



FIRST
HOME
SCHEME

Supporting Home Ownership



Your guide to the
First Home Scheme

PLEASE NOTE: This guide is for information only.

WARNING: We strongly recommend you seek independent financial and legal advice if applying for a First Home Scheme 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 examples in the case of a price increase below:

Example 1: Home Purchase (private development)

Customer purchases a property for €350,000, availing of €35,000 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 €400,000. As the FHS Equity Share is unchanged at 10%, you will now need €40,000 plus any accrued service charges payable, to redeem the FHS Equity Share in the home.

Example 2: Self-build (own site)

Customer owns a site valued at €100,000 and builds a house on that site at a cost of €300,000. Customer avails of €30,000 from the First Home Scheme (FHS) which means the FHS has a 10% FHS Equity Share in your house built on the site.

Sometime in the future you decide to buy out the FHS Equity Share. The property, including both house and original site is now valued at €500,000. At the time of build, the site value represented 25% of the total value of the home (i.e. €100,000) and this 25% will now be discounted from the current value before calculating the FHS equity amount to be redeemed (€500,000 less current site value of €125,000, equals €375,000). As the FHS Equity Share is unchanged at 10%, you will now need €37,500 (10% of €375,000) 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.

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INTRODUCTION

Buying or building a home 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 or building your first home, and the First Home Scheme (FHS), may be able to help.

The FHS offers three products to customers to help them bridge their funding gap:

1. New Build Product

Helping eligible ***First-time buyers*** to purchase their new home in a ***private development*** anywhere in the Republic of Ireland.

2. Self-build Product

Supporting eligible self-builders to build their first home on their own site anywhere in the Republic of Ireland.

3. Tenant Home Purchase Product

Helping eligible tenants who have received a ***Notice of Termination*** (NOT) from their landlord and are looking to purchase the home they are currently renting anywhere in the Republic of Ireland.

Throughout this guide, you'll discover what the Scheme offers, and learn more about the eligibility criteria and application process.

Product specific examples can be found in the supporting product guides.

Definitions for words in ***bold italics*** can be found in the glossary on page 32-35.



WHAT IS THE **FIRST HOME SCHEME?**

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

It is available to individuals in the Republic of Ireland who want to:

- Purchase a newly built house or apartment in a private development
- Build their own home on a site they own or are purchasing
- Purchase the house or apartment they are currently renting and residing in, having received a Notice of Termination from their landlord, as the landlord is putting the property on the market

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 or built.

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/build cost	€350,000
Mortgage available from Participating Lender (up to 4x salary)	€280,000
Deposit (equity in own site can form part of deposit)	€35,000 (10% of purchase price/build cost)
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/build cost 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, though certain events will mean it must be paid back in full, to include any outstanding service charges. More information can be found on page 25.

Unlike a mortgage or personal loan, there will be no fees or charges applied to your equity facility

for the first five years. From the start of year six following the drawdown of your FHS Equity Facility, 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 21.

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 26.

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. 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 PTSB.

The Participating Lenders, along with the Department of Housing, Local Government and Heritage, are the shareholders in 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,
- Be a first-time buyer, who is defined as a person who:
 - Has not previously purchased or built a dwelling in the Republic of Ireland or elsewhere for his/her/their 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 (this excludes ownership of farmland or a site for the Self-build product), and
 - Has a right to reside in the Republic of Ireland
- Have a Mortgage Approval with a Participating Lender,
- Borrow the maximum mortgage amount available to you from one of the Participating Lenders (up to 4x your income),
- Not be availing of a Macro Prudential Exception (MPE) with a Participating Lender,
- Have a minimum deposit of 10% of the property purchase price/build cost (for self-builds, equity in your site can contribute to your deposit)

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

- 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

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

All applications are subject to additional screening processes including anti-money laundering, fraud and terrorist screening, criminal conviction data searches and adverse media searches. FHS may at its sole discretion reject an application if the FHS does not consider you as a suitable applicant.

PROPERTY RULES

- The FHS is available in the Republic of Ireland for:
 - newly built houses and apartments in a private development
 - self-build homes on a site that is owned or is being purchased
 - houses and apartments currently being rented where a Notice of Termination has been served by the landlord, as the landlord is putting the property on the market and the tenant now wishes to buy the property
- The FHS is only available for properties intended as the homebuyer's **Principal Private Residence**
- The FHS is subject to **property 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
- For the purposes of the FHS, apartments are defined as own door units opening into an internal enclosed common area. All other property types are defined as houses
- The FHS is available where a property has been completed and made habitable within the last 3 years but never previously lived in. This qualifies as a 'new build' property under the Scheme

How much funding can the First Home Scheme provide?

