

Local Authority Affordable Purchase Scheme

Frequently Asked Questions

What is the Affordable Homes Scheme?

Under the 'Local Authority Affordable Purchase Scheme', Louth County Council is making new homes available for purchase by eligible applicants at reduced prices for buyers who are seeking to purchase a newly built home but need to additional funding to bridge the gap between their mortgage and deposit to cover the entire cost of the home. In return, Louth County Council will take a percentage equity share (share of the ownership) in the Affordable Purchase home. The Council's equity share will be equal to the difference between the open market value of the property and the reduced price paid by the purchaser. For example, if an eligible applicant purchases a home at a 20% subsidy, Louth County Council will take a 20% equity interest in the home.

Do I need to be living in County Louth to apply for the Scheme?

No, applicants from any county are accepted. In relation to 30% of the dwellings, priority will be given to eligible applicants based on any person making the application being or having been resident in the administrative area of Louth County Council for a minimum period of 5 years. For more information, please see our [Scheme of Priority](#).

Please Note the Local Authority Affordable Purchase Scheme is **different** from the [First Homes Scheme](#), it is advisable to familiarise yourself with both options and select the one most suited to your needs. You cannot apply for and use both schemes when purchasing a property.

How does the Scheme work?

The main points of the Scheme are as follows:

- The Scheme is for first time buyers (along with some exceptions) who cannot afford to purchase a home at market value.
- The Scheme applies to specific new-build houses and apartments.
- To participate in the Scheme, you will be required to maximise your mortgage drawdown capacity (four times a household income), from a participating bank, or Local Authority Home Loan.

- The maximum financial support available on each home will be established by Louth County Council.
- All purchasers must sign up to an 'Affordable Dwelling Purchase Arrangement' with Louth County Council. Under this arrangement, Louth County Council will register a fixed, second charge against the property subject to the sale, equal to the difference between the market value of the dwelling and the price paid by the purchaser, to account for financial subsidy obtained from the Department of Housing, Local Government & Heritage, Affordable Housing Fund expressed as a percentage. For example, if your home is valued at time of purchase at €300,000 and the Housing 2 Authority has an equity share in your home of 10% (initially valued at €30,000). If sometime in the future, you decide to buy out the Council's equity share. The home is now valued at €350,000. As the Housing Authority's equity share is unchanged at 10%, you will now need €35,000 to redeem the Housing Authority's equity share in the home.
- The equity share required by Louth County Council will not be less than 5% and not more than 40% of the market value of the dwelling. Equity shares are calculated on an individual basis and are linked to applicants' income, savings (if any) and mortgage capacity.
- You can buy out this equity share at a time of your choosing however you do not have to.
- The Council may not seek repayment of its affordable dwelling equity for a 40-year period, this is known as the Long Stop date (other than for breach of the agreement).
- You may choose to redeem or buy out the affordable dwelling equity at any time by means of one or a series of payments to the Council of a minimum of €10,000.
- If you choose not to repay or redeem the equity share while living in the home, the local authority can do so when the property is sold or transferred, or after the death of the owner.

Where can I buy an Affordable Home?

Affordable Purchase Schemes will be available in different locations in the County over the lifetime of the Scheme. The locations and details of the schemes will be advertised in advance in the Newspapers, on our [Website](#) and on our [Social Media](#).

When will the properties be available?

Details of specific schemes will be advertised by Louth County Council on our website, social media and in a local newspaper in advance of the open date for applications.

Am I eligible for this Scheme?

In order to be eligible to apply for Affordable Housing, you must satisfy the following criteria;

- Each applicant must be a First-Time Buyer or meet the exceptions under the [Fresh Start Principle](#) or own a home which, because of its size, is not suited to your current accommodation needs.

included in the application must have the right to reside indefinitely in the State.

- The affordable home must be the household's normal place of residence.
- Applicants' purchasing power must not exceed 95% of the market value of the property.
- Each Scheme will have different income limits depending on the cost and location of the homes. In general, the income limit for an affordable dwelling is 85.5% of market value divided by 4. Please see [Affordable Purchase Dwelling Arrangements Income Assessment Policy](#)
- Exception to income limits: The exception caters for a situation where an applicant's income multiplied by 4 exceeds 85.5% of the market value of the dwelling, but the applicant is in fact unable to secure a mortgage from a bank/financial institution for 85.5% of the market value of the dwelling.

Am I eligible if I am from a country outside of the Republic of Ireland?

Yes, you are eligible to apply if you currently have a legal right to reside and work in the State. Furthermore, there are minimum periods of residence required for non-EU/EEA applicants:

- All Irish citizens are automatically legally resident.
- UK citizens will be regarded as being legally resident in Ireland. (This accords with the Common Travel Area requirements).
- All EU/EEA citizens who are legally resident in the State will not be eligible to apply for a Local Authority Home Loan for the first three months of residence in the State. Thereafter, they will be eligible to apply.

