



FIRST  
HOME  
SCHEME

Supporting Home Ownership

# First Home Scheme **FAQs**



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Our FAQs are designed to provide answers to the most frequently asked questions and should address many of the queries you may have. For full information on the First Home Scheme, including some examples, please refer to the **Guides/Resources** section of the website where we have a Homebuyers Guide for you to download and review.

Definitions for words in ***bold italics*** can be found in the glossary on **page 24**.

**PLEASE NOTE: This guide is for information only.**

#### **GETTING FINANCIAL AND LEGAL ADVICE**

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

#### **PROPERTY PRICES**

**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.**

# ABOUT THE FIRST HOME SCHEME

## What is the First Home Scheme?

The First Home Scheme (the FHS) is a shared equity scheme, sponsored by the Government of Ireland (Department of Housing, Local Government & Heritage) and Participating Lenders. It aims to bridge the gap for **first-time buyers** and **eligible homebuyers** between their deposit and mortgage, and the price of a new home within **property price ceilings** set up across the Republic of Ireland, by local authority area.

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**.

## What does a percentage ownership mean?

This means that eligible homebuyers will receive funds from the FHS in return for the FHS taking an equity share in the ownership of their property.

For example:

Property purchase price = €450,000

Equity share provided by FHS = €45,000 (10% of the property purchase price)

Therefore, FHS will own a 10% equity share in your property, even if the value of the property increases or decreases over time. When you redeem (buy back) the equity share in full, you will own your property outright (100%). If you would like to see more examples of how this works, we have included other examples in our [Homebuyers Guide](#).

## Who provides the FHS?

The FHS is funded by the Government of Ireland through the Department of Housing, Local Government and Heritage (DHLGH) and Participating Lenders, who will provide equity finance to qualifying applicants.

# RULES AND ELIGIBILITY

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

## How can I become a Participating Lender?

If you're interested in becoming a Participating Lender, you must be a regulated entity authorised to offer mortgage products in the Republic of Ireland. To find out more, please contact us at [submissions@firsthomescheme.ie](mailto:submissions@firsthomescheme.ie).

## What is a non-Participating Lender?

A **non-Participating Lender** is an authorised mortgage lender who is not currently a shareholder in the FHS. If your mortgage application is with a non-Participating Lender, you are not eligible to apply for the FHS.

## How does the FHS assist in buying a home?

The FHS can bridge the gap for first-time buyers and other eligible homebuyers who might otherwise not be able to purchase a home, due to insufficient funds when they combine their deposit and mortgage. Subject to eligibility criteria, application assessment, and terms and conditions, it can provide funds up to 30% of the value of the property (or 20% if you use the **Help to Buy Scheme**).

## How long will the FHS be available for?

It is expected the FHS will be available to new homebuyers until 2025. This timeframe may be extended depending on the number of Participating Lenders and the number of applications received.

## If I am eligible, am I guaranteed to get funding?

There are a number of steps that you need to take to apply for the FHS. An Eligibility Certificate does not guarantee funding. If your application is fully approved, with a supporting **Mortgage Letter of Offer** from a Participating Lender, the FHS issues a **Customer Contract** to you and funds will be reserved for you while the Customer Contract is valid.

## Where can I find more information on the FHS?

You can find full details of the FHS as well as examples under the **Guides/Resources** section of the website, where we have a Homebuyers Guide for you to download and review.

## How do I know if I am eligible for the FHS?

We have created an **eligibility calculator** on our website which will assist you in determining whether you are eligible for the FHS, and it can advise you of the maximum funding that may be available to you from the FHS in the form of an **equity share**.

# RULES AND ELIGIBILITY

## What are the FHS rules and criteria?

To be eligible for the FHS you must:

- be over 18 years of age
- be a first-time buyer or an eligible homebuyer (see below)
- have a Mortgage Approval from a Participating Lender
- borrow the maximum mortgage amount available to you from a Participating Lender (up to 4x your income)
- you cannot avail of a **Macro Prudential Exception (MPE)** from your Participating Lender i.e., borrow more than 4x your income
- agree to a minimum equity share of 2.5% of the property purchase price, or €10,000, whichever is higher
- have a minimum deposit of 10% of the property purchase price
- purchase a property intended as your **Principal Private Residence**
- purchase a newly built house or apartment in a private development in the Republic of Ireland
- purchase a property within the property price ceilings based on local authority area

You may also be an eligible homebuyer 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
- 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

## What is a **Macro Prudential Exception (MPE)**?

Central Bank of Ireland (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.