- The FHS can fund up to 30% of the purchase price/build cost 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 at [Revenue \(www.revenue.ie\)](http://www.revenue.ie) and examples can be found on pages 13 - 17
- The minimum equity share is 2.5% of the property purchase price/build cost, or €10,000, whichever is higher

Example

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

ABOUT PROPERTY **PRICE CEILINGS**

The First Home Scheme allows you to purchase a qualifying house or apartment in a private development or to build a house on your own site. Property price ceilings per local authority area apply to houses, apartments, and self-builds. In some local authority areas, the property price ceilings for houses and apartments differ.

In order to qualify for the FHS, the purchase price of your property or the cost of your self-build must be equal to or below the property price ceiling for the local authority area in which the property or site on which you wish to build is located.



HOW DO LOCAL AUTHORITY AREA PRICE CEILINGS WORK?

The example below relates to the New Build and Tenant Home Purchase products.

Example one:

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

Qualifying homebuyers are eligible for the FHS as the property purchase price is within the local authority area price ceiling.

The example below relates to the Self-build product.

Example two:

Build cost	€550,000
Property type	House
Price ceiling	€425,000
Outcome	Not eligible

Qualifying homebuyers are not eligible for the FHS as the build cost exceeds the local authority area price ceiling. However, they could look to build a property in this area at a lower build cost 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 or build cost of your new home.

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

The examples below relate to the New Build and Tenant Home Purchase products.

Example one: single first-time buyer

Homebuyer	Never owned a property (first-time buyer)
Salary	€45,000
Property purchase price	€300,000
Mortgage available from Participating Lender (up to 4x salary)	€180,000
Deposit	€30,000 (10% of purchase price)
Outcome	Eligible for the FHS, as the shortfall is €90,000 (30% of the property purchase price)

Example two: 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	€60,000
Property purchase price	€450,000
Mortgage available from Participating Lender (up to 4x salary)	€240,000
Deposit	€45,000 (10% of purchase price)
Outcome	Not eligible for the FHS, as the shortfall is €165,000 (36.67% of the property purchase price)



The examples below relate to the Self-build product

Example three: building your home, single first-time buyer/builder

Homebuilder	Never owned a property (first-time builder)
Site	Owns a site
Salary	€65,000
Build Cost	€400,000
Mortgage available from Participating Lender (up to 4x salary)	€260,000
Deposit (own site can form part of deposit which must be a min of 10% of build cost)	€40,000
Outcome	Eligible for the FHS, as the potential shortfall is €100,000 (25% of the build cost)

Example four: building your home, both first-time buyers/builders

Homebuilder one	Never owned a property (first-time builder)
Homebuilder two	Never owned a property (first-time builder)
Site	Owns a site
Joint salary	€65,000
Build Cost	€450,000
Mortgage available from Participating Lender (4x salary)	€260,000
Deposit (own site can form part of deposit which must be a min of 10% of build cost)	€45,000
Outcome	Not eligible for the FHS, as the potential shortfall is €145,000 (32.22% of the build cost)



WHEN YOU ARE USING HELP TO BUY

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

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

The examples below relate to the New Build product.

Example one: 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	€90,000
Property purchase price	€450,000
Mortgage available from Participating Lender (up to 4x salary)	€360,000
Savings/gift (deposit)	€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)	€240,000
Help to Buy (part deposit)	€30,000
Savings (part deposit)	€15,000
Outcome	Not eligible for the FHS, as the shortfall is €165,000 (36.67% of the property purchase price)

The examples below relate to the Self-build product.

