



Credit Worthiness Documentation Validity, Affordable Purchase Scheme Update and helpful tips on the following topics; Work Permits & Visas, DRA, Help to Buy Requirement, Self-Employed Applicants, Uploading Documents and Source of Funds

Credit Worthiness Document Validity

We value your feedback and have listened to what you have told us on our requirement to update documentation. With you and your customers in mind, we have made the following changes to our Document Validity process.

Credit Worthiness Document Validity (Simplified Approach)		
The Mortgage Store is introducing a simplified approach to validity of Credit Worthiness documents supporting mortgage applications:		
Scenario	Credit Worthiness (CW) Validity Period	Credit Worthiness Docs > validity period: Refreshed Docs Required
Initial Application	Credit Worthiness Docs must be dated within 3 months (of the date of the document) at initial application	➤ 1 x Payslip (for self-employed – latest financial accounts)
Any subsequent re-approval	Credit Worthiness Docs must be dated within 6 months (of the date of the document) for any subsequent re-approve	➤ 1 month Bank Statement for non-BOI - must be the most recent 1 month statement ➤ CCR (must be within 6 months)
Key Points:		
<ul style="list-style-type: none">The current approach required documents to be within 3 months where a refreshed approval is sought, now increasing to 6 months.This new approach detailed above will improve your customers' experience and continue to ensure the longest period documents will be relied upon is 12 months (i.e. Loan Offer issues for 6 months period on basis of 6 month documents).		
<p>Please Note: For House Hunters – DRA is evidenced at the point of application for HH approval and is checked by our underwriters when a property has been identified ahead of issuing the Letter of Offer. It is important to ensure that DRA is covered in your Change in Proposal submission and is evident in the existing statements submitted if you are relying on the existing documentation when submitting a Change in Proposal.</p>		

Work Permit and Visa Requirements - Reminder

Employment permits are issued by the Department of Trade, Enterprise & Employment or Department of Foreign Affairs. Where Applicants are subject to Visa/Work permits their income and employment must be stable and customer should not be restricted to one employer or have any conditions attached to same which could impact on long term residence/ability to work.

On this basis customers should have long term residence, or Stamp 4,5 or 6 in place before a mortgage application is submitted (ensuring no special conditions attached which would negatively impact ability reside/work).

Critical Skills and General employment permit holders or existing Stamp 1G visa holders are considered on a case by case basis subject to usual employment history, qualifications and residency criteria.

Local Authority Affordable Purchase Scheme

Affordable Housing Priorities Agreement – Kildare and Meath County Council

Kildare County Council and Meath County Council are the latest authority to sign up to using the industry agreed priorities agreement. We can now accept applications for affordable housing in these areas.

Note - Applications from local authorities not on the list can still be submitted. Please contact your Relationship Manager in such cases who will advise of the required steps for these instances.

Demonstrated Repayment Ability - DRA

A reminder when establishing customer’s affordability

- If LTI is greater than 3.5x income the customer must establish DRA of *at least 100%* of the proposed mortgage repayment (plus any shortfall on the actual repayments for a retained PDH in the case of a Mover Retainer)
- If LTI is less than or equal to 3.5x income, a lower percentage of DRA of >85% may be considered where:
 - the Info note explains what changes the customer will make in their spending so they can afford the mortgage
 - the customer must have surplus Net Disposable Income (‘NDI’) to cover at least double the DRA shortfall amount. For example, if the customer can demonstrate DRA of €850p.m. and the actual mortgage repayment is €1,000p.m. then they require surplus NDI of at least €300 in addition to their minimum allowable NDI based on household type and income band.

NOTE: The key to proving the customer’s DRA is to establish that they have a track record of savings and/or payments that, over a period of time (minimum 6 months), is comparable to the proposed mortgage repayment, based on the unstressed repayment amount. If the balances in savings/current accounts has decreased over a period of time, this should be addressed in your cover memo ensuring that the customers are not utilising these funds for day to day costs.

Help to Buy Requirements

Reminder of documents required to satisfy condition

In order to satisfy this condition, there are 3 parts that must be provided:

1. Access Code page (see screenshot below)
2. Approval page with PPSN number, names, amounts and expiry date (see screenshot below)
3. Developer name & VAT number (to be sent by Case Message on ROME)

Access Code

Help To Buy Application

Your access code is [redacted]

Your mortgage provider and building contractor will require the access code and your application code to verify the amount of relief available to you (the group).

To view your application code, please access Help To Buy online, through ROS if you are registered for ROS or through myAccount if you are registered for myAccount.

Access Code

Acknowledgement

We confirm that your tax affairs are in order and your application for the group with the below members was successful.

Group members

1. [redacted]

2. [redacted]

In order to make a claim you will need the application code outlined below. Your max relief amount and claim expiry date are also displayed below.

Application details

Application code:

[redacted]

Your max relief available:

€11,121.36

Application max relief available:

€24,350.87

Expiry date:

31/12/2020

Self-Employed Applications – Helpful Tips

Self-Employed application Credit Memo

To assist the Credit Underwriting team with their assessment of Self-Employed customers, we ask that you include a brief description of the customer's company. We appreciate that Financials will be provided with the application. However, these won't always confirm what sector the business operates in or if it's an umbrella company etc.

Confirmation that tax affairs are up to date

To satisfy this condition a Chapter 4 and/or Letter from Accountant confirming that tax affairs are up to date will be required.

Tax clearance certificates are not sufficient for this condition.

ROME Placeholders - Help us to Help You!

Placeholders

- **Named placeholders** - Only upload the **relevant document/s against each placeholder** e.g. Your Payslips Applicant 1 – only payslips for applicant 1 should be uploaded to this placeholder
- **Miscellaneous placeholder** – Only to be used where no other relevant placeholder is available
- **No duplicate documents** – There is no requirement to upload documents to multiple placeholders
- **Documents not requested** – Additional supporting documentation that are not conditioned on the loan do not need to be uploaded to ROME. If you think certain additional documents are pertinent to the application, please send to your Relationship Manager for review before uploading to establish if the document/s are required for assessment.

Uploading/emailing Bank Statements

- Upload in **consecutive order** to help us to assess them quickly and efficiently. Where statement pages are not uploaded sequentially, there is significant added time needed to assess the transactions.
- Where the statements are emailed as an attachment, please scan as one attachment per statement and in **consecutive order**.

We really appreciate your help on this part of our process!

Source of Funds

Satisfying the Funding condition

- ✓ In order to satisfy the funding condition, all source of funds should be **fully and reliably evidenced**.
- ✓ Lump sums lodged as part of funding should be fully explained and the **source and/or origin** of the funds provided.
- ✓ **Country of origin for gifted funds** (if not ROI) should be clearly projected in your Credit Memo