## Is my/our income considered as part of the eligibility criteria under the FHS?

No. There is no upper or lower household income limit to be eligible for the FHS. Income is not considered for the FHS.

## What is classed as a **Principal Private Residence**?

A house or apartment, which you own and occupy as your only residence.

In limited circumstances, some absences are considered as living in the property - if you are working abroad, or your home remains unoccupied while you are receiving care in a hospital, nursing home or convalescent home/ resident in a retirement home on a fee-paying basis.

## What type of property can I purchase?

The FHS allows you to purchase a newly built house or apartment in a private development within the Republic of Ireland. There are maximum property price ceilings for each local authority area. Self-builds and second-hand properties are excluded from the FHS.

# RULES AND ELIGIBILITY

## **What are the maximum property price ceilings under the FHS?**

Please refer to our website for property price ceilings by local authority area.

## **Will the property price ceilings under the FHS change?**

The FHS property price ceilings are regularly reviewed and may be subject to change.

## **Can I apply for the FHS if I know the development where I am looking to buy however, I don't have a specific property number?**

Yes, at a minimum you will need to know the name of the development where the property you're looking to buy is in order to apply. We will require the specific property number later in the process, before we can provide you with funding.

## **I am considering buying a house that was built a number of years ago and has never been lived in. How do I know whether this property qualifies as a 'new build' and is eligible for the First Home Scheme?**

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.

## **Who is considered a first-time buyer?**

A first-time buyer is 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.

## **If I am not a first-time buyer, are there any other circumstances in which I could be eligible for the Scheme?**

People who are divorced or separated or have undergone a personal insolvency or bankruptcy arrangement or proceedings or other legal process and no longer retain an interest in the family home, may also be eligible to apply.

## **Am I eligible if I have previously inherited a property?**

No. The FHS is only available to homebuyers who have not inherited a property in or outside of the Republic of Ireland.

## **Am I eligible if I have already purchased a property but it is outside of the Republic of Ireland?**

No. The FHS is only available for those homebuyers who have not purchased a property in or outside of the Republic of Ireland.

## **What does "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" mean?**

When someone goes through a personal insolvency process, they may have to sell their home or give up their interest in the home as part of that process. Someone who has exited the process therefore, no longer has any financial interest in the property and is eligible for the Scheme.

## **Can more than two applicants apply together?**

Yes. Your joint application can be completed online via our [website](#). Alternatively, you can contact our agents on 0818 275 662 and we will send you an application form to complete.

# RULES AND ELIGIBILITY

## Is there a minimum funding amount under the FHS?

The minimum equity share under the FHS is 2.5% of the property purchase price, or €10,000, whichever is higher.

For example:

Property purchase price - €450,000

Minimum funding amount of 2.5% - €11,250.

## I am availing of the Help to Buy Scheme. Will this impact my eligibility for the FHS?

The Help to Buy Scheme (HTB) is a Government of Ireland incentive that helps eligible first-time buyers 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.

For example:

Property purchase price - €450,000

Maximum funding of 20% available from the FHS if availing of HTB - €90,000.

## What is the maximum funding I can avail of under the FHS if I am not availing of HTB?

The maximum equity share available under the FHS is 30% of the property purchase price if not availing of HTB.

For example:

Property purchase price - €450,000

Maximum funding of 30% available from the FHS if not availing of HTB - €135,000.

## I received a plot of land from my parents, and I wish to build a house on it. Do I qualify for the FHS?

No. Self builds are not eligible for the FHS at this time.

## I already have Mortgage Approval in Principle (AIP) with a Participating Lender – can I still apply for the FHS?

Yes. The next step is for you to **register** on the FHS customer portal and complete your application.

## I already have a Mortgage Letter of Offer from a Participating Lender – can I still apply for the FHS?

The FHS is designed to bridge any funding gap that eligible homebuyers may have between their deposit and mortgage, and the price of a new home. If you already have a Letter of Offer from a Participating Lender, you will not be eligible for the FHS for that specific property as there is no shortfall in funds. You may be eligible for the FHS for a different property but will need to make a new mortgage application to apply for the FHS.

## What deposit do I need if I am using the First Home Scheme?

If you are a first-time buyer, you will need a 10% deposit. The sum of your mortgage and the FHS Equity Facility cannot be greater than 90% of the property purchase price.

If you are availing of the Help to Buy Scheme, this can contribute towards the deposit you need.



# RULES AND ELIGIBILITY

**I'm looking to buy a duplex. Is this classed as a house or an apartment when I am looking at the price ceilings?**

For the purpose of this Scheme, property price ceilings for a duplex are the same as house price ceilings.



