



FIRST
HOME
SCHEME

Supporting Home Ownership

Your guide to the
First Home Scheme



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INTRODUCTION

Buying a property is a big step. While exciting, it can be stressful making sure that everything's in order.

Sometimes, there's a shortfall in the money you can raise when purchasing your first home, and the First Home Scheme (FHS), may be able to help.

Throughout this guide, you'll discover what the Scheme offers, and learn more about the eligibility criteria and application process. Definitions for words in ***bold italics*** can be found in the glossary on page 34.

PLEASE NOTE: This guide is for information only.

WARNING: We strongly recommend you seek independent financial and legal advice if applying for this product.

WARNING: Property prices can go up and down. As the equity facility is linked to the value of your home, any change in property prices will affect any partial or final redemption amounts. If property prices increase/decrease over time, the percentage equity you have to redeem will remain the same but the € amount will increase/decrease. See example in the case of a price increase below:

Customer purchases a property for €250,000, availing of €25,000 from the First Home Scheme (FHS) which means the FHS has a 10% FHS equity share in your home. Sometime in the future you decide to buy out the FHS equity share. The home is now valued at €350,000. As the FHS equity share is unchanged at 10%, you will now need €35,000 plus any accrued service charges payable, to redeem the FHS equity share in the home.

WARNING: The First Home Scheme is not regulated by the Central Bank of Ireland and the equity product is not governed by the Central Bank and its statutory codes of conduct and/or other regulations to include the Consumer Protection Code. However, this does not affect your rights under consumer law.

WHAT IS THE **FIRST HOME SCHEME (FHS)?**

The First Home Scheme (FHS) is a shared equity scheme, designed to help bridge the gap for first-time buyers and eligible homebuyers between their deposit and mortgage, and the price of their new home.

It is available for newly built houses or apartments in a private development in the Republic of Ireland.

The Scheme provides homebuyers with what is known as an **equity facility**. This means that homebuyers will enter into a contract with the FHS and receive funds from the Scheme in return for the FHS taking a percentage ownership in the property purchased.

The percentage ownership that the FHS holds in your home is known as an **equity share**.

How this works in practice:

Salary	€70,000
Property purchase price	€350,000
Mortgage available from Participating Lender (up to 4x salary)	€280,000
Deposit	€35,000 (10% of purchase price)
Shortfall	€35,000

Outcome

The FHS could help you meet the shortfall by taking a 10% share in your property.

The FHS can fund up to 20% of the purchase price of your new property if the **Help to Buy Scheme (HTB)** is being used, or 30% if the HTB is not being used.

You can buy out all or part of the equity share at any time. There's no obligation to do so, though certain events will mean it must be paid back in full. More information can be found on page 22.

Unlike a mortgage or personal loan, there will be no fees or charges applied to your equity facility for the first five years. At the start of your sixth year of ownership, if you have not fully redeemed the equity share, a **service charge** will begin to accrue against your account. Further details can be found on page 19.

PLEASE NOTE: By paying the service charge you won't reduce the equity share taken in your property. The equity share can only be reduced by redeeming part or all of the equity share. Further details can be found on page 22.

WHO PROVIDES THE **FIRST HOME SCHEME?**

The First Home Scheme is funded and supported by the Government of Ireland (Department of Housing, Local Government and Heritage) in partnership with Participating Lenders*.

What is a Participating Lender?

A Participating Lender is an authorised mortgage lender that invests in the First Home Scheme and becomes a shareholder in the properties they help to fund. At the time of writing, the Participating Lenders are Allied Irish Banks plc (including AIB, Haven Mortgages and EBS), Bank of Ireland Group plc, and permanent tsb plc.

Together with the Department of Housing, Local Government and Heritage, they make up the First Home Scheme Ireland Designated Activity Company (DAC).

In order to be eligible for the FHS, you must take out a mortgage with a Participating Lender.



Rialtas na hÉireann
Government of Ireland



Participating Lenders do not advise or consult with homebuyers on the Terms & Conditions of the FHS. The FHS independently and exclusively manages the administration of the Scheme, and all queries pertaining to the Scheme should be directed to the FHS.

*Other authorised mortgage lenders may join the Scheme at a later date. FHS Ireland DAC is not regulated by the Central Bank of Ireland.

