



STATUTORY INSTRUMENTS.

S.I. No. 701 of 2021



HOUSING LOANS REGULATIONS
2021

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I, DARRAGH O'BRIEN, Minister for Housing, Local Government and Heritage, in exercise of the powers conferred on me by section 11 of the Housing (Miscellaneous Provisions) Act 1992 (No. 18 of 1992), as adapted by the Housing, Planning, and Local Government (Alteration of Name of Department and Title of Minister) Order 2020 (S.I. No. 408 of 2020) and (pursuant to the Finance (Transfer of Departmental Administration and Ministerial Functions) Order 2011 (S.I. No. 418 of 2011)) with the consent of the Minister for Public Expenditure and Reform, hereby make the following regulations:

Citation and commencement.

1. (1) These Regulations may be cited as the Housing Loans Regulations 2021.

(2) These Regulations come into operation on 4 January 2022.

Definitions

2. (1) In these Regulations—

“Act of 1992” means Housing (Miscellaneous Provisions) Act 1992 (No. 18 of 1992);

“Act of 2009” means Housing (Miscellaneous Provisions) Act 2009 (No. 22 of 2009);

“Act of 2014” means Housing (Miscellaneous Provisions) Act 2014 (No. 21 of 2014);

“Act of 2021” means Affordable Housing Act 2021 (No. 25 of 2021);

“applicant” means a person who applies for a housing loan on his or her own or 2 or more persons who apply for a housing loan together;

“Credit Policy Guidelines” means Housing Loans (Credit Policy) Guidelines 2021 made under section 5 of the Act of 2009;

“dwelling” has the meaning assigned to it by section 4 of the Act of 2021;

“housing loan” means the amounts advanced by a housing authority, or the total sum of amounts advanced by a housing authority, to a borrower which are or are to be secured by way of a legal charge on a property;

“market value” in relation to a dwelling, means the price for which the dwelling might reasonably be expected to be sold on the open market for the estate purchased by the applicant, freed and discharged of any mortgage or, as determined by the housing authority concerned;

“purchase price” in relation to a dwelling, means the price of the dwelling determined by the housing authority making a housing loan in respect of it;

“value” means—

- (a) in the case of an existing or new dwelling, the market value of the dwelling, or
- (b) in the case of a dwelling being constructed, the amount, which in the opinion of the housing authority represents the reasonable cost (including all reasonable incidental expenses) of building the dwelling and the value of the interest of the borrower in the site thereof, and “valuation” shall be construed accordingly.

Application

3. These Regulations apply to the making of housing loans by housing authorities, in accordance with Credit Policy Guidelines, to applicants for the purchase or construction of dwellings occupied or to be occupied by the applicants.

Limitations as to dwellings

4. A housing authority may make a housing loan only in respect of a dwelling within the State, the market value of which does not exceed, where the dwelling is situated —

- (a) in the county of Cork, Dublin, Galway, Kildare, Louth, Meath or Wicklow, €320,000, or
- (b) in any other county, €250,000,

other than —

- (i) the purchase of a dwelling under section 90 of the Housing Act 1966 (No. 21 of 1966),
- (ii) the sale of a dwelling to an eligible household under Part 3 of the Act of 2009,
- (iii) the purchase of an apartment by a tenant under Part 4 of the Act of 2009,
- (iv) the sale of a house to a tenant under Part 3 of the Act of 2014, or
- (v) the purchase of a dwelling under an affordable dwelling purchase arrangement under Part 2 of the Act of 2021,

where purchased for an amount lower than, where the dwelling is situated —

- (I) in the county of Cork, Dublin, Galway, Kildare, Louth, Meath or Wicklow, €320,000, or
- (II) in any other county, €250,000.

Applications for housing loans

5. (1) An application for a housing loan shall be made in such manner and form as the housing authority may require.

(2) Where a person who wishes to apply for a housing loan is —

- (a) married,
- (b) in a civil partnership, or
- (c) in an intimate and committed relationship with a partner with whom he or she intends to reside in the dwelling he or she wishes to purchase,

he or she may not apply to a housing authority for a housing loan on his or her own but shall make any such application together with his or her spouse, civil partner or partner, as the case may be.

Amount of loans

6. The amount of a housing loan shall not exceed—

- (a) where the dwelling is situated —
 - (i) in the county of Cork, Dublin, Galway, Kildare, Louth, Meath or Wicklow, €288,000, or
 - (ii) in any other county, €225,000, and
- (b) where the purchase price of the dwelling —
 - (i) is not set by a housing authority, 90 per cent of the value of the dwelling, or
 - (ii) is set or agreed by a housing authority —
 - (I) 90 per cent of the purchase price of the dwelling, or
 - (II) in respect of the sale of a house under section 25(1) of the Act of 2014 which is the subject of a direction given to a housing authority under section 24(3) of the Act of 2014 regarding the reckonable income of the tenant purchasing the house, 100 per cent of the price that the house is sold,

whichever is the lesser.