# STEPS IN THE APPLICATION PROCESS

## How can I apply to the FHS?

You can first check your eligibility by using our eligibility calculator. If you are eligible, you can then register and submit your application online.

## What type of questions am I likely to be asked during the application process?

We will need you to provide some information during the application process. For example:

- personal details (e.g. your full name, current address, date of birth and occupation, etc.)
- qualification details (e.g. Are you a first-time buyer? Are you availing of HTB? etc.)
- property details (e.g. what type of property you are looking to buy? Purchase price and location of the property (local authority area), etc.)
- your solicitor's details (e.g. name and address)

## What supporting documentation will I need to provide to apply to the FHS?

To submit your application online, you will need to also upload the following documentation:

- a copy of your Mortgage Approval in Principle (AIP) from a Participating Lender (this must be valid for at least eight weeks from date of submission)
- photo ID for all homebuyers, valid for at least six months (e.g. passport, driver's licence)
- current address verification (dated in the last six months) for all homebuyers e.g. bank statement, recent utility bill – gas, electric, telephone (landline only, mobile phone bills will not be accepted)

## Will my Participating Lender be in direct contact with the FHS regarding my mortgage and FHS application?

No. There is no sharing of personal customer information between the FHS and Participating Lenders. The mortgage process and FHS process are independent of each other.

## What does the FHS application process look like?

### Step one: 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](http://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).

### Step two: 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 FHS customer portal.

The supporting documentation required to submit your FHS application includes:

1. a copy of your AIP from a Participating Lender (this must be valid for at least eight weeks from date of submission)
2. photo ID for all homebuyers, valid for at least another six months (e.g. passport, driver's licence)
3. current address verification (dated in the last six months) for all homebuyers (e.g. bank statement, recent utility bill – gas, electric, telephone (landline only, mobile phone bills will not be accepted))

# STEPS IN THE APPLICATION PROCESS

## Step three: 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.

## Step four: receiving your Customer Contract

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

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 solicitor instructions 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**.

## Step five: 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.

## How long is my Eligibility Certificate valid for?

Your Eligibility Certificate expires on the same date as your Mortgage Approval in Principle (AIP) from the Participating Lender.

For example:

You receive an AIP from a Participating Lender and it's valid until 1st September 2022, meaning your Eligibility Certificate will also be valid until 1st September 2022, regardless of when the certificate was issued.

## How long is my Customer Contract valid for?

Your Customer Contract expires on the same date as your Mortgage Letter of Offer from the Participating Lender.

For example:

You receive a Mortgage Letter of Offer from a Participating Lender and it's valid until 1st December 2022, meaning your Customer Contract will also be valid until 1st December 2022, regardless of when the contract was issued.

# STEPS IN THE APPLICATION PROCESS

## Can I make a change to my application?

Yes, you can make changes online up until the point when you submit your application to FHS. Once submitted, your application will be locked. If you want to make any changes to the application (for example, change applicant names or property details) you should contact the FHS through the FHS customer portal, or you can call the FHS customer contact centre on 0818 275 662.

## Do I have to take out life cover for the equity share under the FHS?

In addition to life cover for your mortgage, it is recommended you have sufficient cover for the equity share under the FHS.

## Do I have to take out buildings insurance for the equity share under the FHS?

Yes, you must always maintain adequate buildings insurance for the property. You will be asked to provide evidence that the FHS' interest is noted on the Home Insurance policy or alternatively, a letter from the insurance company confirming that it is not possible to note FHS' interest on the Home Insurance policy.

## Can I withdraw my application?

Yes, you can withdraw your application at any stage before the FHS release funds to your solicitor. If you choose to withdraw your application, we will retain the information provided by you in your application in line with the FHS Personal Data Retention Policy.

If you would like further information about the FHS Personal Data Retention Policy or how we process your Personal Data, please refer to our Privacy Notice on our website, or contact us by email at [dataprivacy@firsthomescheme.ie](mailto:dataprivacy@firsthomescheme.ie)

## If I withdraw my application, can I reapply at a later date?

Yes, you can reapply at a later date once you satisfy the eligibility rules for application. Please contact one of our agents should you wish to submit a subsequent application.



# ROLE OF YOUR SOLICITOR

## Do I need to have my solicitor details before I apply to the FHS?

No, you can apply without including your solicitor details. However, your solicitor details are required before the FHS issues you with a Customer Contract.

## Can I use the same solicitor for both the FHS and with my mortgage lender to complete my mortgage?

Yes, it is preferable to use the same solicitor for both your mortgage and your Customer Contract, which means your solicitor will have knowledge and visibility of both products in relation to your home purchase.