ELIGIBILITY

To be eligible for the Scheme you must be:

- Over 18 years of age,
- A first-time buyer, who is defined as a person who:
 - Has not previously purchased or built a dwelling in the Republic of Ireland for his/her/their occupation, and
 - Does not own or is not beneficially entitled to an estate, or has interest in any dwelling in the Republic of Ireland or elsewhere, and
 - Has a right to reside in the Republic of Ireland

You may also be eligible if you have previously purchased or built a property in the Republic of Ireland:

- With a spouse, civil partner, or partner, and that relationship has ended. You must not retain a beneficial interest in the previous property, or
- If you have sold (or divested of) that property as part of a personal insolvency or bankruptcy arrangement, or other legal process as a consequence of insolvency

To be eligible for the Scheme, you must also:

- Have a Mortgage Approval with a Participating Lender, and
- Borrow the maximum mortgage amount available to you from one of the Participating Lenders (up to 4x your income), and,
- Not be availing of a **Macro Prudential Exception (MPE)** with a Participating Lender, and
- Have a minimum deposit of 10% of the property purchase price

PLEASE NOTE: Your income is not assessed by First Home Scheme as part of the FHS eligibility criteria.

RULES

Property rules

- The FHS is available for newly built houses and apartments in a private development in the Republic of Ireland
- Where the property has been completed and made habitable within the last 3 years but never previously lived in, it qualifies as a 'new build' property under the Scheme
- No other building types are currently considered under the Scheme, including self-builds
- The FHS is only available for properties intended as the homebuyer's **Principal Private Residence**
- The FHS is subject to property purchase price ceilings based on the local authority area in which the property is located. Full details of these price ceilings can be found on our website

How much funding can the First Home Scheme provide?

- The FHS can fund up to 30% of the purchase price of your new property
- This amount is reduced to 20% if you are availing of the Help to Buy Scheme (HTB). Details of HTB can be found on [Revenue's website](#) and examples including the HTB can be found on page 14
- The minimum equity share is 2.5% of the property purchase price, or €10,000, whichever is higher

Example

Property purchase price	Minimum equity share (2.5% of purchase price)	Maximum equity share (30% of purchase price)
€450,000	€11,250	€135,000
€300,000	€10,000 (2.5% equals €7,500 so the €10,000 rule applies)	€90,000

WHAT TYPE OF PROPERTY CAN I PURCHASE?

The First Home Scheme allows you to purchase a newly built house or apartment in a private development. Property price ceilings per local authority area apply to both houses and apartments. For the purposes of the Scheme, duplexes fall within house price ceilings.

This means that you cannot avail of the FHS if the cost of your property is above this amount. In some local authority areas, the price ceiling for houses and apartments is different. Please refer to our website for details of property price ceilings by local authority area.



HOW DO LOCAL AUTHORITY AREA PRICE CEILINGS WORK?

Example one:

Property purchase price	€400,000
Property type	Apartment
Price ceiling	€500,000
Outcome	Eligible

Homebuyers would be eligible for the FHS as the property purchase price is within the local authority area price ceiling.

Example two:

Property purchase price	€550,000
Property type	House
Price ceiling	€425,000
Outcome	Not eligible

Homebuyers would not be eligible for the FHS as the property purchase price exceeds the price ceiling within the local authority area price ceiling. However, they could look to apply for a property in this area at a lower purchase price that would be within the local authority area price ceiling.

EXAMPLES OF HOW **THE FHS WORKS**

On the following pages, you'll see various scenarios relating to the First Home Scheme and how they might apply to you, to help you understand how the Scheme works and what to expect.



WHEN YOU ARE NOT USING HELP TO BUY

When you are not using HTB, the FHS can fund up to 30% of the purchase price of your new property.

All examples assume that the property rules have been met and the property price is at or below the property price ceiling for the relevant local authority area.

Example one: single first-time buyer

Homebuyer	Never owned a property (first-time buyer)
Salary	€45,000
Property purchase price	€250,000
Mortgage available from Participating Lender (up to 4x salary, no MPE)	€180,000
Deposit	€25,000 (10% of purchase price)
Outcome	Eligible for the FHS, as the shortfall is €45,000 (18% of the property purchase price)

Example two: two homebuyers, both first-time buyers

Homebuyer one	Never owned a property (first-time buyer)
Homebuyer two	Never owned a property (first-time buyer)
Joint salary	€70,000
Property purchase price	€350,000
Mortgage available from Participating Lender (up to 4x salary, no MPE)	€280,000
Deposit	€35,000 (10% of purchase price)
Outcome	Eligible for the FHS, as the shortfall is €35,000 (10% of the property purchase price)



Example three: two homebuyers, one of whom is a first-time buyer

Homebuyer one	Never owned a property (first-time buyer)
Homebuyer two	Divorced, no longer retains a beneficial interest in the previous family home
Joint salary	€80,000
Property purchase price	€450,000
Mortgage available from Participating Lender (up to 4x salary, no MPE)	€320,000
Deposit	€90,000 (20%)

Outcome

Eligible for the FHS, as the shortfall is €40,000 (8.89% of the property purchase price)

Example four: two homebuyers, both first-time buyers, with an MPE

Homebuyer one	Never owned a property (first-time buyer)
Homebuyer two	Never owned a property (first-time buyer)
Joint salary	€70,000
Property purchase price	€450,000
Mortgage available from Participating Lender (4.5x salary, MPE)	€315,000
Deposit	€45,000

Outcome

Not eligible for the FHS as they have availed of an MPE from their Participating Lender



WHEN YOU ARE USING HELP TO BUY

When you are using HTB, the FHS can fund up to 20% of the purchase price of your new property.