Eligibility criteria

7. (1) An applicant shall only be eligible for a housing loan if—

- (a) the combined gross income of all of the persons making the application, determined in accordance with Credit Policy Guidelines, does not exceed—
 - (i) where the applicant is one person and the dwelling is situated in the county of Cork, Dublin, Galway, Kildare, Louth, Meath or Wicklow, €65,000 per annum,

- (ii) where the applicant is one person and the dwelling is situated in any county other than Cork, Dublin, Galway, Kildare, Louth, Meath or Wicklow, €50,000 per annum, or
- (iii) where the applicant is two or more persons, €75,000 per annum;
- (b) subject to paragraphs (3), (4) and (5) none of the persons making the application has previously purchased or built a dwelling in the State for his or her occupation;
- (c) each of the persons making the application has a right to reside in the State;
- (d) each of the persons making the application is 18 years of age or older and not older than 70 years of age;
- (e) the dwelling being purchased will be the normal place of residence of each of the persons making the application;
- (f) each of the persons making the application is not a borrower in receipt of any other housing loan made to them under section 11 of the Act of 1992.

(2) Where—

- (a) any of the persons making an application previously purchased or built a dwelling in the State, for his or her occupation, together with a spouse, a civil partner or a person with whom he or she was in an intimate and committed relationship,
- (b) the marriage, civil partnership or relationship concerned has ended, and
- (c) the person is now applying to purchase a dwelling on his or her own or with a different person,

the previous purchase or building of the dwelling concerned shall not render the applicant ineligible for a housing loan.

(3) For the purposes of paragraph (2) a marriage is deemed to have ended when it is the subject of a decree of judicial separation, divorce or nullity and a civil partnership is deemed to have ended when it is the subject of a decree of dissolution or nullity.

(4) Where any of the persons making an application previously purchased or built a dwelling in the State for his or her occupation but that person demonstrates to the satisfaction of the housing authority assessing the eligibility of the applicant that he or she has sold, or has been divested of, that dwelling as part of a personal insolvency or bankruptcy arrangement or proceedings or other legal process consequent upon insolvency, then the previous purchase or building of the dwelling concerned shall not render the applicant ineligible for a housing loan.

Repayment period

8. Unless otherwise agreed by the housing authority, a housing loan shall be repaid within such period not exceeding 30 years from the date of the making of the housing loan or, in the case of housing loans for the construction of new dwelling where the housing loan is made by instalments, from such date not later than the date of the payment of the final instalment as may be determined by the housing authority making the loan.

Manner of repayment

9. Housing loans shall be repaid by an annuity of principal and interest combined and all payments shall be made at monthly intervals.

Interest rates

10. The rate of interest on a housing loan shall be such rate as may be fixed from time to time by the Minister, provided that the rate shall not be less than the rate at which money is lent to housing authorities by the Housing Finance Agency for the purpose of making such housing loans.

Duties of borrowers

11. (1) A dwelling in respect of which a housing loan has been advanced, until the loan with interest thereon is fully paid, or until the housing authority shall have recovered possession of the dwelling in accordance with section 11(5) of the Act of 1992, shall be held subject to the following conditions—

- (a) every sum for the time being due in respect of principal or interest shall be punctually paid,
- (b) the borrower shall use the dwelling as his or her normal place of residence, and
- (c) the borrower shall keep the dwelling adequately insured to the satisfaction of the housing authority.

(2) The insurance of a dwelling in respect of which a housing loan is made shall be effected by the borrower, and a receipt for the payment of each premium in respect of such insurance shall be produced by the borrower to the housing authority concerned on request by them.

(3) Any addition to an instalment or other periodical payment, payable under subparagraph (a) of paragraph (1), shall not be included in the amount of a housing loan secured in accordance with these Regulations.

Liabilities of borrowers

12. A borrower shall be personally liable for the repayment of any sum due in respect of a housing loan made in accordance with these Regulations.

Revocation

13. The Housing (Rebuilding Ireland Home Loans) Regulations 2018 (S.I. No. 25 of 2018) are revoked.

Saver

14. Notwithstanding the revocation under Regulation 13 of the Housing (Rebuilding Ireland Home Loans) Regulations 2018 (S.I. No. 25 of 2018), those Regulations continue to apply to—

- (a) a housing loan made by a housing authority, or
- (b) an application made to a housing authority for a housing loan, but the application has not been considered or the loan has not been made by the housing authority,

in accordance with the revoked Regulations before the commencement of these Regulations.

The Minister for Public Expenditure and Reform consents to the making of the foregoing Regulations.



GIVEN under the Official Seal of the Minister for Public Expenditure and Reform,
14 December, 2021.

MICHAEL MCGRATH,
Minister for Public Expenditure and Reform.



GIVEN under my Official Seal,
14 December, 2021.

DARRAGH O'BRIEN,
Minister for Housing, Local Government and Heritage.

EXPLANATORY NOTE

(This note is not part of the Instrument and does not purport to be a legal interpretation)

These Regulations, which come into operation on 4 January 2022 provide for the provision of loan finance by local authorities to eligible first time buyers for the acquisition of new or existing houses, or for the construction of houses.

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