## What documents will my solicitor receive?

We will send your solicitor the following documents which must be signed, witnessed, completed, and returned before the FHS funds can be released:

- Customer Contract
- Declaration confirming:
  - first-time buyer/eligible homebuyer status
  - whether you are availing of the Help to Buy Scheme
  - that the property will be your Principal Private Residence (PPR)
  - that you have received or are waiving legal advice
  - that you have received or are waiving financial advice
- Form of inhibition
- Inhibition consent form
- Certificate of title
- Solicitor's undertaking
- Funds Requisition Form

## What additional information should I seek from my solicitor?

You can also ask your solicitor to provide the following:

- an explanation of the rules of the FHS and any events that require mandatory redemption of the equity share
- an explanation of the Customer Contract, the **service charge**, the redemption process, and your legal responsibilities
- guidance on signing the Customer Contract and the Mortgage Letter of Offer, together with any declarations required as proof of eligibility, including a declaration confirming that you are a first-time buyer
- an explanation of your responsibility to advise the FHS if there are any changes in your circumstances that would impact the equity share. For example, if you move out of your home and live somewhere else you must tell the FHS. Full details of this event and other circumstances in which you should advise the FHS will be outlined in your Customer Contract and in our [Homebuyers Guide](#)

## Do the funds get released to me or to my solicitor?

Funds will be released to your solicitor's account. Your solicitor will then release the FHS funds together with the mortgage funds from the Participating Lender to complete the purchase of your new home.

# ROLE OF YOUR SOLICITOR

## Is there anything else my solicitor must do once the funds are released?

The equity share is secured by an 'inhibition', which will be registered on the title to your property. It is your solicitor's responsibility to ensure that this inhibition is registered with the Property Registration Authority (PRAI) once the funds have been released.

## Once my Solicitor registers the Inhibition on the title of my property, are there any circumstances that I need to engage with my Solicitor again?

You will need to engage a solicitor again when you make certain changes to your [equity facility](#), or when you sell your property.

# FEES AND CHARGES

## What charges apply to the equity share provided under the FHS?

Unlike a mortgage or personal loan, there is no charge for the equity share for the first five years. From the beginning of your sixth year of ownership of your property, if the equity share is still in place, a service charge will apply.

## What is the service charge?

This is a charge to be paid by you for the maintenance and servicing of the FHS.

## What are the rates associated with the service charge?

For the first five years you own the property, there will be no service charge.

A service charge will be applied to the equity share from the start of year six onwards at the following rates per annum:

1.75% for year six - year 15

2.15% for year 16 - year 29

2.85% for year 30+

These rates are fixed for the life of the equity facility.

## How is the service charge calculated and applied?

The annual service charge is calculated by multiplying the original property purchase price by the First Home Scheme equity share and multiplying the result by the service charge rate for the year in question.

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.

For example:

<b>Purchase price</b>	<b>€400,000</b>	
<b>Equity amount</b>	<b>€50,000</b>	
<b>Years</b>	<b>Service charge</b>	<b>Amount</b>
<b>1-5</b>	<b>0%</b>	<b>€0</b>
<b>6 to 15</b>	<b>1.75%</b>	<b>*€875 per year (€50,000 x 1.75%)</b>
<b>16 - 29</b>	<b>2.15%</b>	<b>*€1,075 per year (€50,000 x 2.15%)</b>
<b>30+</b>	<b>2.85%</b>	<b>*€1,425 per year (€50,000 x 2.85%)</b>

\*For the purpose of illustration, this example is assuming no redemption payments are made towards the equity share to reduce the original equity amount. The above figures also 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.

# FEES AND CHARGES

## How can I pay the service charge?

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

**Note:** there is no additional cost to deferring the service charge, but it will continue to accrue against your account, and you will need to pay it at a later date.

## Do I have to pay the service charge?

Yes, but you can choose to defer the payments when they become payable on year six. If you choose to defer, please be aware that the service charge will accrue in the background and this balance must be paid:

- if you want to fully redeem the equity share
- if the property is sold
- if you move to a non-Participating Lender
- if the Homeowner dies (or, in the case of joint applications, the last applicant dies)
- if the property is no longer your Principal Private Residence

## Are there other fees and costs associated with the FHS?

A legal agreement with the FHS will need to be put in place in the same way that a legal agreement will be put in place for the mortgage loan facility. You will need to engage a solicitor who will provide independent legal advice and who will arrange for the completion of the required documentation. You should check with your solicitor what their fees and charges are for these services.