All examples assume that the property rules have been met and the property price is at or below the relevant property price ceiling detailed on our website.

Example one: two homebuyers, both first-time buyers, using HTB

Homebuyer one	Never owned a property (first-time buyer)
Homebuyer two	Never owned a property (first-time buyer)
Joint salary	€90,000
Property purchase price	€450,000
Mortgage available from Participating Lender (up to 4x salary, no MPE)	€360,000
Savings/gift	€45,000
Help to buy	€30,000
Outcome	Eligible for the FHS, as the shortfall is €15,000 (3.33% of the property purchase price)

Example two: two homebuyers, both first-time buyers, using Help to Buy

Homebuyer one	Never owned a property (first-time buyer)
Homebuyer two	Never owned a property (first-time buyer)
Joint salary	€60,000
Property purchase price	€450,000
Mortgage available from Participating Lender (up to 4x salary, no MPE)	€240,000
Help to Buy	€30,000
Savings	€15,000
Outcome	Not eligible for the FHS, as the shortfall is €165,000 (36.67% of the property purchase price)



THE APPLICATION PROCESS



Starting your journey

If you're ready to get onto the property ladder, you'll need to raise the funds through a mortgage, savings, and in some cases, assistance from the Help to Buy Scheme. If you find that you still have a shortfall in funds, you can visit www.firsthomescheme.ie and use the FHS eligibility calculator to calculate the minimum and maximum support you could potentially qualify for through the FHS. You don't need to have a specific property in mind at this stage, however you'll need to know the local authority area it's in (please see [interactive map](#) on the [FHS website](#)).



Your application

To start your FHS application, you'll need a **Mortgage Approval in Principle (AIP)** from a Participating Lender. Once you have an AIP, you can register and apply for the FHS through the [customer portal](#).

The supporting documentation required to submit your FHS application includes:

- A copy of your AIP from a Participating Lender
- Photo ID for all homebuyers, valid for at least another six months
- Current address verification (dated in the last six months) for all homebuyers



Receiving your Eligibility Certificate

Your application and documentation will be reviewed and, if approved, you'll receive an **Eligibility Certificate**.

It is important to understand that the Eligibility Certificate is not an offer from the FHS, but an indicative estimate of the minimum and maximum amount of equity you qualify for based on the information you provided.

You will need to provide the Eligibility Certificate to your Participating Lender who will consider the FHS when they process your mortgage application.

If you are approved for a Mortgage, your Participating Lender will give you a **Mortgage Letter of Offer** and you can move to the next step of the process.



Receiving your Customer Contract

The Mortgage Letter of Offer should be uploaded to your customer portal, as well as any other required documents outlined in your Eligibility Certificate for assessment by the FHS.

If your FHS application is approved, you'll receive a copy of your **Customer Contract** for the equity facility. The Customer Contract is the formal legal contract between you and the FHS. The Customer Contract and supporting documents will also be sent to your solicitor and must be signed by you and witnessed by your solicitor.

You will also need to sign a declaration that you meet the eligibility criteria for the FHS, that you understand that you have been advised to seek independent legal and financial advice, and that you understand the terms and conditions of the equity facility.



Getting your new home

The signed Customer Contract, and all declarations and forms should be returned to the FHS by your solicitor to complete the application.

The FHS will then release funds to your solicitor's account, and your solicitor can finalise the property purchase on your behalf in parallel with the mortgage process.

Your FHS equity facility is now set up and we will issue you with a welcome letter.

From this point on, you'll receive an annual statement. This will contain up to date information on the FHS equity facility, and reflect any redemption payments and service charges applied.

Finally, it's also important you maintain adequate building insurance for the property as set out under your Participating Lender's Mortgage Letter of Offer.

CHANGES DURING THE APPLICATION PROCESS

It is possible to make changes to your application after it has been submitted.

For example, if you wish to make changes to an applicant's name or to property details, you can contact us via the [customer portal](#)*

Once you've purchased your home, you can also make certain changes by contacting us via the customer portal* to:

- Make changes to your contact details e.g., name, address, phone number or email address)
- Request information/a quote regarding the full or partial buyout of the equity share
- Start making service charge payments from year six onwards
- Make changes to your Direct Debit details, including account number, payment amount and/or date
- Defer service charge payments until a later date

Where required, you can also notify the FHS via the [customer portal](#)* of your intention to:

- Sell your property
- Top-up your current mortgage or,
- Switch your current mortgage to a new lender

* Alternatively, you can call the FHS customer contact centre on 0818 275 662. Lines are open Monday to Friday, 9am – 5.30pm, excluding bank holidays.



