



Switchers with Equity Release for reimbursement of funds, First Home Scheme – Price Ceilings

Switcher with Equity Release applications – Proving Source of Funds

Properties part funded/fully funded by gift/loan from a family member where Equity Release is being proposed to reimburse said gift/loan

The Mortgage Store provide customers with the option to apply for an equity release as part of a switcher application, where the property was bought/partially funded for cash or through a gift/loan from a close family relative i.e. parent(s). Your customer(s) may wish to reimburse a family member, with funds initially gifted/loaned by them to fund the purchase.

In addition to standard risk assessment and credit criteria, we need to assess and document the original source of funds & wealth under Know your Customer (KYC) and complete the required due diligence to substantiate the proposal, which is standard practice on all mortgage applications.

You are required to provide us with customer's proof of source of funds & wealth upfront, and for this documentation to be relevant to prove how the property was originally purchased. This should be uploaded to a miscellaneous placeholder on ROME.

As part of their risk assessment, our Broker Specialists may ask relevant questions in order for a valid risk assessment to be completed on KYC. Without this information, the application may not proceed as we won't have enough information to run a KYC and complete an accurate risk assessment.

For example, this can include: statements on a parents account, showing transfer of funds to the individual/solicitors account or documentation from the solicitor that managed the property purchase.

Please note, this enhanced KYC due diligence will also apply in the following scenarios:

- **Switcher with Equity Release to Reimburse Gifted Funds used for Home Improvements/Education**
- **Switcher with Equity Release for Reimbursement of Funds Spent on Home Improvements** (The home improvements should have taken place in the last 12 months and the spend must be verified with receipts or bank statements confirming the spend.)

First Home Scheme – Price Ceilings

The First Home Scheme, a €400m fund set up to help First-Time Buyers to bridge the gap between their mortgage, deposit and the price of a new home as part of the Government’s Housing for All strategy, has published the outcome of the first of its scheduled twice-yearly reviews of the price ceilings that apply to qualifying homes.

The review will result in increases of up to €75,000 in 30 of Ireland’s 31 local authority areas.

The changes will mean thousands of additional First-Time Buyers will now qualify for the scheme. These people would have been ineligible for the scheme until now if the price of their chosen home was above the price ceiling for their local authority area.

The new price ceilings will include houses with prices of up to €475,000 in the scheme, depending on their location.

The review also means that every new house valued at €325,000 or less will be eligible for the scheme, irrespective of its location in Ireland. The new price ceilings, which aim to ensure the scheme can benefit as many people as possible without causing distortion in local housing markets, will take effect from January 1st.

REMINDER: Customers eligible for the scheme must apply for mortgage up to max LTI (up to 4 times) within bank criteria.

Local Authority Area	House Price Ceilings*	Apartment Price Ceilings
Cork City Dublin City Dún Laoghaire-Rathdown Fingal South Dublin	€475,000	€500,000
Galway City	€425,000	€450,000
Limerick City and County	€375,000	€450,000
Waterford City and County	€350,000	€450,000

Local Authority Area	Price Ceilings (all properties)
Wicklow County	€475,000
Cork County Kildare County	€425,000
Galway County Kilkenny County Louth County Meath County Westmeath County	€375,000
Laois County	€350,000
Carlow County Cavan County Clare County Donegal County Kerry County Leitrim County Longford County Mayo County Monaghan County Offaly County Roscommon County Sligo County Tipperary County Wexford County	€325,000