Example three: building your home, both first-time buyers/builders, using Help to Buy

Homebuilder one	Never owned a property (first-time builder)
Homebuilder two	Never owned a property (first-time builder)
Site	Owns a site
Joint salary	€90,000
Build cost	€450,000
Mortgage available from Participating Lender (up to 4x salary)	€360,000
Help to Buy (part deposit)	€30,000
Savings/gift (part deposit) (own site can form part of the deposit which must be a min of 10% of build cost)	€15,000
Outcome Eligible for the FHS, as the potential shortfall is €45,000 (10% of the build cost)	

Example four: building your home, single first-time buyer/builder, using Help to Buy

Homebuilder	Never owned a property (first-time builder)
Site	Owns a site
Salary	€55,000
Build cost	€350,000
Mortgage available from Participating Lender (up to 4x salary)	€220,000
Help to Buy (part deposit)	€30,000
Savings/gift (part deposit) (own site can form part of deposit which must be a min of 10% of build cost)	€15,000
Outcome Not eligible for the FHS, as the shortfall is €85,000 (24.29% of the build cost)	

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 the specific property address (for new builds) or the site address (for self-builds) at this stage, however you'll need to know the purchase price/build cost and the local authority area you're looking to buy/build 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 (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 license)
- 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)
- A copy of your Notice of Termination (if you are a tenant looking to purchase the home you are currently renting)
- Estimated build costs if you are looking to self-build your home



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. The amount we will provide will depend on the funding gap between your deposit, mortgage and the price/build cost of your new home and, therefore, may be less than the maximum amount indicated on the 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.



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.

For self-builds, this will include certified build costs from a qualified architect, engineer, or quantity surveyor and a certified valuation as instructed by your Participating Lender.

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.



Getting your new home

The signed Customer Contract, and all declarations and forms should be returned by your solicitor to **First Home Scheme, Block C Maynooth Business Campus, Maynooth, Co. Kildare W23 F854** before you can draw down your FHS Equity Facility.

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**.

For self-builds, in order to draw down the FHS Equity Facility, your solicitor must confirm your Participating Lender has released their first stage payment and you must provide a Certified Property Report to confirm works complete and to be completed. At least 50% of the works for which FHS funding is required must be certified as complete in order to draw down the FHS Equity Facility.

Once your self-build is complete, you will need to submit a final valuation, a Certificate of Compliance and Certified Final Build Costs to the FHS.

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.

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

Finally, it's also important you maintain adequate building insurance for the property at all times to include scenarios where the mortgage has been repaid, as set out under your Participating Lender's Mortgage Letter of Offer.

CHANGES AFTER YOUR APPLICATION IS SUBMITTED

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/built 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 redemption 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 (including for self-build overruns) 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 following the drawdown of your FHS Equity Facility 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 22.

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 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/built a home for €400,000 and the equity share was €50,000 or 12.5% of the property purchase price/build cost.

Service charge calculation, no redemption payments made	
Original property purchase price/build cost	€400,000
Original FHS Equity Share percentage	12.5%
Current FHS Equity Share percentage	12.5%
Original FHS equity share amount	€50,000
Annual Service Charge Rate, year six	1.75%
Service Charge in year six	€875

As you can see in the above example, the service charge for year six equals (original property purchase price/build cost 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 €72.92 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 tables below 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 26 for more information.

The example below relates to the New Build and Tenant Home Purchase products.

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%
Service Charge in year six	€832.30

As you can see, in the example above, the service charge for year six 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 11.89%) x 1.75%) = €832.30 per year.

If no further redemption payments are made, your service charge would look like the following over a 35-year period:

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.

The example below relates to the Self-build product.

Service charge calculation, redemption payment made	
Build cost	€400,000
Site Value	€100,000
Total Value (Build+Site Value)	€500,000
Site Value as % of Total Value	(€100k/€500k) 20%
Original FHS Equity Share amount	€50,000
Original FHS Equity Share percentage	12.5% (€50,000/€400,000)
Updated property valuation (Build+Site Value)	€510,000
Redemption payment	€2,500
Redemption percentage	0.61% (€2,500/(€510,000-(€510,000*20%)))
Updated current FHS Equity Share percentage	11.89% (12.5%-0.61%)
Annual Service Charge Rate, year six	1.75%
Service Charge in year six	€832.30

As you can see, in the example above, the service charge for year six would be (original build cost multiplied by the updated current FHS Equity Share) multiplied by (annual service charge rate, year six) which is ((€400,000 x 11.89%) x 1.75%) = €832.30 per year.

If no further redemption payments are made, your service charge would look like the following over a 35-year period:

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 fully or partially redeeming the equity share e.g valuation fees.

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)

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



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 (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 (no more than six months old)
- 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 (proof of source of funds for a gift will be required where the gift is greater than €5,000)
 - 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 or proof of sale of an unencumbered asset
 - Any other details that we may require as proof of funds

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. A property valuation is undertaken by an independent, FHS Approved Valuer.

For the New Build and Tenant Home Purchase products, repayments can be made against the equity share within the first six months with no requirement for a new valuation.