SERVICE CHARGES

A service charge will be applied to your account from the start of year six as payment for services related to the provision, maintenance, and servicing of the equity facility.

Service charges are calculated at the following rates per annum:

Years	Service Charge Rate
0 - 5	0.00%
6 - 15	1.75%
16 - 29	2.15%
30+	2.85%

The service charge rates are fixed for the life of the equity facility. Examples of service charge calculations can be found on page 20.

Service charges accrue daily and are applied to your account monthly in arrears, so your monthly service charge may vary given the number of days in the month.

We will contact you before the service charge is due to be applied to the equity facility to confirm your preferred payment option.

Payment options

You can choose whether you want to:

- Pay the service charge by monthly Direct Debit, Electronic Funds Transfer (EFT), or via a debit card facility
- Pay the full annual service charge or make 12 monthly instalments
- Pay a reduced amount if you can't afford the full monthly service charge
- Defer payment until another date

There is no additional cost associated with deferring the payment of the service charge, however, the service charge will continue to accrue against your equity facility and will need to be paid in full at a later date.

HOW DO SERVICE CHARGES WORK?

Service charges where no redemptions have been made against the equity share

The following examples assume you bought a home for €400,000 and the equity share was €50,000 or 12.5% of the property purchase price.

Service charge calculation, no redemption payments made	
Original property purchase price	€400,000
Original FHS equity share percentage	12.5%
Current FHS equity share percentage	12.5%
Original FHS equity share amount (used for calculation purposes only)	€50,000
Annual Service Charge Rate, year six	1.75%
Annual Service Charge	€875

As you can see in the above example, the service charge equals (original property purchase price multiplied by the current FHS equity share percentage) multiplied by (annual service charge rate, year six) which is $((€400,000 \times 12.5\%) \times 1.75\%) = €875$ per year or an average of €71.92 per month.

Now let's take a look at the service charge over a 35 year period:

Years	Cost per year	Years	Cumulative total*
0-5	€0	5	€0
6-15	€875 (1.75% x (€400,000 x 12.5%))	10	€8,750
16-29	€1,075 (2.15% x (€400,000 x 12.5%))	14	€15,050
30 onwards	€1,425 (2.85% x (€400,000 x 12.5%))	6	€8,550
Total cost over 35 years			€32,350

*For the purposes of illustration, the above figures assume every year is 365 days, service charge will be calculated on an actual day basis, this means that where there are 366 days in a year there will be an additional day's interest.

Service charges where redemptions have been made

For the purposes of illustration, the below tables assume the redemption has been made in the first five years with an updated valuation received, please refer to Redeeming the equity share on page 22 for more information.

Service charge calculation, redemption payment made	
Original property purchase price	€400,000
Original FHS equity share amount	€50,000
Original FHS equity share percentage	12.5% (€50,000/€400,000)
Updated property valuation	€410,000
Redemption payment	€2,500
Redemption percentage	0.61% (€2,500/€410,000)
Updated current FHS equity share percentage	11.89% (12.5%-0.61%)
Annual Service Charge Rate, year six	1.75%
Annual Service Charge	€832.30

As you can see, in the example above, the service charge would be (original property purchase price multiplied by the updated current FHS equity share) multiplied by (annual service charge rate, year six) which is ((€400,000 x 11.89875%) x 1.75%) = €832.30 per year.

If no further redemption payments are made, your service charge would look like the following over the lifetime of the equity share:

Years	Cost per year	Years	Cumulative total*
0-5	€0	5	€0
6-15	€832.30 (1.75% x (€400,000 x 11.89%))	10	€8,323.00
16-29	€1,022.54 (2.15% x (€400,000 x 11.89%))	14	€14,315.56
30 onwards	€1,355.46 (2.85% x (€400,000 x 11.89%))	6	€8,132.76
Total cost over 35 years			€30,771.32

*For the purposes of illustration, the above figures assume every year is 365 days, service charge will be calculated on an actual day basis, this means that where there are 366 days in a year there will be an additional day's interest.

PLEASE NOTE: There may be additional external fees you need to pay when taking out an equity facility with the FHS e.g. legal fees (to your own solicitor) and valuation fees (at the time of redemption or sale).

REDEEMING THE EQUITY SHARE

You can redeem all or part of the equity share at any time, although there is no obligation to do so unless a mandatory redemption event occurs.

When you make a redemption payment, you'll need to tell us where the redemption funds came from (e.g., savings, gift etc.) to comply with anti-money laundering policies, in addition to completing some documentation in advance of any payment.

Property Valuations

Because the equity share is linked to the market value of your property, for all redemptions you will need an up-to-date property valuation. This is performed by an independent, FHS Approved Valuer.

You will need to pay the fee for the valuation, which remains valid for 12 months from the date set out on the valuation.

