


Getting to Yes



Your step by step
guide to the Premier
Mortgage journey.

Premier

Bank of Ireland 

You are not alone

Buying a new home is something most of us only do once or twice in a lifetime. Not surprisingly, it can be overwhelming. But remember, you've got someone on your side; someone to guide you through the process and make every step as quick and as easy as possible, all the way from initial meeting to getting the keys to your house.

Your dedicated Premier Mortgage Partner will help you with your application, explain how the mortgage assessment is made and, if you're not yet mortgage-ready, we'll help you to work out a plan of what to do. So before you start buying, start the conversation.

It's important that everyone is fully informed

You need to be sure that you are comfortable with a financial commitment of this scale. You need to be sure that you can comfortably make the mortgage repayments even if rates increase.

Let us guide you through it

In this booklet you'll get a good idea of the steps involved in applying for a mortgage, and what we take into consideration at every stage.

Important information

When you're applying for a mortgage, we're going to need you to supply a fair amount of information about yourself. We ask for the information to make sure the mortgage is right for you. This information falls into four categories:

1. 'Loan to Income' details
2. Deposit details
3. Your Disposable Income
4. Proof that you can repay the loan

We'll explain each category in greater detail over the following pages.

1

‘Loan to Income’ details

The first question that a lot of people ask their mortgage advisor is “how much can I borrow?”

The Loan to Income Ratio, also known as the Income Multiplier, is simply a name for the rule applied to determine maximum mortgage amounts. Your Loan to Income Ratio is calculated by multiplying your gross salary by 3.5. The figure you get is the most we can lend you. For joint mortgage applicants, the Loan-to-Income figure is 3.5 times your joint annual salary.

We’ll need supporting documents like a Salary Certificate from your employer, P60 and payslips.

Are there any exceptions?

The Central Bank does allow 20% of all mortgages to fall outside this rule. So there’s a chance that you’ll be allowed to borrow more. This depends on exceptions being available, and the amount you have proven you can afford to repay.

Talk to your Premier Mortgage Partner.

2

Deposit details

There's also the Deposit Rule (or Loan to Value Rule), and this too is set by the Central Bank of Ireland. This rule fixes the maximum value of the loan provided to a First Time Buyer at 90% of the value of the property, and at 80% for a Mover.

Mind the gap

The Deposit Rule means that you'll need to have a deposit to pay the difference between the loan and the property value.

Finding the deposit is a challenge faced by many mortgage applicants.

Some save for it, others get a gift (from, say, a parent), while many do both.

We can help

If you're planning to save for your deposit, we have a range of options including a unique Mortgage Saver account that gives you a bonus on your savings provided you drawdown your mortgage with Bank of Ireland.

What's more, the monthly savings for your deposit can boost your demonstrated repayment ability. It's something to think about.

Yes, it's a gift!

If you've been gifted a sum of money to be put towards your deposit, we'll need a letter from the gift-giver, stating that he or she does not expect to receive it back, and they have no interest in the property that you are looking to buy. It needs to be clear that the gift isn't tied to your property. Gifts should be from a close relative, typically a parent.

3

Your disposable income

We look carefully at your disposable income. This is to determine whether or not you have enough to live on after the proposed mortgage repayment and other financial commitments are taken into account.



4

Proof that you can repay the loan

When you get a mortgage, you'll be paying back a sizeable amount each month. We want to make sure that you are in a position to do so – without putting yourself into financial difficulty.

You should be able to show us proof that you can comfortably afford to pay your proposed monthly mortgage amount over a minimum six month period. It's a test of what's known as your 'demonstrated repayment ability'.

So what counts as proof?

- ▶ Rent payments or current mortgage payments (if you are moving home)
- ▶ Regular savings (this means savings that are not touched, so if you transfer €400 in at the start of the month and take €300 out before the end of the month, only the €100 is counted)
- ▶ Loan repayments. This applies only to loans that will be paid off before you get your mortgage. Typically, these would be loans taken out to cover a one-off expense, such as medical, education, home improvement or a wedding.

For example

Say your mortgage payment is expected to be €2,800 a month, we will want evidence that your monthly rent and savings currently match that €2,800.

