**Item 3 Agenda SPC1 Meeting13th June 2023**

**Local Authority Home Loan**

The Local Authority Home Loan (LAHL) was introduced on 4th January 2022 and replaced the Rebuilding Ireland Home Loan.

The Local Authority Home Loan is a government backed mortgage for first time buyers and Fresh Start applicants through local authorities. The scheme is for the purchase of new or second-hand residential properties and for self-builds. It also includes the purchase of homes through State schemes such as the Tenant Purchase Scheme and Affordable Housing Schemes, with the exception of the First Home Scheme.

The Fresh Start means that applicants who are divorced, legally separated/separated or the relationship has ended and have no financial interest in the family home are eligible to apply under this scheme. In addition, applicants who have undergone personal insolvency/bankruptcy proceedings are also eligible to apply for the Local Authority Home Loans Scheme.

The loan is a normal Capital and Interest-bearing mortgage which is repaid by direct debit on a monthly basis. An applicant can borrow up to 90% of the market value of the property.

Maximum market values of the property that can be purchased or self-built are:

* €360,000 in Dublin, Kildare or Wicklow, or
* €330,000 in Cork, Galway, Louth or Meath, or
* €300,000 in Clare, Kilkenny, Limerick, Waterford, Westmeath or Wexford, or
* €275,000 in Carlow, Cavan, Donegal, Kerry, Laois, Leitrim, Longford, Mayo, Monaghan, Offaly, Roscommon, Sligo or Tipperary.

26 valid applications were received in 2022 (8 no. ‘Approved in Principle’ and 18 no. refused). To date 3 of those applications have proceeded to drawdown. One further application is currently progressing to drawdown stage.

5 valid applications were received to date In 2023(2 no. ‘Approved in Principle’, 2 no. refused and the final one is currently with the Housing Agency for Underwriting & Recommendation).

Loans can be declined for a number of reasons including interalia repayment capacity not demonstrated, net income ratio outside of the policy, and unsatisfactory savings record.