When making a partial redemption payment

If you choose to redeem part of the equity share, the partial redemption payment must be at least 5% of the original amount provided by the FHS.

Up to two separate redemption payments can be made against the equity share in any 12-month period.

Once you have made a partial redemption, your annual service charge will be calculated using the updated equity share percentage, thereby reducing the service charge amount you would otherwise need to pay. An example of how service charges are calculated once a partial redemption has been made can be found on page 21.

When making a full redemption payment

If you choose to make a full redemption, that is to buy back all of the equity share, you will also need to pay back any accrued service charges.

Note: repayments can be made to the equity share within the first six months with no requirement for a new valuation.

WARNING: Property prices can go up and down. As the equity facility is linked to the value of your home, any change in property prices will affect any partial or final redemption amounts. If property prices increase/decrease over time, the percentage equity you have to redeem will remain the same but the € amount will increase/decrease. See example in the case of a price increase below:

Customer purchases a property for €250,000, availing of €25,000 from the First Home Scheme (FHS) which means the FHS has a 10% FHS equity share in your home.

Sometime in the future you decide to buy out the FHS equity share. The home is now valued at €350,000. As the FHS equity share is unchanged at 10%, you will now need €35,000 plus any accrued service charges payable, to redeem the FHS equity share in the home.

MANDATORY REDEMPTION

The following events require you to redeem the full equity share, as well as service charges that have accrued against the equity facility:

- The property is sold
- The property is no longer your Principal Private Residence
- You move or switch your mortgage to a ***non-Participating Lender***
- If you die (or, in the case of joint applications, the last applicant dies)

Over the next couple of pages, let's take a look at some redemption examples where property prices have increased or decreased.

REDEMPTIONS

WHERE PROPERTY VALUE HAS INCREASED

The impact of a full redemption on the equity facility when the property valuation has increased, and no partial redemptions have been made:

Full Redemption where property value has increased	
Original property valuation	€400,000
Original FHS equity share percentage	20%
Original FHS equity share amount	€80,000
Updated property valuation	€500,000
Updated value of FHS equity share	€100,000
Accrued service charges	€1,000
Amount payable for full redemption	€101,000

How we calculated this full redemption:

The updated value of the FHS equity share amount is based on the updated property valuation multiplied by the current FHS equity share percentage ($€500,000 \times 20\%$) = €100,000.

The amount payable for full redemption is the above €100,000 plus accrued service charges payable of €1,000, giving a total of €101,000.

The impact of a partial redemption on the equity facility when the property valuation has increased:

Partial redemption where property value has increased	
Original property valuation	€400,000
Original FHS equity share percentage	10%
Original FHS equity share amount	€40,000
Updated property valuation	€500,000
Amount redeemed	€10,000
Redemption percentage	2% (10,000/500,000)
Updated FHS equity share percentage	8%

How we calculated this partial redemption:

The updated FHS equity share percentage is the original FHS equity share percentage minus the redemption percentage i.e. $10\% - 2\% = 8\%$.

If you want to make a partial or full redemption payment in the first six months, you do not need a new valuation; the value used in the redemption calculation will equal the original amount drawn down from the FHS. After six months from the date of purchase, a new valuation will be required from an FHS Approved valuer.

REDEMPTIONS

WHERE PROPERTY VALUE HAS DECREASED

The impact of a full redemption on the equity facility when the property valuation has decreased, and no partial redemptions have been made:

Full redemption where property value has decreased	
Original property valuation	€400,000
Original FHS equity share percentage	10%
Original FHS equity share amount	€40,000
Updated property valuation	€390,000
Updated value of FHS equity share	€39,000
Accrued service charges	€1,000
Amount payable for full redemption	€40,000

How we calculated this full redemption:

The updated value of the FHS equity share amount is based on the updated property valuation multiplied by the current FHS equity share percentage ($€390,000 \times 10\%$) = €39,000.

The amount payable for full redemption is the above €39,000 plus any accrued service charges payable of €1,000, giving a total of €40,000.



The impact of a partial redemption on the equity facility when the property valuation has decreased:

Partial redemption where property value has decreased	
Original property valuation	€400,000
Original FHS equity share percentage	10%
Original FHS equity share amount	€40,000
Updated property valuation	€390,000
Amount redeemed	€10,000
Redemption percentage	2.56% (10,000/390,000)
Updated current FHS equity share percentage	7.44%

How we calculated this partial redemption:

The updated current FHS equity share percentage is the original FHS equity share percentage minus the redemption percentage (10% - 2.56%) = 7.44%.



