



Update on Salary Certificate requirements, Amendment to First Home Scheme (FHS) Eligibility Criteria, FTB Definition Fresh Start – Cohabitants, Dept of Education Teachers – One-Up Pay Scale

Salary Certificates

Update on Salary Certificate requirements for The Mortgage Store

As per previous communications issued, salary certificates had been accepted previously from all brokers once the information contained on the Cert matched the AIMA/Mortgage Store template forms.

After 5th May, we will no longer be accepting broker versions of Salary Certificates unless they have been approved by The Mortgage Store. For in-flight cases up to 5th May, the existing Salary Certificate will be acceptable once they match the **AIMA/The Mortgage Store** template formats.

If you would like your form to be considered for approval, please submit this via your Relationship Manager ensuring that information contained in your Salary Certs mirrors that of **The Mortgage Store** or **AIMA template** form.

In summary, the following Salary Certificates will be acceptable after 5th May:

1. AIMA
2. The Mortgage Store
3. Broker Salary Certs added to an approved listing of accepted certs

Amendment to First Home Scheme (FHS) Eligibility Criteria

Background:

The First Home Scheme was established in June 2022 to assist eligible **first-time buyers** bridge an affordability gap between their deposit and approved mortgage, and the price of a home. The FHS is a joint venture between the Department of Housing, Local Government and Heritage (DHLGH) and BOI, AIB and PTSB (The Participants).

What is changing?

On 31st March 2023, the Minister for Housing announced an expansion to the FHS to include eligible tenants who have received a Notice of Termination and who wish to purchase the home **they are currently renting**. The eligibility criteria is being expanded to include FTB's who wish to purchase the **second hand property** they are currently renting. This means that where a private tenant is provided with a notice to quit, they will be eligible to apply for funding from the First Home Scheme to assist them purchase the property.

In summary;

- Our eligibility criteria has been amended to allow second hand property purchase where the first time buyer is currently renting and who has received a notice to quit
- All other terms and conditions and eligibility criteria continue to apply
- Once a customer confirms they have been served with a Notice of Termination from their landlord, you can proceed via usual process to submit an application with the inclusion of FHS in the funding figures. The burden of proof for eligibility & evidencing the Notice of Termination sits with FHS.

Remember:

- The total Mortgage Amount & FHS contribution cannot exceed 90% LTV
- Customers must maximise their Mortgage to up to 4 x LTI on the basis of them meeting all aspects of TMS credit policy

This change reflects engagement with the Government following the removal of the eviction ban.

FTB Definition Fresh Start - Cohabitants

The below provides further clarity in relation to FTB Definition of Cohabitants on the back of Broker News issued on 06/01/2023 – ‘Credit Policy Changes’.

A “cohabitant” is “one of 2 adults (...of the same or the opposite sex) who live together as a couple in an intimate and committed relationship and who are not related to each other within the prohibited degrees of relationship [= rules against incestuous marriage/CP] or [not] married to each other or [not] civil partners of each other”: Civil Partnership and Certain Rights and Obligations of Cohabitants Act 2010 s172 (1).

Note: Please bear in mind that if you have joint borrowers and one is not a FTB, none are FTBs. Each borrower will need to qualify as FTB under one or more of the tests. It is possible that each borrower could qualify for different reasons, any combination of which would be fine (e.g. borrower 1 as ex-cohabitant, borrower 2 as ex-bankrupt).

Department of Education Teachers – One Up Pay Scale

Specific to Dept. of Education Teachers, we have outlined what is required for submission of your customer’s application when using the one-up point on their salary scale for assessing income. (Note: “Department of” - no government funded agencies).

The following information should be included on your Cover memo/ CIP memo;

- **Applicant’s current salary and current point on the salary scale (applicant’s payslip will confirm current point on the scale);**

- **Applicant’s next point on the salary scale, their new salary at that point and the date of the next increase.**

Note: Please upload the salary scale to ROME as proof.

- **Permanent employment - Yes;** (Policy only applies to permanent employees, regardless of length of service, probationary period must be completed)

- **Date of start of permanent employment;**

Note: Please provide proof of applicant’s one-up salary scale up front (*It will not be conditioned for on AIP or Letter of Offer*); (Salary scales are available from the Departments website. Also available on the ASTI and TUI websites)

It is important that the one up Pay Scale Income is input at application stage. Otherwise, the application will be assessed based on current salary or referred as a CBOI macroprudential exception and will impact on your customer’s journey.