



Mortgage Allowance Scheme for Tenants/Tenant Purchasers of Local Authority Dwellings

Explanatory Memorandum

1. WHAT IS THE PURPOSE OF THE MORTGAGE ALLOWANCE?

The Allowance will assist tenants and tenant purchasers of local authority dwellings who wish to return their dwelling to the authority and purchase or build a private dwelling for their own occupation by reducing their mortgage repayments over the first five years of the mortgage.

2. AMOUNT OF ALLOWANCE

The amount of the allowance is € 11,450 payable over 5 years (effective for mortgages created on or after 15th June, 2000) as follows:

Year	€
1	3,560
2	2,800
3	2,040
4	1,780
5	1,270

The allowance or the allowance plus income tax relief on mortgage interest cannot, in any year, exceed the amount of the loan charges due.

3. WHO QUALIFIES FOR THE ALLOWANCE?

The allowance is payable to persons who:

- (i) Were tenants or tenant purchasers of local authority dwellings on or after 14th February, 1991, and
- (ii) Return existing dwelling to the authority in a fit and tenable condition (having regard to reasonable wear and tear and any repairs for which the tenant is not responsible) and free of arrears of rent or tenant purchase annuities, and
- (iii) Purchase or build a private dwelling for their own occupation and the contract to purchase or build that dwelling is entered into on or after 14th February,



1991, or, where a new house is being built by the applicant on his/her own site, the foundations are poured on or after that date, and

- (iv) provide the private dwelling by way of a mortgage loan of not less than €38,092.14.
- (v) Are a tenant for more than one year of a house provided by a voluntary housing body under the Rental Subsidy Scheme who wishes to buy a private house and return your present house to the body.

The spouse of a tenant or tenant purchaser, or a person who has been bona fide resident with a tenant/tenant purchaser may qualify for the allowance if s/he otherwise complies with the conditions of the scheme and the dwelling is returned to the local authority by the tenant/tenant purchaser.

The allowance is not available to occupants of demountable dwellings provided by local authorities or to persons providing a dwelling under the Shared Ownership System.

Tenant purchasers to whom the allowance is given will not be compensated in respect of any annuity payments made in respect of the dwelling being returned to the local authority.

A person availing of the allowance may purchase or build a new dwelling or purchase an existing dwelling in the private sector (including dwellings formerly owned by a local authority).

4. HOW THE ALLOWANCE IS PAID

The allowance will be paid by the Department of the Environment, on behalf of person qualifying for it, to the lending agency, i.e. building society, bank, local authority etc. The lending agency will calculate the borrower's monthly mortgage payment in the normal manner and then deduct the appropriate instalment of the mortgage allowance.

The amount as so reduced will be the monthly amount due by the borrower to the agency.

5. TO WHOM SHOULD APPLICATION FOR THE ALLOWANCE BE MADE?

Application should be made to the local authority for the area in which the private dwelling is being purchased or built. For this purpose the relevant local authorities are County Councils, County Borough Corporations and Borough Corporations and



Athlone, Bray and Dundalk Urban District Councils. Application forms may also be obtained from the offices of Urban District Councils.

6. SUITABILITY OF PRIVATE DWELLING

The local authority must be satisfied that the dwelling being purchased or built is free from structural defects and is of suitable size and standard to cater for the applicant's household. In the case of a previously occupied dwelling, it must have hot and cold water systems, a fixed shower or bath and an indoor toilet. If it is a new dwelling, it must meet the requirements for new house grants set out in the Department of the Environment's Memorandum HA1, (see paragraph 9 of this memorandum). However, the upper limit on the floor area of a new house will not apply for the purposes of the mortgage allowance although it will continue to apply in relation to the new house grant.

7. OCCUPANCY OF PRIVATE DWELLING

The applicant must continue to occupy the private dwelling as his/her normal place of residence throughout the five year period to which the allowance relates.

8. HOW DOES THE SCHEME OPERATE?

The local authority will issue to an eligible applicant a **letter of intent** indicating that s/he will qualify for the mortgage allowance subject to the return of the existing dwelling and compliance with the terms of the scheme. It is in the applicant's own interest to obtain this letter of intent before entering into any commitment in relation to the private dwelling.