FULL REDEMPTIONS

AFTER YEAR 6

The impact of a full redemption on the equity facility when the property valuation has increased, plus service charge, and no partial redemptions have been made:

Full redemption where property value has increased	
Original property valuation	€400,000
Original FHS equity share percentage	10%
Original FHS equity share amount	€40,000
Updated property valuation (after 10 years)	€500,000
Updated value of FHS equity share	€50,000
Accrued service charges	€3,500
Amount payable for full redemption	€53,500

For the purposes of illustration, the above figures assume every year is 365 days, and the service charge will be calculated on an actual day basis. This means that where there are 366 days in a year there will be an additional day's interest. It also assumes that the full redemption is being made on the 10-year anniversary of drawdown.

How we calculated this full redemption:

The updated value of the FHS equity share amount is based on the updated property valuation multiplied by the current FHS equity share percentage ($€500,000 \times 10\%$) = €50,000.

The amount payable for full redemption is the above €50,000 plus any accrued service charges payable of €3,500, giving a total of €53,500.

Service charges calculation:

(Original property purchase price multiplied by the current FHS equity share percentage) multiplied by (service charge rate) which is ($(€400,000 \times 10\%) \times 1.75\%$) = €700 per year.

Years	Cost per year	Years	Cumulative total
0-5	€0	5	€0
6-10	€700 (1.75% x (400,000 x 10%))	5	€3,500
Total cost over 10 years			€3,500

The impact of a full redemption on the equity facility when the property valuation has decreased, plus service charge, and no partial redemptions have been made:

Full redemption where property value has decreased	
Original property valuation	€400,000
Original FHS equity share percentage	10%
Original FHS equity share amount	€40,000
Updated property valuation	€390,000
Updated value of FHS equity share	€39,000
Accrued service charges	€3,500
Amount payable for full redemption	€42,500

For the purposes of illustration, the above figures assume every year is 365 days, and the service charge will be calculated on an actual day basis. This means that where there are 366 days in a year there will be an additional day's interest. It also assumes that the full redemption is being made on the 10-year anniversary of drawdown.

How we calculated this full redemption:

The updated value of the FHS equity share amount is based on the updated property valuation multiplied by the current FHS equity share percentage ($€390,000 \times 10\%$) = €39,000.

The amount payable for full redemption is the above €39,000 plus any accrued service charges payable of €3,500, giving a total of €42,500.

Service charges calculation:

(Original property purchase price multiplied by the current FHS equity share percentage) multiplied by (service charge rate) which is ($(€400,000 \times 10\%) \times 1.75\%$) = €700 per year.

Years	Cost per year	Years	Cumulative total
0-5	€ 0	5	€ 0
6-10	€700 (1.75% x (400,000 x 10%))	5	€3,500
Total cost over 10 years			€3,500

For further information on the valuation process, please see the FAQs section on our website.

A service charge will be applied to your account from the start of year six. If you opt to defer your service charge, it will accrue against your equity facility.

MATERIAL ALTERATIONS

When valuing your home for the purpose of fully or partially redeeming the equity facility, any increase in the property value due to material alterations will not be included in the redemption calculation.

Examples of material alterations:

- Any works to the property that require planning permission
- The addition of an extension or conservatory, which creates additional living accommodation
- The conversion of an attic space, garage, or basement, which creates additional living accommodation
- Changes to the property layout, where the interior is adapted to provide for access and use by a person with a disability, including:
 - Creating a ramp or widening doorways
 - Installation of specially adapted kitchen units and worktops
 - Installation of specially adapted bathrooms
- Works carried out to upgrade the Building Energy Rating (BER), resulting in the BER rating of the property improving by two or more BER ratings

Making material alterations

When it comes to your home, it's possible to make material alterations, and it is not necessary to inform the FHS of these alterations unless you wish to fully redeem the equity facility or sell your home.

However, we recommend keeping detailed records of all works completed, including plans, planning permission, costs, etc.

If you wish to redeem the equity facility or sell your home, you'll be required to provide documentation of the work carried out and this information will be used to determine the value of your home, less any material alterations. It is therefore in your interest to maintain these records.

Any other changes to your property that aren't classed as material alterations will be taken into account when valuing the property e.g. new kitchen, new bathroom etc.

MORTGAGE TOP-UP

A mortgage top up is managed by your Lender, but you must notify the FHS of your intention to top up.

A mortgage top up is a loan that allows you to borrow more money against the current value of your home to spend on things like improving your home.

Customers who have an equity facility with the FHS are allowed in all circumstances to apply for a mortgage top up with a Participating Lender subject to that lender's mortgage top up criteria and application process.

You must notify the FHS of your intention to top up your mortgage with a Participating Lender, and the FHS must confirm that it does not object to the mortgage top up as a part of the mortgage top up application process.