We strongly recommend that you also obtain independent financial advice, and there may be a cost associated with this. Please ensure that you discuss potential fees with your financial advisor before proceeding.

Should you want to partially redeem or fully redeem your equity facility, you are required to provide a valuation of your property from an FHS Approved Valuer and cover the cost of this valuation. The valuation will then be valid for a period of 12 months.

You may choose to engage an estate agent if you are selling the property. They will charge you a fee for that service.

## Who is responsible for Stamp Duty on a property purchased through the FHS?

The homebuyer is responsible for Stamp Duty costs.

## Who is responsible for Local Property Tax on a property purchased through the FHS?

The homebuyer is responsible for Local Property Tax costs.



# REDEEMING YOUR EQUITY SHARE

## What are the rules around buying out the equity share?

- if you wish to make a partial redemption against your equity share, this must be a minimum of 5% of the original equity amount. This minimum amount will not vary over the life of the equity facility
- only two partial redemptions are permitted in any 12-month period
- a valuation from an FHS Approved Valuer is required before a redemption quote can be provided or redemption payment can be accepted. The valuation is valid for 12 months
- from year six, if you are redeeming the equity share in full, all accrued unpaid service charges must also be paid in full

## How do I request a redemption quote or redemption?

You can request a redemption quote through the FHS customer portal or by contacting the FHS contact centre on 0818 275 662.

## Do I have to redeem the equity share all at once or can I make a partial redemption?

The FHS allows for partial redemptions on your equity share. Up to two partial redemptions can be accepted in any 12-month period.

## Are there any rules applicable to the FHS that mean I must redeem the equity share in full?

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 the Homeowner dies (or, in the case of joint applications, the last applicant dies)

The events above will be referred to as 'realisation events' in your Customer Contract.

## Do I need to provide any supporting documents when asking for a redemption quote or if I want to proceed with buying out the equity share?

Before a redemption quote can be provided, a valuation report from an FHS Approved Valuer will need to be submitted. Information on how to go about doing this is available on our website.

Should you wish to proceed with a redemption payment, additionally (and in order to comply with anti-money laundering requirements) you must submit:

- proof of ID (valid for at least the next six months)
- proof of address (valid for at least the last six months)
- documentation to support your source of funds. This could be any/all of the following:
  - bank statements for 12 months to support savings
  - a letter from your parent or third-party if you are receiving a gift
  - a letter from your solicitor if you have recently received an inheritance
  - a Contract for Sale if you are in the process of selling your property
  - proof of sale of an unencumbered asset
  - any other details that we may require as proof of funds

# REDEEMING YOUR EQUITY SHARE

## Is a valuation required before I can proceed with a quote or redemption?

Yes. An up to date valuation from an FHS Approved Valuer is a mandatory requirement before proceeding with a redemption process.

## How do I arrange a valuation?

You can arrange a valuation with an FHS Approved Valuer through the FHS customer portal.

## Who pays for the valuation?

The customer pays for the valuation. The cost of this valuation is payable before the FHS Approved Valuer completes the property inspection.

## Can changes in the market affect the value of the equity share?

Yes. 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.**

## If the market value of the property increases, does this mean I have to pay more back?

The equity share percentage that the FHS has in your property is based on the market value of the property when it is purchased. If property prices increase, the percentage equity you have to redeem will remain the same but **the € amount will increase.**

For example:

Property purchase in August 2022

<b>Property purchase price</b>	<b>€300,000</b>
<b>Equity share amount</b>	<b>€30,000</b>
<b>Equity share percentage</b>	<b>10%</b>

Same property, valued in January 2025

<b>Property valuation</b>	<b>€350,000</b>
<b>Original equity share percentage</b>	<b>10%</b>
<b>New equity share amount</b>	<b>€35,000</b>

Please note: this example does not take service charges into account and assumes no partial redemptions have taken place since the equity share was provided.

## What happens if the property value falls?

If your property value falls, the percentage equity you have to redeem will remain the same but **the € amount will decrease.**

For example:

Property purchase in August 2022

<b>Property purchase price</b>	<b>€300,000</b>
<b>Equity share amount</b>	<b>€30,000</b>
<b>Equity share percentage</b>	<b>10%</b>

Same property, valued in January 2025

<b>Property valuation</b>	<b>€280,000</b>
<b>Original equity share percentage</b>	<b>10%</b>
<b>New equity share amount</b>	<b>€28,000</b>

Please note: this example does not take service charges into account and assumes no partial redemptions have taken place since the equity share was provided.

# REDEEMING YOUR EQUITY SHARE

## What happens if I extend my home, adding value to it?

If you complete a material alteration to your property that increases its current market value, any such increase in value will be excluded from the market value of the property for valuation purposes.