The letter of intent should be presented in support of an application to a lending agency for a mortgage loan. It is, however, a matter entirely for the lending agency to take a decision on individual loan applications. The agency will advance the loan to the applicant in the normal manner.

When the applicant has returned the existing dwelling or has given an irrevocable undertaking to return it within a period agreed with the local authority, and the authority is satisfied that the terms of the scheme will otherwise be complied with, the authority will issue **a certificate of approval** to the applicant certifying his/her entitlement to the allowance. This certificate should be given to the lending agency to enable them to claim the allowance from the Department of the Environment.



As long as the applicant, having returned the local authority dwelling, continues to meet the reduced mortgage repayments and to occupy the private dwelling as his/her normal place of residence, the allowance will be paid to the lending agency by the Department without the need for further action by the applicant.

The allowance will cease to be payable by the Department from the date on which:

- (i) application for a court Order for repossession of the dwelling is made by the lending agency, or
- (ii) the dwelling ceases to be occupied as the applicant's normal place of residence.

**Housing Grants Section,
Department of the Environment,
Government Offices,
Ballina,
Co. Mayo. Telephone: (096) 70677 or (01) 6793200**

9. INFORMATION ON LOANS

Loans for the purchase or building of dwellings may be obtained from the commercial lending agencies (e.g. building societies, banks, etc.) subject to the meeting the conditions they lay down. Enquiries concerning the qualifying conditions for a loan from a commercial agency should be made directly to them.

If an applicant is unable to obtain a loan suitable to his requirements from a commercial agency, s/he may apply to the local authority for a loan. Evidence must be produced to the authority of a genuine refusal of a loan from both a building society and a bank. Details of the local authority house purchase loan scheme may be obtained from the authority.

10. DOCUMENTS REQUIRED IN MORTGAGE ALLOWANCE SCHEME APPLICATIONS

An applicant should provide the local authority with such information as the authority may require in regard to the location, layout etc. of the dwelling being purchased or build.

APPLICANTS SHOULD NOTE: the payment of a mortgage allowance involves no warranty on the part of the Minister for the Environment or the local authority as to the work carried out or the structural soundness of a dwelling.



Section 7f (ii) of the housing (mortgage allowance) regulations 1993 requires that an applicant for the mortgage allowance scheme who is purchasing a new house or building a house on his or her own site, must submit detail of the contractors name, address, tax reference number and the expiry date of a certificate of authorisation or a tax clearance issued to the contractor by the revenue commissioners.

APPLICATION FOR A MORTGAGE ALLOWANCE FOR TENANTS/TENANT PURCHASERS OF LOCAL AUTHORITY DWELLINGS

- Please read all questions carefully and fill out the form in BLOCK CAPITALS
- Complete the Statutory Declaration and then Sign the form
- The completed application form should be returned to the Local Authority for the Area in which the private dwelling is being purchased.
- You must also have form MAT 2 B certified by your Inspector of Taxes.

1. **Full Name** of (A) Applicant (s) (A) _____
 Date of Birth _____
 Contact Number _____

(B) Spouse/Partner (B) _____
 Date of Birth _____
 Contact Number _____

2. **FAMILY**

	Aged 16 or over	Under 16
	<input type="text"/>	<input type="text"/>
Number of males in household	<input type="text"/>	<input type="text"/>
	<input type="text"/>	<input type="text"/>



Number of females in household

3. INCOME FOR PREVIOUS TAX YEAR

Gross Income of (A) Applicant(s) (A) _____
(B) Spouse/Partner (B) _____

4. Details of the dwelling you are handing back to the Local Authority

(A) Address _____

(B) Name & Address of Local Authority to which you pay rent or purchase annuity

5. DETAILS OF THE DWELLING YOU ARE PURCHASING OR BUILDING

Address of Dwelling _____

(A) Is the dwelling: A House A Flat
(B) Is the dwelling: **NEW** Previously Occupied
(C) If New, are you:
Purchasing the Dwelling? Having it built on your
From a Builder. Own Site?
(D) Give date you entered into Contract to purchase or



Build the dwelling

(E) If building has started on
Your own site, give date
on which the foundations
Were poured

(F) Name & Address of Lending Agency providing the Mortgage: _____

(G) Amount of Mortgage _____

(H) Contract Price of House _____

(I) Monthly Repayment _____

(J) Date the Mortgage executed _____.