FHS criteria for mortgage top ups

- The purpose of the mortgage top up must be for home improvements, medical, educational needs or to redeem (buy back) the equity share partially / in full
- Customers must retain a minimum of 10% equity interest in the property after the mortgage top up

Please see examples below which explain the circumstances in which the FHS can and cannot support your top up request:



MORTGAGE TOP-UP

No Objection – FHS can support your request

Example of Homeowner Equity Share greater than 10% post Top Up

Current property valuation	€400,000
Mortgage amount currently outstanding	€260,000
Top Up amount sought	€20,000
Total Debt (Outstanding Mortgage + Top Up Sought) as a percentage of the Property Valuation $(€260,000 + €20,000) / €400,000 \times 100$	70%
Current First Home Scheme equity share	10%
Your Equity Interest in the Property Post Top Up $(100\% - (70\% + 10\%))$	20%

In the example above, the FHS currently has a 10% equity share in your home. The sum of your outstanding mortgage and the top up amount being requested represents 70% of the estimated value of your home.

This means that you will have an equity interest of 20% $(100\% - (70\% + 10\%))$ of your home's estimated market value post top up. This is greater than the minimum 10% equity interest which the First Home Scheme requires that you have post top up and therefore the FHS can support your request.

Objection – FHS cannot support your request

Example of Homeowner Equity Share less than 10% post Top Up

Current property valuation	€400,000
Mortgage amount currently outstanding	€260,000
Top Up amount sought	€40,000
Total Debt (Outstanding Mortgage + Top Up Sought) as a percentage of the Property Valuation $(€260,000 + €40,000) / €400,000 \times 100$	75%
Current First Home Scheme equity share	20%
Your Equity Interest in the Property Post Top Up $(100\% - (75\% + 20\%))$	5%

In the example above, the FHS currently has a 20% equity share in your home. The sum of your outstanding mortgage and the top up amount being requested represents 75% of the estimated value of your home.

This means that you will have an equity interest of 5% $(100\% - (75\% + 20\%))$ of your home's estimated market value post top up. This is less than the minimum 10% equity interest which the First Home Scheme requires that you have post top up and therefore the FHS cannot support your request.

Customers who have an equity facility with the FHS and want to switch and top up their mortgage, as part of the switching process, should refer to page 33 (Switching your mortgage) for more information on the steps involved in the process.

SWITCHING YOUR MORTGAGE

If you have an FHS equity facility you can switch between mortgage providers. Different rules apply depending on whether you are switching to a Participating or non-Participating Lender.

Switching mortgage provider is when you take out a new mortgage on a property you already own with a new lender to replace your existing mortgage.

You can switch your mortgage to another Participating Lender without having to redeem your FHS equity facility.

If you switch your mortgage to a non-Participating Lender, you must redeem the equity share in full including any accrued service charges.

Switching rules at a glance

- If switching to a Participating Lender, there is no requirement to redeem (buy back) the equity share
- If switching to a non-Participating Lender, there is a requirement to redeem (buy back) the equity share in full including any accrued service charges
- If you borrow more money against your property (this is known as a mortgage top up) as part of the switching process, you must retain at least 10% equity in your home post top up

GLOSSARY

Term	Description
Anti-money Laundering (AML)	Anti Money Laundering is a combination of all the laws, regulations and procedures aimed at uncovering efforts to disguise illicit funds as legitimate income
Certificate of Title	A report produced by your Solicitor and sent to the Lender and FHS setting out results of the Solicitor's investigation of title to the property and amongst other things, including evidence that the Inhibition has been registered over the title to the property
Customer Contract	This is the formal legal contract between you and the FHS
Declaration	This is the act of making an official statement
Defer	Service Charge payments due on your account can be temporarily paused
Eligibility Certificate	<p>An Eligibility Certificate is issued by the FHS when an application submitted through the customer portal meets the eligibility criteria. It is not an offer, but provides an indicative estimate of the maximum equity you are likely to qualify for based on the information provided.</p> <p>You will need to provide the Eligibility Certificate to your Participating Lender who will consider the FHS when they process your mortgage application</p>
Eligible homebuyer	<p>Either:</p> <ul style="list-style-type: none">• a first-time buyer OR• a formerly married person, civil partner or cohabitant whose relationship has ended by means of divorce or other legal separation, and who does not retain beneficial ownership in a family home OR• a person who has sold (or divested of) that property as part of a personal insolvency or bankruptcy arrangement, or other legal process as a consequence of insolvency
Equity facility	The FHS provides homebuyers with what is known as an equity facility. This means that homebuyers will enter into a contract with the FHS and receive funds from the Scheme in return for the FHS taking a percentage ownership in the property purchased
Equity share	The equity share is defined as the percentage of your home owned by the First Home Scheme. It can be up to 20% of the value of the property if you use the Help to Buy Scheme, or 30% of the value of the property if you do not use the Help to Buy Scheme