Planning to boost your demonstrated repayment ability

For some applicants, proving that they have the ability to meet monthly repayments is something of a stumbling block. For many of these, however, it's just a short-term set back.

What you can do

- ▶ We can tell you how much you need to save to get the mortgage you need
- ▶ Clear another loan
- ▶ Ensure rent is paid through your bank account rather than in cash
- ▶ Schedule a meeting with your Premier Mortgage Partner for six months from now

The documents you'll need

1. 'Loan to Income' details

For PAYE applicants:

- ▶ Salary Certificate – supplied by your employer on the Bank of Ireland template
- ▶ Your payslips for the last 2 months
- ▶ Your most recent P60

For Self-Employed applicants:

- ▶ Certified/Audited Financial Accounts
- ▶ For the most recent 2 year period
- ▶ Business Current Account Statements
- ▶ For the most recent 6 consecutive months for all business accounts
- ▶ Confirmation of Tax Affairs

2. Deposit details

- ▶ Savings Account statement (for accounts not with Bank of Ireland)
- ▶ Gift letter, if applicable
- ▶ Source of Funds
This could include Government's Help to Buy Scheme for First Time Buyers, evidence of inheritance or other source of funds that will contribute to the deposit

3. Your disposable income

- ▶ Current Account statements (for accounts not with Bank of Ireland)
- ▶ Loan statements (for accounts not with Bank of Ireland)

4. Proof that you can repay the loan

- ▶ Record in your account of paying rent/ other confirmation of rental income
- ▶ Current Account statements for the past 6 months
- ▶ Savings Account statements for the past 12 months
Statements for recent loans that are now closed
Most recent 6 consecutive months- to show that these repayments can now be factored in as part of your mortgage repayment.

We also need

- ▶ Your completed Mortgage Application Form
- ▶ Customer Identification
(If not a Bank of Ireland customer)
- ▶ Identification documents and confirmation of your address such as a current valid Passport or Driving Licence and recent utility bill
- ▶ Separation/Divorce agreement (if applicable)

Your step by step guide to the mortgage process

As steps in life go, buying a home is certainly one of the big ones. But if you know what's involved in the mortgage process, you can see it instead as a number of small, easily-managed steps. What's more, you don't have to take them on your own.



Find out how much you can borrow

You will need to know what you can afford before you start looking for the right home – our calculator at bankofireland.com/mortgages or a chat with one of our mortgage specialists will give you a good indication.



Save your deposit

For savings up to €10,000, our mortgage saver account pays you €2000 top-up when you draw down your mortgage. You must save a minimum of €5000 over a 6 month period.



Find your home

Property alerts, viewings and floor plans. Finding your home is an exciting part of the process.

We can help you with some impartial advice on choosing the home that's right for you.



Apply for your mortgage

We will help you through your mortgage application. If it is successful you're on to the next exciting step!

If your application is not successful this time don't lose heart. There may be steps you can take to improve your chances of approval – e.g. a longer savings period or a reduced loan amount. We'd be happy to talk you through your options.



Get your Letter of Offer and appoint a solicitor

We will send a loan offer pack to you and to your solicitor. It will contain your Letter of Offer, the European Standardised Information Sheet (ESIS) with full details of your mortgage and the terms and conditions of your loan.

You can complete your application in a branch, over the phone, using Skype or Facetime or a Premier Mortgage Partner can call out at a time and place that suits you best.

One of our Premier Mortgage Partners will be delighted to talk you through the steps in your mortgage application.

 1890 365 121

 bankofireland.com/premiermortgages



Get a property valuation

We will give you the name of an approved valuer who can carry out a valuation for us before the loan is drawn down. We always recommend that you get a surveyor's report as well, for your own peace of mind, which can uncover faults that aren't easy to see. In some cases we may require that you get one, particularly if the house you're buying is older.



Arrange home insurance & life cover

At this stage, you should arrange the appropriate Life Assurance and Home (Buildings) Insurance policies to protect both you and the property. These will need to be in place before you can draw down your mortgage.*



Exchange contracts and pay your deposit

Your solicitor and the seller's solicitor will tie up the details. We will give you a good indication.



Draw down your mortgage

We will draw down your Mortgage and issue the funds to your solicitor to complete the purchase.

* You may purchase your Home Insurance / Life cover from another provider if you wish.

