



STATUTORY INSTRUMENTS.

S.I. No. 353 of 2024

HOUSING PURCHASE AND RENOVATION LOANS REGULATIONS
2024

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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) (as adapted by the Public Expenditure and Reform (Alteration of Name of Department and Title of Minister) Order 2023 (S. I. No. 19 of 2023)) with the consent of the Minister for Public Expenditure, National Development Plan Delivery and Reform, hereby make the following regulations:

Citation and commencement.

1. (1) These Regulations may be cited as the Housing Purchase and Renovation Loans Regulations 2024.

(2) These Regulations come into operation on 22 July 2024.

Definitions

2. In these Regulations—

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

“applicant” means—

(a) a person who applies for a purchase and renovation loan on his or her own, or

(b) 2 or more persons who apply for such a loan together;

“annuity mortgage” means the 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 and of which the repayments are comprised of both capital and interest;

“bridging loan” means the amounts advanced by a housing authority to a borrower which are commensurate to the amount of the vacant property refurbishment grant and are used to fund, or part-fund, the renovation works of a dwelling the subject of a purchase and renovation loan;

“Building Regulations” means Building Regulations 1997 (S.I. No. 497 of 1997);

“credit policy guidelines” means guidelines made under section 5 of the Housing (Miscellaneous Provisions) Act 2009 (No. 22 of 2009) in respect of purchase and renovation loans made by housing authorities under section 11 of the Act of 1992;

“derelict dwelling” means a dwelling which is eligible for the vacant property refurbishment grant derelict top-up;

“dwelling” has the meaning assigned to it by section 4 of the Affordable Housing Act 2021 (No. 25 of 2021);

“end- of- works value” in relation to a purchase and renovation loan, means the estimated market value of a dwelling after renovation works are completed;

“major renovation” has the meaning assigned to it by the Building Regulations;

“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 purchase and renovation loan in respect of it;

“purchase and renovation loan” means a housing loan to which these Regulations apply made by a housing authority, the combined amount of the loan being a bridging loan and an annuity mortgage, which may be used for the purchase and renovation, or the renovation only, of a dwelling, advanced by the housing authority;

“value” means, in the case of a dwelling being renovated, the amount, which in the opinion of a housing authority represents the reasonable cost (including all reasonable incidental expenses) of purchasing and renovating the dwelling and the value of the interest of the borrower in the site thereof, and “valuation” shall be construed accordingly;

“vacant property refurbishment grant” means a grant, under an administrative scheme of the Department of Housing, Local Government and Heritage, known as the vacant property refurbishment grant, administered by local authorities, paid by a local authority to an applicant eligible for the grant to carry out the refurbishment of a vacant property under the scheme;

“vacant property refurbishment grant derelict top-up” means a top-up grant, under the vacant property refurbishment grant in addition to a refurbishment grant, that is paid by a local authority in respect of a property that is deemed to be derelict under the vacant property refurbishment grant scheme.

Application

3. These Regulations apply to the making of purchase and renovation loans by housing authorities to applicants, in accordance with these Regulations and credit policy guidelines, for the purchase and renovation or renovation only of dwellings occupied or to be occupied by the applicants.

Limitations as to making purchase and renovation loans

4. (1) A housing authority may make a purchase and renovation loan only in respect of a dwelling which—

- (a) qualifies for the vacant property refurbishment grant or vacant property refurbishment grant derelict top-up,
- (b) in its opinion, is capable of being brought up to the applicable requirements of the Building Regulations, and
- (c) no impediment exists in respect of it, such as a mortgage in favour of another lender, which would prevent the housing authority making the loan securing a first legal mortgage over the security property.

(2) A housing authority may make a purchase and renovation loan only in respect of a dwelling in the State, the end of works value of which does not exceed the amount of, where the dwelling is situated in—

- (a) the county of Dublin, Kildare or Wicklow, €360,000,
- (b) the county of Cork, Galway, Louth or Meath, €330,000,
- (c) the county of Clare, Kilkenny, Limerick, Waterford, Westmeath or Wexford, €300,000, or
- (d) the county of Carlow, Cavan, Donegal, Kerry, Laois, Leitrim, Longford, Mayo, Monaghan, Offaly, Roscommon, Sligo or Tipperary, €275,000,

and the dwelling is being purchased by the applicant for the loan for an amount not exceeding that amount.

Applications for purchase and renovation loans

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

(2) Where a person who wishes to apply for a purchase and renovation 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 shall not apply to a housing authority for a purchase and renovation 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.