## What is classed as a material alteration?

Material alterations are defined as works that add additional living accommodation to the property, adapt the property to provide for access and use by a person with a disability, or upgrade the Building Energy Rating ('BER') of the property by two or more BER Ratings.

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 internal property layout, such that the property is adapted to provide for access and use by a person with a disability such as:
  - access changes such as 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 energy efficiency of the home, resulting in the BER rating of the property improving by two or more BER ratings

## I don't agree with the valuation provided for my property. What can I do?

**Contact the FHS.** Our agents will provide information on how to arrange a second valuation on your property by another FHS Approved Valuer. The cost of this valuation will be shared 50:50 between you and the FHS.

## If I am still not happy with the second valuation given, what are the next steps?

If you do not accept the second valuation, then the FHS will ask the Society of Chartered Surveyors Ireland (SCSI) to nominate an independent qualified arbitrator, who will adjudicate on the value of the property and whose finding will be binding on both parties. The cost of this arbitration will be shared 50:50 between you and the FHS.

## Once the equity share is cleared in full, who will release the FHS inhibition registered on the title to my property?

Your solicitor will complete the necessary steps required to release the Inhibition.

# MANAGING THE EQUITY SHARE

## Can I top up my equity share?

No, the equity share is provided to help bridge the shortfall on your property by another FHS Approved Valuer.

## Can I avail of an FHS top up to carry out essential maintenance or other necessary alterations to my home e.g. to construct a wheelchair accessible bathroom?

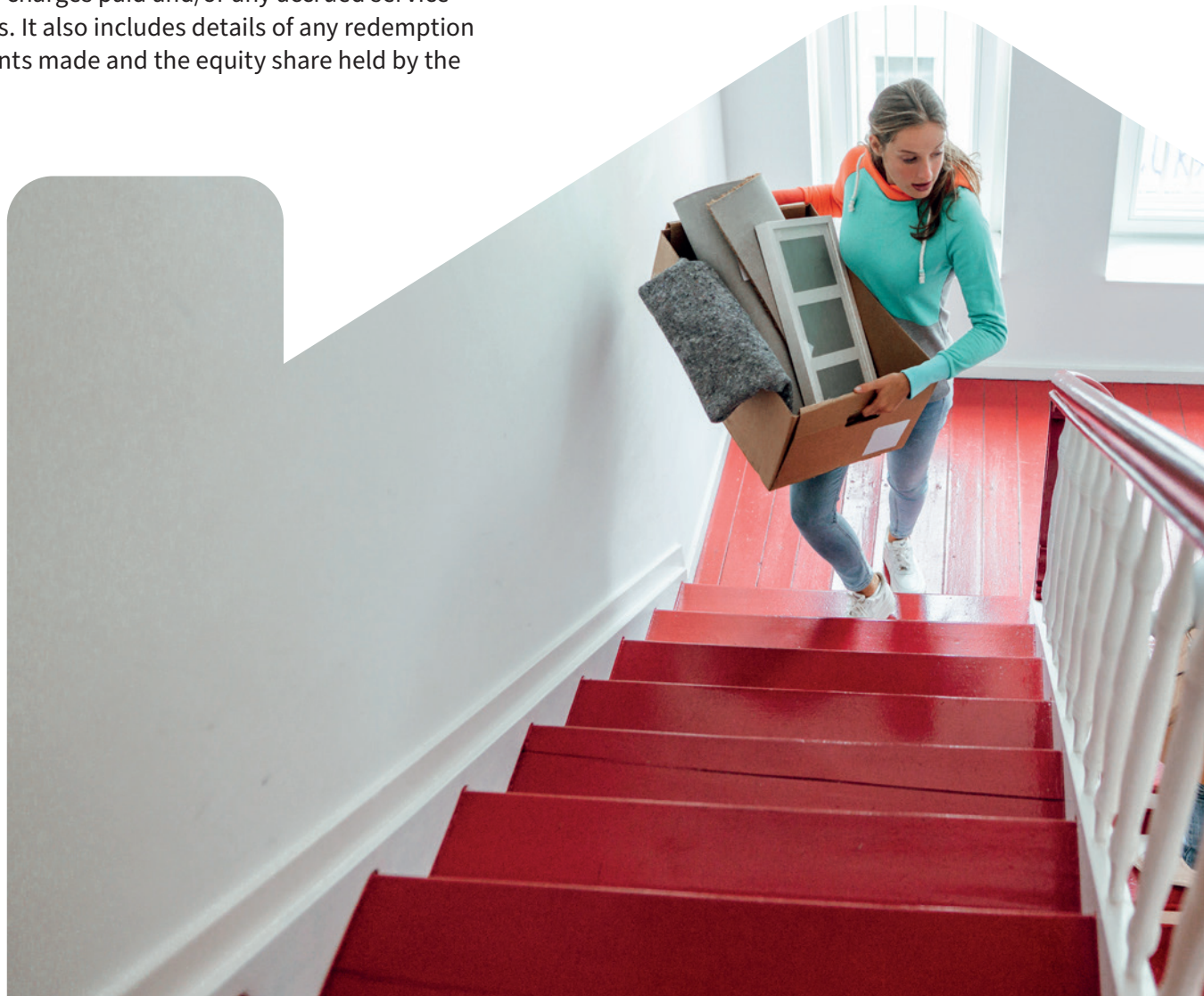
The FHS does not provide top ups as funds are provided to assist with home purchase only.

