plans and an opinion of compliance with Building Regulations to the Loans Administrator within the Local Authority who are administering the Loan.

In summary;

- The applicant must appoint an RCP to:
  - Prepare a fully costed works plan (this is provided for within the Viability Assessment documents provided as part the LAPR documentation)

[5] gov - Bringing Back Homes - Manual for the Reuse of Existing Buildings (www.gov.ie)

    - Prepare an inspection plan for the building works
    - Submit a commencement notice (without accompanying documentation) when required
    - Carry out, or oversee, inspections in accordance with the inspection plan
    - Provide an Opinion of Compliance with Building Regulations on completion of the works.
- The works plan must be submitted to the Local Authority who are administering the loan before works commence.
- The Applicant must appoint a "competent" builder to undertake and certify construction works

- On completion of the works and prior to final loan drawdown an opinion of compliance with Building Regulations should be provided by the RCP, to the homeowner and to the Loan Scheme administrator to certify that they have provided oversight of the construction project and that it has been built in compliance with Building Regulations.The form of opinion of compliance with Building Regulations shall be those approved by the Royal Institute of the Architects of Ireland (R.I.A.I.), Engineers Ireland (E.I) or the Society of Chartered Surveyors Ireland (S.C.S.I).

Renovation and extension of more than 40sqm

Scheme applicants will not be permitted to opt out of statutory certification, as provided for in Building Control (Amendment) (No. 2) Regulations 2015 (SI 365 of 2015) for extension works where a commencement notice is required.

The owner must appoint an RCP to the roles of Design Certifier and Assigned Certifier to design, inspect and certify the building works who, in turn, must account for their role through the lodgement of commencement documentation, inspection plans and statutory certificates to both the Local Authority Building Control office and to the Loan Administrator within the Local Authority who are administering the Loan.

The roles and responsibilities of owners, designers, builders, assigned certifiers, etc. during building works are set out in the *Code of Practice for Inspecting and Certifying Buildings and Works*.

In summary;

- Designs must be certified by a registered construction professional.
- Certified designs and compliance documentation must be submitted to the local building control authority before works commence.
- Owners must appoint a "competent" builder to undertake and certify construction works[6]
- Owners must appoint an "assigned certifier" to:
    - Prepare an inspection plan for the building works, and
    - Carry out, or oversee, inspections in accordance with the inspection plan
- The builder and the assigned certifier sign a statutory *Certificate of Compliance on Completion.* It must be accompanied by plans and documentation to show how the constructed building complies with the building regulations and also the inspection plan, as implemented.

[6] For the avoidance of doubt, the building control regulations do not prevent an owner from taking on the role of the builder for the purposes of these regulations, provided they are competent to do so.

On completion of the works and prior to final loan drawdown a Certificate of Compliance on Completion should be provided by the assigned certifier, to the homeowner and to the Loan Scheme administrator to certify that they have provided oversight of the construction project and that it has been built in compliance with Building Regulations.

Commencement notice / Certification on completion matrix

	Is it also proposed to construct an Extension ?	**Is planning permission required ?**	**Commencement notice required ?**	**Form of Building Regulation Compliance on completion**
Renovation only	No	No	No	Opinion of compliance with Building Regulations
Renovation only	No	Yes	Yes (without additional documentation)	Opinion of compliance with Building Regulations
Renovation with extension <40sqm	Yes	No	No	Opinion of compliance with Building Regulations
Renovation with extension <40sqm	Yes	Yes	Yes (without additional documentation)	Opinion of compliance with Building Regulations
Renovation with extension >40sqm	Yes	Yes	Yes (with accompanying documentation and statutory certification)*	Statutory Certificate of Compliance on Completion

*The facility to opt out of statutory certification (allowed for in Building Control (Amendment) (No. 2) Regulations 2015 (SI 365 of 2015)) is not available to applicant(s).

12.6 Project Viability Assessment

The proposed renovation and extension works must be approved in advance of finalisation of loan offer. If deemed necessary, the local authority may conduct a preliminary inspection of the subject property.

The loan application should be accompanied by a Project Viability Assessment documents as part the LAPR documentation.

The Project Viability Assessment documents should be prepared by an RCP. It should describe the works to be undertaken and should be of sufficient detail to demonstrate compliance of the design of the proposed works with the requirements of the Building Regulations. It is likely to include the following (as required):

- Detailed drawings
- specifications
- calculations

- Part L compliance report
- Ventilation design
- inspection plan
- schedule of construction costs.

12.7 Commencement of works

Prior to the commencement of renovation or extension works, scheme applicants will be required to notify the Local Authority scheme officers of the proposed commencement date for the works.

This notification is in addition to the requirement to comply with the provisions of the Building Control Regulations i.e. in some cases a commencement notice may need to be submitted to Building Control.

12.8 Stage Payments

It is recommended that loan drawdowns, are made in stages, as set out below.

However, local authorities can decide alternative stage drawdown approaches, if appropriate. This could occur for smaller renovation projects where the administrative requirements around stage payments would be an undue burden for the amounts involved.

Furthermore, if an applicant's loan approval is based upon contributing substantial amounts of own funding to the project, the local authority should ensure that this own funding is used appropriately alongside the loan funding.

Recommended Approach

Purchase Stage

Where the home is being purchased using the LAPR, the first stage payment will for the purchase of the home. The borrower will receive funding in the form of an annuity loan for the appropriate percentage of the purchase price.

Renovation Stages

Applicants must provide stage payment certificates, prepared by the RCP for the works undertaken.

At an operational level, it is recommended that Local Authorities restrict stage payments to no more than 6 drawdowns. Suggested stages of drawdown are;

Renovation works

- Site clearance
- Building enclosure (external envelope works substantially completed)
- First Fix
- Second Fix
- Site works
- Completion

Extension to derelict dwelling

- Foundations
- Wall Plate Level
- Roof Level
- First Fix
- Second Fix

- Site works
- Completion

Where a building is being renovated and extended, some of the above stages may be combined.

