

MORTGAGE ALLOWANCE SCHEME

DUN LAOGHAIRE-RATHDOWN COUNTY COUNCIL

MAY 2011

Mortgage Allowance Scheme

Explanatory/Memorandum

1. WHAT IS THE PURPOSE OF MORTGAGE ALLOWANCE?

The allowance will assist tenants and tenant purchasers of local authority dwellings and certain tenants of houses provided by voluntary housing bodies under the Rental Subsidy Scheme who wish to return their dwelling to the authority or voluntary body 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

For mortgages created on or after 15th June, 2000, the amount of the allowance is €11,450, payable over 5 years 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:

- are tenants or tenant purchasers of local authority dwellings or are tenants, whose tenancies are of not less than one year's duration, of houses provided by an approved voluntary body under the Rental Subsidy Scheme, and
- return their existing dwelling to the authority or the voluntary body, as applicable, in a fit and tenantable 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
- 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 1st May, 1995, 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
- provide the private dwelling by way of a mortgage loan of not less than €38,092.

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 or voluntary body, as applicable.

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, Heritage and Local Government on behalf of the 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 (i.e. €296.67 per month in year 1, €233.33 in year 2, €170 in year 3, €148.33 in year 4, and €105.83 in year 5).

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 Authority is Dun Laoghaire-Rathdown County Council.

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 purpose 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 the applicant(s) 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 their 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(s), having returned the local authority dwelling, continue to meet the reduced mortgage repayments and to occupy the private dwelling as their 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(s).

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.

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 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 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 built.

APPLICANTS SHOULD NOTE:

The payment of a mortgage allowance involves no warranty on the part of the Minister for the Environment, Heritage and Local Government or the local authority as to the work carried out or the structural soundness of a dwelling.

MAT 2/95

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 or built
- You must also have form MAT2B/95 certified by your Inspector of Taxes

1. Full Name(s) of

Applicant (a) _____ Applicant (b) _____

Date of Birth (a) _____ (b) _____

PPS Number (a) _____ (b) _____

2. Number of females in house over 16 years of age? _____

Number of females in house under 16 years of age? _____

Number of males in house over 16 years of age? _____

Number of males in house under 16 years of age? _____

3. Gross current income of Applicant (a) € _____

Gross current income of Applicant (b) € _____

Gross income in previous tax year Applicant (a) € _____

Gross income in previous tax year Applicant (b) € _____

4. Address of the dwelling you are handing back to the Local Authority or Voluntary Body.

(a) Is the property a house? Yes _____ / No _____

(b) Is the property an apartment? Yes _____ / No _____

(c) How many bedrooms has the property? _____

Name of Local Authority or Voluntary Body to which you pay rent?

5. Address of the property you are purchasing or building.

(a) If new, are you purchasing the property? Yes _____ / No _____

(b) or building on your own site? Yes _____ / No _____

(c) Is the property a house? Yes _____ / No _____

(d) Is the property an apartment? Yes _____ / No _____

(e) How many bedrooms has the property? _____

(f) What date was the property built, or if building on your own site what date were foundations poured? _____

(g) Name and address of lending agency providing the mortgage loan?

(h) Purchase price of property? _____

(i) Amount of loan drawn down? _____

(i) Date mortgage executed? _____

(j) If you have occupied dwelling give date of occupation? _____

(k) Will the dwelling be your normal place of residency? _____

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 are/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 to be true and by virtue of the Statutory Declaration Act, 1938.

I/We authorise the local authority and the Minister for the Environment Heritage and Local Government to make any enquiries from official sources as may be considered necessary to establish entitlement to the allowance.

Applicant's Signature:*

(a) _____

(b) _____

*Declared before me by _____
who are personally known to me (or who have been identified to me by _____
who is known to me at _____ on the _____
(date). * To be completed by Commissioner of Oaths;
Notary Public; Peace Commissioner; Member of Clergy; Garda Siochana.

Signature of Witness: _____

Occupation: _____

Date: _____

Address: _____

WARNING: Any person who has given false or misleading information for the purpose of obtaining an allowance renders himself/herself 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.

MAT2B95 - PART 1

INSPECTOR OF TAXES CERTIFICATE

- NOTES
- * (in respect of Mortgage Allowance)
 - * Please read explanatory notes MAT2B/95 attached.
 - * This form must accompany completed application forms for Mortgage Allowance.
 - * MAT2B/95 - 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 or built

Name _____ Income Tax Reference No. _____

Address of dwelling being returned. _____ Income Tax District _____

Address of dwelling being purchased/built _____ Employer's Registered No. _____

Is the dwelling New? Previously Occupied Please Tick

SECTION 2:

Name and Address of Main Builder

Income Tax Reference No.	_____
VAT Registration No.	_____
Tax District	_____

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: _____
Applicant's signature

(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, 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)

Official Stamp

MAT2B/95 - PART 2

SECTION 1: To be completed if applicant is married or if a joint application is made. The builders 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 purchase or built.

Name of Spouse/ _____ Income Tax
Joint applicant _____ Reference No _____

Address of _____ Income Tax
dwelling being _____ District _____
returned _____

Address of _____ Employer's Registered No. of
dwelling being _____ spouse/joint applicant _____
purchased/built _____

Is the dwelling
New Previously Occupied Please Tick

SECTION 2:

Name and Address of Main Builder

Income Tax Reference No. _____
VAT Registration No. _____
Tax District _____

C2 Certificate No.

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: _____
Applicant's signature

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

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)



MAT2B/95

EXPLANATORY NOTES

The Tax Certificate MAT2B/95 - PART 1 must be completed by all applicants wishing to apply for a Mortgage Allowance. Part 2 of the form must be completed if the applicant is married or if a joint application is made. It is the applicant's responsibility to have the form certified by the Inspector of taxes before returning it to the local authority.

Income Tax Number

If your tax is dealt with under PAYE, please give your own Reference Number. These references can be obtained from the Notice of Tax Free Allowance issued to you by the Tax Officer of from your employer.

Inspector's Certificate

The MAT2B/95 Certificate will be certified by the Inspector of Taxes to whom you normally send your return of income. If you are not liable to income tax or you have not yet paid income tax in this country, you should send the form to the Inspector of Taxes for the district in which you reside. If you reside in the Dublin area, the form should be sent to:

Inspector of Taxes,
Dublin General Claims Section,
Findlater House,
28-32 Upper O'Connell St.,
Dublin 1.
Telephone (01) 8746821.

Married Couples or Joint Applicants

If two Inspectors of Taxes are involved, the part relating to the spouse/joint applicant may be detached and forwarded separately to the appropriate Inspector of Taxes.