GLOSSARY

Term	Description
First-time buyer	<p>A first-time buyer (FTB) is defined as:</p> <ul style="list-style-type: none">• a person who has not previously purchased or built a dwelling in the Republic of Ireland for his or her occupation, and,• does not own or is not beneficially entitled to an estate or interest in, any dwelling in the Republic of Ireland or elsewhere and,• has a right to reside in the Republic of Ireland
Form of Inhibition	<p>The Land Registry Form called “Form 77” which the owner of the property must sign to register the Inhibition over the property</p>
Help to Buy Scheme	<p>The Help to Buy Scheme (HTB) is a Government of Ireland incentive that helps eligible FTBs with the deposit required to purchase a new house or apartment for €500,000 or less. Eligibility for HTB is assessed by the HTB and is separate from the FHS. If you are availing of the HTB, the maximum amount you may be eligible for from the FHS will be 20% of the property value</p>
Inhibition	<p>A restriction by an owner of a property from dealing in the property (e.g. selling the property) without FHS’s consent</p>
Inhibition Consent Form	<p>The property owner signs this form consenting to the registration of the Inhibition on the title to the property in the Land Registry</p>
Macro-Prudential Exception (MPE)	<p>CBI measures set ceilings on the amount of money that can be borrowed to buy residential property using Loan to Value (LTV) and Loan to Income (LTI) limits. Banks and other lenders have the freedom to lend a certain amount above these limits. This is known as a macro-prudential measure exception. If offered an MPE by your Participating Lender and you also qualify for the FHS, you must decide which one you wish to avail of, as you cannot avail of both. If offered both, you should discuss this with your financial adviser to determine which is the best option for you</p>
Mortgage Approval in Principle (AIP)	<p>An AIP is an indication from a lender of how much they will be prepared to lend to you based on the information you provide to them. It’s not the official loan offer but it is usually the basis of the official loan offer</p>

GLOSSARY

Term	Description
Mortgage Letter of Offer	The formal document issued by a Participating Lender to a customer that confirms mortgage approval for a property – usually subject to preconditions being satisfied
Non-Participating Lender	An authorised mortgage lender who is not currently a shareholder in the FHS
Principal Private Residence	<p>A Principal Private Residence (PPR) is a house or apartment, which you own and occupy as your only residence.</p> <p>There are also a number of scenarios where you can be absent from the property but it would still be considered your PPR. They are as follows:</p> <ul style="list-style-type: none">• you couldn't live in the property because your employer required you to live elsewhere (up to a four-year maximum)• you had a job, where all the duties were performed outside the Republic of Ireland• your PPR remained unoccupied, and you were either:<ul style="list-style-type: none">- receiving care in a hospital, nursing home or convalescent home- resident in a retirement home on a fee-paying basis
Property price ceiling	When buying a property using the FHS, it's important to note that there is a maximum property purchase price for each local authority area – this is the property price ceiling. Any property purchased above this amount won't be eligible for the FHS
Redemption Payment	This is a payment made by you to reduce/repay the amount you owe
Service charge	The service charge is chargeable to the homebuyer from the start of year six after the property is purchased. It is used to pay for services related to the provision, maintenance, and servicing of the equity facility
Solicitor's Undertaking	A commitment is made by your Solicitor in writing to do something, in this case, amongst other things, to register an inhibition on the title to the property

Term	Description
Waiving	If you waive your right to something, for example legal representation, you choose not to have it or do it
Welcome Letter	We will issue this letter to you following the drawdown of your First Home Scheme equity facility

PLEASE NOTE: This guide is for information only.

WARNING: We strongly recommend you seek independent financial and legal advice if applying for this product.

WARNING: Property prices can go up and down. As the equity facility is linked to the value of your home, any change in property prices will affect any partial or final redemption amounts. If property prices increase/decrease over time, the percentage equity you have to redeem will remain the same but the € amount will increase/decrease. See example in the case of a price increase below:

Customer purchases a property for €250,000, availing of €25,000 from the First Home Scheme (FHS) which means the FHS has a 10% FHS equity share in your home. Sometime in the future you decide to buy out the FHS equity share. The home is now valued at €350,000. As the FHS equity share is unchanged at 10%, you will now need €35,000 plus any accrued service charges payable, to redeem the FHS equity share in the home.

WARNING: The First Home Scheme is not regulated by the Central Bank of Ireland and the equity product is not governed by the Central Bank and its statutory codes of conduct and/or other regulations to include the Consumer Protection Code. However, this does not affect your rights under consumer law.



FIRST HOME SCHEME

Supporting Home Ownership

**To apply for the First Home Scheme,
please visit www.firsthomescheme.ie**

If you have any questions or would like to speak to our team, please call us on 0818 275 662* or email us at info@firsthomescheme.ie

*Lines are open Monday-Friday, 9am – 5:30pm,
excluding bank holidays

First Home Scheme Ireland DAC is a Designated Activity Company incorporated in Ireland under number 710046 and having its registered office at Pembroke Hall, 29 Mount Street Upper, Dublin 2, Ireland, D02 K003.