Each stage payment must be accompanied by a Stage Payment Certificate in the format supplied by the Local Authority and signed by the RCP.

The final stage payment claim should be accompanied by a valuation report and either a Certificate of Compliance on Completion, or an opinion of compliance with Building Regulations as may be appropriate, prepared by an RCP.

12.9 ***Purchase and Renovation Supporting Documentation***

The following documents must be provided with the loan application (or prior to Final Loan Approval):

The following documentation must accompany the Local Authority Purchase & Renovation Loan Application • Completed Application Form • Completed Valuation for End of Works Value • Valuation of Property to be purchased (if applicable) • Financial Documentation as set in Section no. *8 Supporting Documentation'* or LAHL AIP granted within last six months • Stage 1- Building Survey and Scope of Works and Cost Plan, completed and signed by the Applicant's Registered Construction Professional • Maps of the site and photographs attached to the building survey • Proof of RCP's Professional Indemnity Insurance • If Loan Application passes the Stage 1 Assessment • Stage 2 – Scope of Works and Cost Plan templates, completed and signed by the Applicant's Registered Construction Professional • Grant Payment Instruction Letter
Proof of VPRG Approval: (can accompany Application or can be provided prior to Final Loan Approval) • VPRG Approval in Principal; or VPRG Approval letter. • Any other supporting documentation that your local authority may request to support your application
Renovations only, or renovations with extension of less than 40sqm: • Evidence of Appointment of Registered Construction Professional • Evidence of Appointment of Competent Builder • Works plan (contained in scheme Viability Assessment documents) • Submit a commencement notice (without accompanying documentation) when required (extension of less than 40sqm that requires planning permission). • Opinion of Compliance with Building Regulations (on completion of the works)

Renovation and extension of more than 40sqm: • Works plan(contained in scheme Viability Assessment documents) • Design Certificate signed by a registered construction professional confirming compliance of the design with the building regulations • Notice of assignment of Assigned Certifier & Undertaking by Assigned Certifier • Preliminary Inspection Plan prepared by the Assigned Certifier • Copy of commencement notice documentation • Notice of Assignment of Builder & Undertaking by Builder in accordance with the Building Control Regulations. • Certificate of Compliance on Completion
• Full detailed architects/engineers plans and specification • Certified site layout map showing site dimensions. • Certified copy of grant of planning permission.

13. Loans Pre-Drawdown

Before the home loan is drawn down, a housing authority should ensure that—

- the applicant(s) is not a borrower in respect of any other home loan made to them under the Housing (Miscellaneous Provisions) Act 1992,
- in receipt of an undertaking from the applicant's solicitor to—
    1. give effect to the execution of an instrument referred to under Housing Loans (Credit Policy) Guidelines 2021,
    2. furnish good marketable title to ownership to the housing authority,
    3. attend to stamping and registration of all title deeds, and
    4. hold all title documents in trust for the housing authority until the requirements of Stamping and Registration of all Title deeds have been met, following which all title deeds must be lodged in a timely manner with the housing authority together with a certificate of title in the form of the Law Society of Ireland approved standard form.

On providing the property loan a housing authority should be satisfied that the repayment of the loan to the housing authority is secured either by;

- an instrument vesting the ownership (including any interest already held by the borrower) in the housing authority subject to the right of redemption by the borrower, or
- in a case where the ownership of the property consists of a leasehold interest, by an instrument of mortgage by sub-demise subject to a nominal reversion, vesting the term of the sub-demise in the housing authority subject to a right of redemption by the borrower, or
- where the title to the ownership is registered under the provisions of the Registration of Title Act 1964 (No. 16 of 1964), by an instrument charging the ownership with payment to the housing authority of the amount of the loan together with the interest thereon.

14. Loans Post-Drawdown

14.1 Charges for Early Repayment of a Fixed Rate Loan

All applicant(s) must be informed at the time of submitting a loan application that they may have to pay early repayment charges, if they pay off a LAHL early during the term of the loan.

Borrowers should be advised to contact the relevant local authority regarding the early repayment charge should they decide to repay the Home Loan before the end of the term. In this case, the Local Authority should then contact the HFA who will calculate the appropriate, if any, early repayment charge. The borrower should be informed of the amount of the early repayment charge before proceeding with the early repayment transaction.

An applicant has the possibility to repay this loan early, either fully or partially. In this case, an early repayment charge may apply. If an early repayment charge applies, the Local Authority will calculate the level of the early repayment charge due to be paid by the borrower, should they decide to repay the loan before the end of the term. The early repayment charge will be calculated as follows:

- Reducing balance redemption amount [A]
- Original Irish bond yield for loan term [B]
- Current Irish bond yield for remaining term [C]
- Remaining term in days [T]

where breakage calculation = (A x (B-C)) x T divided by 365.

14.2 Removing a borrower

A borrower may be removed from a mortgage (for example due to relationship breakdown) however as this may have implications for the security and repayment of the loan it can only be done with the consent of the Local Authority.

The Local Authority should assure itself that the remaining borrower can repay the remaining mortgage on their own. The application must be assessed as if it was a new application and the application sent to the Housing Agency to assess creditworthiness.

14.3 Adding a borrower

In certain circumstances (borrower enters into a new relationship), a borrower may seek to add a new borrower to the mortgage. This can be facilitated, but the local authority should first assure itself that this does not have a negative implication for the security and repayment of the loan. In addition, the local authority should satisfy itself that the subsequent addition of a borrower is not an attempt to circumvent scheme rules, i.e. the additional borrower should have been considered as a joint applicant at the time of the original application.