



Your Guide To The First Home Scheme



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.

Please Note: This guide is for information only.

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.



Equity Share

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	€375,000
Mortgage available from Participating Lender (up to 3.5x salary)	€245,000
Deposit	€35,000 (10% of purchase price)
Shortfall	€70,000

Outcome

The FHS could help you meet the shortfall by taking a 20% 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.

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.

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



Rialtas na hÉireann
Government of Ireland



A man and a woman are celebrating in a new home. The man is kneeling on the floor, holding a cardboard box, and the woman is standing next to him, also holding a cardboard box. They are high-fiving each other. The room is bright and modern, with a blue armchair and a large green plant in the background. A red and white geometric graphic is overlaid on the left side of the image.

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 processes 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 3.5x 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 only available for newly built houses or apartments in a private development in the Republic of Ireland. No other building types are 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.

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).
- 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 Property Type 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.

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. The property price ceilings are as follows:

Local authority area

Apartment price ceiling

Meath County

Westmeath County

€375,000

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.



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.

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.

The Application 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.

You need to maintain adequate building insurance for the property as set out under your Participating Lender's Mortgage Letter of Offer.

Get In Touch



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

For all advice on buying a New Home speak to our New Homes Sales Team.



**38 Watergate Street, Navan,
Co. Meath C15 PT8X**



(046) 9027 666



raymondpotterton.com