## Will I get an annual statement on my equity share?

Yes. The annual statement includes details of service charges paid and/or any accrued service charges. It also includes details of any redemption payments made and the equity share held by the FHS.

## Can I add a party to or remove an existing party from my equity facility after I have received the funds?

Yes. At least one of the customers on the existing equity facility must stay the same and must remain living in the property as their Principal Private Residence.



# MORTGAGE TOP UPS

## **I am considering applying to my Participating Lender for a Mortgage top-up. Do I have to notify the FHS of this?**

Yes, 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.

## **Why would the FHS object to my Mortgage Top-up?**

The FHS may object to a top up application for one of two reasons:

1. If the top up has been sought for a purpose other than one of those listed as acceptable on our website [www.firsthomescheme.ie](http://www.firsthomescheme.ie)
2. If you will not meet the FHS' requirement for you to retain an equity interest of at least 10% of your home's estimated open market value post top up.

# SWITCHING MY MORTGAGE

## What is Switching?

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

## I am considering switching my mortgage. Do I have to notify the FHS of this?

Yes, you must notify the FHS of your intention to switch your mortgage through the FHS customer portal.

## What are the FHS rules in relation to mortgage switching?

The FHS switching rules are as follows:

- if switching to another 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 are switching to another Participating Lender and borrowing more money against your property (mortgage top up), you must retain at least 10% equity in your home post top up



# SELLING OR RENTING OUT MY HOME

## **What happens if I want to sell my home?**

Under your Customer Contract, you are required to contact the FHS if you are considering selling your property.

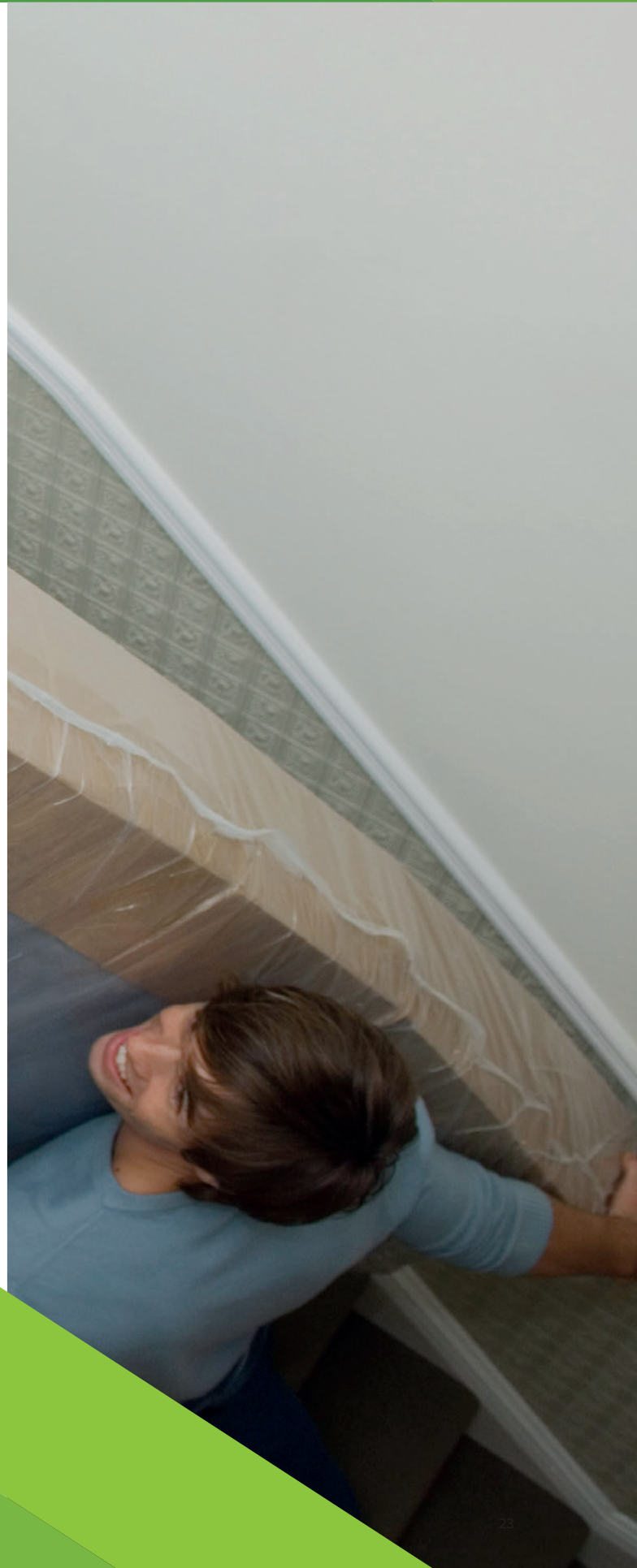
The equity share and all outstanding service charges must be repaid in full on the sale of the property.