For full or partial redemptions 6 months after drawdown, an updated valuation is required for redemption calculations.

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

For the Self-build product, if a full redemption is made pre-completion and within the first 24 months after drawdown, the redemption amount will be the amount originally drawn down.

An updated valuation is required if you are redeeming your equity share more than 24 months post FHS equity drawdown (or once the build of your home is complete).

REDEEMING THE EQUITY SHARE

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. For self-builds, partial redemptions are not permitted until the build of your home is complete.

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 23.

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.

For examples relating to each specific product, please see the relevant product guide.

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 examples in the case of a price increase below:

Example 1: Home Purchase (private development)

Customer purchases a property for €350,000, availing of €35,000 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 €400,000. As the FHS Equity Share is unchanged at 10%, you will now need €40,000 plus any accrued service charges payable, to redeem the FHS Equity Share in the home.

Example 2: Self-build (own site)

Customer owns a site valued at €100,000 and builds a house on that site at a cost of €300,000. Customer avails of €30,000 from the First Home Scheme (FHS) which means the FHS has a 10% FHS Equity Share (of build cost) in your house built on the site. Sometime in the future you decide to buy out the FHS Equity Share. The property, including both house and original site is now valued at €500,000.

At the time of build, the site value represented 25% of the total value of the home (i.e. €100,000) and this 25% will now be discounted from the current value before calculating the FHS equity amount to be redeemed (€500,000 less current site value of €125,000, equals €375,000). As the FHS Equity Share is unchanged at 10%, you will now need €37,500 (10% of €375,000) plus any accrued service charges payable, to redeem the FHS Equity Share in the home.

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 or partially 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 fully or partially 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 form part of the valuation 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 home improvements.

Customers who have an equity facility with the FHS can apply for a mortgage top-up with their 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 your Participating Lender, and the FHS must confirm that it does not object to the mortgage top up as part of the mortgage top-up application process.

You can notify the FHS of your intention to top up your mortgage by completing a Mortgage Top Up Notification form which can be accessed through the FHS customer portal and providing us with supporting documentation (if required).

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 see 'Switching Your Mortgage' (page 30) for more information on the steps involved in this process.

Customers who are topping up to pay for a self-build cost overrun, should see the "Cost Overrun/Underrun" section in the Self-build product guide.

FHS criteria for mortgage top ups

The FHS will need to review any request for a mortgage top-up and has the right to object/not object to any such request. In order for the FHS to provide confirmation of no objection to the top-up, it must meet the following criteria:

- 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

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.

You must notify the FHS of your intention to switch your mortgage by completing the Mortgage Switching Notification form which can be accessed through the FHS customer portal on our website and providing us with supporting documentation (if required).

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
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 and minimum equity amount 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 marriage, civil partnership or relationship has ended, and who does not retain beneficial ownership in a family home OR • a person who has sold (or divested of) a 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/built
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 purchase price/build cost of the property if you use the Help to Buy Scheme, or 30% of the purchase price/build cost 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 or elsewhere 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
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 or build 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 price/build cost</p>
Macro-Prudential Exception (MPE)	<p>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. Under CBI rules banks and other lenders have the discretion to lend a certain amount above these limits. This is known as a macro-prudential 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>
Mortgage Letter of Offer	<p>The formal document issued by a Participating Lender to a customer that confirms mortgage approval for a property – usually subject to preconditions being satisfied</p>
Non-Participating Lender	<p>An authorised mortgage lender who is not currently a shareholder in the FHS</p>

GLOSSARY

Term	Description
Notice of Termination	A Notice of Termination (NOT) is a written notice served by a landlord on their tenant and meeting all of the requirements of a Notice of Termination as outlined by the Residential Tenancies Board (RTB).
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
Private development	A private development consists of houses or apartments built by a third party for private purchase
Property price ceiling	When buying a property using the FHS, it's important to note that there is a maximum property purchase price/build cost for each local authority area – this is the property price ceiling. Any property purchased or built 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 to the FHS

Term	Description
Service charge	The service charge is chargeable to the customer from the start of year six following the drawdown of the FHS Equity Facility. It is used to pay for services related to the provision, maintenance, and servicing of the equity facility
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 a First Home Scheme product.

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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.



**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 email us at info@firsthomescheme.ie
or call us on 0818 275 662*

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

First Home Scheme Ireland DAC is a Designated Activity
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