Structure and amount of purchase and renovation loans

6. (1) A purchase and renovation loan shall be comprised of an annuity mortgage loan and a bridging loan or a bridging loan only, on condition that—

- (a) the annuity mortgage shall be used for the purchase of the dwelling the subject of the loan,

- (b) the bridging loan shall be used to fund or part fund the renovation works on the dwelling, and
 - (c) the annuity mortgage shall be used for any remaining renovations works on the dwelling above the amount of the bridging loan.
- (2) A housing authority shall only advance a purchase and renovation loan, if, in its opinion, the projected cost of the renovation project, including any dwelling purchase, is suitably well evidenced and that the loan required is not in excess of the amounts and percentages set out in paragraph (3).
- (3) The amount of a purchase and renovation loan shall not exceed—
- (a) where the dwelling is situated in—
 - (i) in the county of Dublin, Kildare or Wicklow, €324,000,
 - (ii) in the county of Cork, Galway, Louth or Meath, €297,000,
 - (iii) in the county of Clare, Kilkenny, Limerick, Waterford, Westmeath or Wexford, €270,000, or
 - (iv) in the county of Carlow, Cavan, Donegal, Kerry, Laois, Leitrim, Longford, Mayo, Monaghan, Offaly, Roscommon, Sligo or Tipperary, €247,500,
 - (b) in the case of a dwelling which is eligible for the vacant property refurbishment grant, where the renovation is not a major renovation a purchase and renovation loan shall not exceed—
 - (i) 90% of the cost of the property purchase,
 - (ii) 90% of the renovation cost, and
 - (iii) in respect of the annuity mortgage attached to the loan, 90% of the end-of-works value,
 - (c) in the case of a dwelling which is eligible for the vacant property refurbishment grant, where the renovation is a major renovation a purchase and renovation loan shall not exceed —
 - (i) 90% of the cost of the property purchase,
 - (ii) 90% of the renovation cost, and
 - (iii) in respect of the annuity mortgage attached to the loan, 85% of the end-of-works value,
- and
- (d) in the case of such a dwelling which is eligible for the vacant property refurbishment grant derelict top up in addition to the refurbishment grant, a purchase and renovation loan shall not exceed—
 - (i) 80% of the cost of the property purchase,
 - (ii) 90% of the renovation cost, and
 - (iii) in respect of the annuity mortgage attached to the loan, 80% of the end-of-works value.

Eligibility criteria of applicant

7. (1) An applicant shall only be eligible for a purchase and renovation 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 the amount of, where the application is made by—
 - (i) one applicant, €70,000, or
 - (ii) more than one applicant, €85,000,
- during the year before the date of the application;
- (b) subject to paragraphs (2) and (4) and (5), none of the persons making the application has previous to the application purchased or built a dwelling whether in or outside the State for his or her occupation or otherwise;
- (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 but not older than 70 years of age;
- (e) the dwelling being purchased and renovated will be the normal place of residence of each of the persons making the application; and
- (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 (whether in or outside 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 that dwelling, or the purchase or building by the applicant of any other dwelling, shall not render the applicant ineligible for a purchase and renovation loan where the applicant has sold, or been divested of, that dwelling and any other dwelling so purchased or built.

(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 or outside 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, or the previous purchase or building of any other dwelling, does not render the applicant ineligible for a renovation loan, provided the applicant has also sold, or been divested of, any other dwelling that he or she purchased or built.

(5) Where the only dwelling that any of the persons making an application previously purchased was the dwelling that is the subject of a purchase and renovation loan application, then the previous purchase of that dwelling does not render the applicant ineligible for the loan.

Repayment period

8. (1) Unless otherwise agreed by the housing authority concerned, an annuity mortgage shall be repaid—

- (a) within such period not exceeding 30 years from the date of the making of the purchase and renovation loan to which it relates, or
- (b) in the case of a purchase and renovation loan for the renovation of a dwelling where the annuity mortgage 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.

(2) A bridging loan shall be repaid by the borrower upon payment of the vacant property refurbishment grant by a local authority to that borrower, under the terms of the scheme of that grant or within two years, whichever is the earliest.

Manner of repayment

9. (1) Annuity mortgages shall be repaid by an annuity of principal and interest combined and all payments shall be made at monthly intervals.

(2) Bridging loans shall be variable rate interest-only loans and all payments shall be made at monthly intervals.

Interest rates

10. The rates of interest on a purchase and renovation 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 renovation loans.

Duties of borrowers

11. (1) A dwelling in respect of which a purchase and renovation 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 purchase and renovation 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 purchase and renovation 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 purchase and renovation loan made to him or her in accordance with these Regulations.

The Minister for Public Expenditure, National Development Plan Delivery and Reform consents to the making of the foregoing Regulations

GIVEN under my Official Seal,
17 July, 2024.

PASCHAL DONOHOE,
Minister for Public Expenditure, National Development
Plan Delivery and Reform.

GIVEN under my Official Seal,
17 July, 2024.

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 commence on 22 July 2024, provide for the provision of a housing loan by local authorities to eligible applicants for the purchase and renovation or renovation only of dwellings eligible for the existing Vacant Property Refurbishment Grant in accordance with the requirements and criteria set out in the Regulations.

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