## **What if I want to rent out my home?**

Under your Customer Contract, you are required to contact the FHS if you rent out your property. The FHS is provided to homebuyers who intend to make the property their Principal Private Residence, so renting out the property once purchased is not permitted. If you do rent out your home, you will be required to clear the equity share and any outstanding service charges in full.

## **My home is my Principal Private Residence. However, I want to rent out a room. Is this permitted under the FHS?**

Yes, this is permitted if you continue to live in the property and it remains your Principal Private Residence.



# GLOSSARY

Term	Description
<b>Anti-money Laundering (AML)</b>	Anti Money Laundering is a combination of all the laws, regulations and procedures aimed at uncovering efforts to disguise illicit funds as legitimate income
<b>Certificate of Title</b>	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
<b>Customer Contract</b>	This is the formal legal contract between you and the FHS
<b>Declaration</b>	This is the act of making an official statement
<b>Defer</b>	Service Charge payments due on your account can be temporarily paused
<b>Eligibility Certificate</b>	<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>
<b>Eligible homebuyer</b>	<p>Either:</p> <ul style="list-style-type: none"> <li>• a first-time buyer OR</li> <li>• 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</li> <li>• 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</li> </ul>
<b>Equity facility</b>	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
<b>Equity share</b>	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
<b>First-time buyer</b>	<p>A first-time buyer (FTB) is defined as:</p> <ul style="list-style-type: none"><li>• a person who has not previously purchased or built a dwelling in the Republic of Ireland for his or her occupation, and,</li><li>• does not own or is not beneficially entitled to an estate or interest in, any dwelling in the Republic of Ireland or elsewhere and,</li><li>• has a right to reside in the Republic of Ireland</li></ul>
<b>Form of Inhibition</b>	<p>The Land Registry Form called “Form 77” which the owner of the property must sign to register the Inhibition over the property</p>
<b>Help to Buy Scheme</b>	<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>
<b>Inhibition</b>	<p>A restriction by an owner of a property from dealing in the property (e.g. selling the property) without FHS’s consent</p>
<b>Inhibition Consent Form</b>	<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>
<b>Macro-Prudential Exception (MPE)</b>	<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>
<b>Mortgage Approval in Principle (AIP)</b>	<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

<b>Term</b>	<b>Description</b>
<b>Mortgage Letter of Offer</b>	The formal document issued by a Participating Lender to a customer that confirms mortgage approval for a property – usually subject to preconditions being satisfied
<b>Non-Participating Lender</b>	An authorised mortgage lender who is not currently a shareholder in the FHS
<b>Principal Private Residence</b>	<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"><li>• you couldn't live in the property because your employer required you to live elsewhere (up to a four-year maximum)</li><li>• you had a job, where all the duties were performed outside the Republic of Ireland</li><li>• your PPR remained unoccupied, and you were either:<ul style="list-style-type: none"><li>- receiving care in a hospital, nursing home or convalescent home</li><li>- resident in a retirement home on a fee-paying basis</li></ul></li></ul>
<b>Property price ceiling</b>	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
<b>Redemption Payment</b>	This is a payment made by you to reduce/repay the amount you owe
<b>Service charge</b>	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
<b>Solicitor's Undertaking</b>	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
<b>Waiving</b>	If you waive your right to something, for example legal representation, you choose not to have it or do it
<b>Welcome Letter</b>	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](http://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](mailto: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.