



Credit Policy updates, Valuer’s Panel, First Home Scheme – expiring Loan Offers

Credit Policy Changes

We have made some changes to our Credit Policy. Please see outline of changes below. As always, if you have any queries please do not hesitate to contact your Relationship Manager who will be happy to assist.

1. Increase in minimum NDI threshold for joint borrowers earning <€60k

Our NDI thresholds are reviewed periodically and following our most recent review we are increasing our NDI thresholds to protect against inflationary increases for joint borrowers earning less than <€60k. These borrowers are considered to be most vulnerable to a reduction in income or increase in expenses. Our updated calculators, **attached today**, include these changes and should be used from today forward. Note these calculators also include the updated Tax credits for 2024.

2. Minimum Property Values - 1 Bed Apartments (PDH)

To align our policy to reflect current property values, we are increasing our minimum property values for 1 Bed Apartments.

Under our current credit policy, up to 90% LTV can be approved on 1 bed apartments in certain locations that meet minimum property values. The new minimum property values are outlined in the table below. In addition, the prior maximum LTI for 1 bed apartments outside of Dublin post codes has now been removed.

Max LTV for Apartment / Duplex	
1 Bed in Dublin City –Property Value >€225k (was €200k)	90%
1 Bed in Co Dublin, Dublin Commuter Counties and Regional Cities -Property Value >€175k (was €150k with LTI capped at ≤ 3.5x)	
1 Bed in Dublin City –Property Value < €225k	80%
1 Bed in Co Dublin, Dublin Commuter Counties and Regional Cities –Property Value < €175k	70%

Dublin City	Dublin postcode 1-24
Dublin Commuter Counties	Kildare, Louth and Meath where properties located within a c. 40 km radius from Dublin City
Regional Cities	Cork/Galway/Limerick Cities where properties are located within a 5 km radius from that City

4. Align maximum LTV Thresholds for Owner Occupier segments

Under our current policy a stepped back LTV applies to two sub-cohorts of Switchers;

- (i) Non-Bank of Ireland current account switchers and
- (ii) Bank of Ireland current account switchers who are consolidating home improvement debt.

Effective immediately, this step back will be removed and LTV for all Switchers is aligned with FTB and Mover cohorts. Home related debt consolidation is being retained for existing BOI customers only.

5. Key Credit Criteria

Changes have been made to loan threshold amounts. See table below:

Max LTV by Loan Size and Type	<€850k All locations	>€850k <€1.25m All locations	>€1.25m Dublin/ Regional Cities	>€1.25m Other
Standard FTB / Mover / Equity Release / Switcher <ul style="list-style-type: none">Equity release limited to max of 3 per propertySwitchers must be drawn minimum 1 year with existing lenderNo debt consolidation allowed for non-Bol Switchers	90%	80%		75%
Holiday Home	75%			
FTB < 1 Years Residency or Employment	80%		75%	

6. Residency < 1 year

Currently where a borrower is resident in ROI for <2 years, the maximum allowable LTV is 80%. The minimum residency period has reduced from 2 years to 1 year. Borrowers who are resident in ROI for > 1 year can now apply for up to 90% LTV.

Impact of these changes on your New Applications and Pipeline Cases

What happens next?

- All changes are effective immediately as of 18th April 2024
- New PDH indicative Calculators have been issued to you in our communication of 17th April 2024
- We will not retrospectively apply new policy to cases already approved.

Where the policy has tightened (NDI and minimum property value increases)

New Applications and cases Under Negotiation with Credit:

Applications that were submitted to our Credit team prior to the changes will be assessed under new policy. However, Credit will take into consideration that your customers passed the prior credit policy at point of submission.

CIPs with no change in property or mortgage amount submitted after 18 April 2024:

If changes are minor (i.e. not related to affordability such as moving from 5 year fixed to 5 year fixed or variable) on Property Specific AIPs or re-fresh offer (e.g. self builds), we will re-issue the AIP/Loan Offer, provided that income docs are still valid. Minor changes on Property Specific AIPs will continue to be supported based on the original approval while it remains valid. Any changes linked to affordability will require applications to be re-assessed.

Pipeline continued...

CIPs with a new property identified - House Hunter to Property Specific or Property Specific to Property Specific or Under Negotiation change in property received after 18 April 2024:

We will review under our new criteria and if outside our new lending guidelines, you will need to provide rationale to support approval of the application. Where a reassessment is required, it will be assessed under new policy. However, Credit will take into consideration that your customers passed the prior credit policy at point of submission.

Valuer's Panel

Updated Valuer's Panel on Broker Website

We have updated our Valuer's Panel on our Broker website. As always, please refer to the current Valuer's Panel when selecting a Valuer for your customer's applications

First Home Scheme – Expired/expiring Loan Offers

No letter of offer extensions

For applications with First Home Scheme included in funding, it should be noted that the First Home Scheme will only issue funds on Letters of Offer which are **in date**.

To avoid delays for your customers, if their Letter of Offer has expired or is close to expiring and drawdown has been delayed, a new Letter of Offer should be requested. **Letter of Offer extensions will not suffice** to obtain FHS funds and so will not be issued for FHS applications.