(K) If you have already occupied the dwelling give date of occupation _____

(L) Will the dwelling be your normal place of residence? _____.

THE FOLLOWING STATUTORY DECLARATION MUST BE MADE BY ALL APPLICANTS

I/We declare that the information given by me/us for the purpose of obtaining the mortgage allowance is correct. I /We am/are aware of the conditions of payment for the allowance and I/We believe that these conditions are fulfilled.

I /We make this solemn declaration conscientiously believing the same true and by virtue of the Statutory Declaration s Act, 1938.

I/We authorise the Local Authority and the Minister for the Environment to make any enquiries from official sources as it hr he may consider necessary to establish entitlement to the allowance.

Applicant's Signature _____

Spouse /Partners Signature _____



*Declared before me by _____ who is /are personally known
to me (or who is /are identified to me by _____ who is known to me)
at _____ this _____ day of _____ 20____.

* to be completed by Commissioner for Oaths/Notary Public/ Peace Commissioner/ Member of the
Clergy / Member of the Garda Síochana.

Signature of Witness _____

Occupation of Witness _____

Address _____

Date: _____

Warning: any person who has given false or misleading information for the purpose of obtaining an
allowance renders himself liable to severe penalties.

Applicants must provide the Local Authority with such information as the Authority may require in
regard to location, layout etc. of the dwelling being purchased or built.

MAT 2B- PART 1

INSPECTOR OF TAXES CERTIFICATE

(in respect of mortgage allowance for local authority tenants/ tenant purchasers)

NOTES * Please read explanatory notes MAT 2B attached

- This form must accompany completed application forms for mortgage allowance.
- MAT 2B – Part 2 should also be completed if applicant is married or a joint application is made.

**SECTION 1: To be completed in full by the applicant. The builder's details are available only
from the builder and must be inserted before the form is sent to the Tax Office. The
completion of Section 2 is necessary only where a new dwelling is being purchased.**



Name _____ Income Tax Ref. No. _____

Address of _____
Local Authority _____
Dwelling _____
Income Tax District _____

Address of _____
Dwelling being _____
Purchased/built _____
Employer's Registered No. _____

Is the Dwelling **NEW**

Previously Occupied

SECTION 2

Name & Address of Main Builder

_____ _____ _____ Income Tax Ref. No. _____ VAT Registration No. _____ TAX District _____
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C2 Certificate Number

OR

Tax Clearance Cert. Expiry Date

SECTION 3

I Confirm to the best of my knowledge that the information given above is correct and my tax affairs are in order.

Signature _____

(of Applicant)

Incomplete forms will not be certified by Inspector of Taxes.



Comhairle Cathrach & Contae Phort Láirge
Waterford City & County Council

SECTION 4

To be certified by the Applicant's Inspector of Taxes

I hereby certify, in accordance with my records and to the best of my knowledge, that the Applicant's Tax Reference Number quoted above is correct.

Signature _____

(Inspector of Taxes)

Date _____

OFFICIAL STAMP



SECTION 1

To be completed if applicant is married or if a joint application is made. The builder's details are available only from the builder and must be inserted before the form is sent to the Tax Office. The completion of Section 2 is necessary only where a **new** dwelling is being purchased.

Name of Spouse/Joint Applicant _____ Income Tax Ref. No. _____

Address of Local Authority Dwelling _____
Income Tax District _____

Employers Registered No. of Spouse / Joint Applicant _____

Is the Dwelling **NEW** **Previously Occupied**

SECTION 2

Name & Address of Main Builder

C2 CERTIFICATE NO.

_____ _____ _____ VAT REG. NO. _____ INCOME TAX REF. NO. _____ TAX DISTRICT _____
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SECTION 3

I confirm to the best of my knowledge that the information given above is correct and my tax affairs are in order.

SIGNATURE (APPLICANT)

(Incomplete forms will not be certified by the Inspector of Taxes.)

SECTION 4

To be certified by the Applicant's Inspector of Taxes

I hereby certify that in accordance with my records and to the best of my knowledge, that the applicant's Tax reference no. quoted above is correct.

SIGNATURE (INSPECTOR OF TAXES)

DATE _____

OFFICIAL STAMP