- Non-EEA/EU citizens Single/joint applications where both applicant(s) are Non-EEA/EU applicants must be legally resident in Ireland for a period of 5 years; or have leave to remain extending to potentially permit 5 years reckonable residence; or have indefinite leave to remain in the State. An application from a non-EEA/EU national, who is a spouse or civil partner of the EU /EEA national, may be considered as part of a joint application for that household, provided they have a valid residence card or permanent residence card with a valid Stamp 4EUFam.

How do I prove that I am a First Time Buyer?

By self-declaration and/or Revenue Help to Buy (HTB) approval obtained from the Revenue Commissioners.

In order to be eligible to claim HTB, a qualifying loan must be taken out on the qualifying residence, with a qualifying lender. As of the 11th October 2023, the combined value of your mortgage and your affordable dwelling contribution can now be used to calculate your loan-to-value ratio in a [Help To Buy](#) application. The loan-to-value ratio must be a minimum of 70% of the full market value.

Are there exceptions to the First Time Buyer requirement?

The Fresh Start Principle applies for applications to State affordable housing and loan schemes. This means that the following people are eligible to apply for the Local Authority Affordable Purchase Scheme:

- Applicant(s) who previously purchased or built a residential property but are divorced/separated or otherwise and have left the property and divested themselves of their interest in the property. Where a couple was in a relationship but not married, and the relationship has ended, the Fresh Start Principle can apply.
- Applicant(s) who previously purchased a residential property but has been divested of this through insolvency or bankruptcy proceedings. However, a separate assessment of creditworthiness will be conducted by the underwriters.
- A further exception may apply in the case of an applicant who owns a dwelling which, because of its size, is not suited to the current accommodation needs of the applicant's household.

How do I apply for the Scheme?

The application process will be via an online platform. The system will allow you to input of all relevant data and upload of all supporting documentation. If you are having any issues uploading your documentation or submitting your application please email affordablehousing@louthcoco.ie

Do I need to apply in sole or joint names?

Where a person is married, in a civil partnership or in a committed relationship with a partner with whom he or she intends to reside in the affordable dwelling, he or she may not apply to purchase an affordable dwelling under an affordable dwelling purchase arrangement on his or her own but should make any such application together with his or her spouse, civil partner or partner, as the case may be.

Step 1: Registering:

You will first need to register. When you enter your mobile number a registration verification number will be generated via text message to your mobile phone, which you will then enter on the platform to complete the set-up process. You will need to accept the Louth County Council Privacy statement and eligibility criteria. To register with the online platform the following information will be needed: Your full name, a valid and active email address and a mobile phone number. Please note if you have already registered under a previous scheme you should use your existing login details to apply for any future schemes.

Step 2: Log on:

You will then be able to log on to the online platform to begin your application process. Again, as part of this log in, a verification number will be sent via text message to your mobile phone. You will then need to enter this six-digit code to log in.

Step 3: The Application: You will be presented with several sections or tabs, each of which will need to be completed in full before you can submit your application. Please note that the system will only allow you to move through the application and submit your application if you complete all the required fields and upload the required documentation.

Overview

This will contain the general scheme information and details on the eligibility criteria.

Developments This will contain information on the specific house types and the affordable prices. The 'Affordable Price' paid by applicant when Local Authorities equity share has been deducted from the full market price. Equity shares are calculated on an individual basis and are linked to applicants' income, savings (if any) and mortgage capacity.

Household – Applicant A – Main Applicant

This will contain the specifics of the principal applicant: Full name, date of birth, PPS number, Marital status, Nationality. Contact information such as telephone numbers and email, current address, county and Eircode. Employment details, previous year's gross income details The option to add details of other dependent household members (name, date of birth, age)

Joint Applicant

This should be used where there is a secondary or joint applicant. The same details as above will be required. See information on applying in sole/joint names.

Household Members

This is where you include information on your household composition.

Finance

- All applicants will be required to provide evidence of ability to finance the purchase of their selected property.
- Proof of any savings for both/all applicants by way of 6 months of up to date bank statements and 6 months of current account statements are required in the Accounts section.
- Proof of Mortgage Approval in Principle and Help To Buy if applicable in the Mortgage section.

Declarations

Finally, you are required to make certain declarations about your application.

What information is needed to support my application?

In the online application process, you will have to submit a fully completed application form with all declarations completed and submit the following documents: (please note the max size of each document is 10MB)

Photographic Identification:

Any one of the following documents:

- Current, valid signed passport/passport card
- Current, valid Public Service Card
- Current valid EU/EEA driving licence – this must contain a photograph (Irish Provisional Licence accepted)
- Current EU National Identity Card

Proof of Address:

Any one of the following documents dated in the last 3 months:

- Utility Bill e.g. landline telephone (not mobile), gas, electricity, heating, oil, waste collection (where a utility bill is a first bill, a second form of address verification is required)
- Correspondence from a Regulated Financial Institution operating in the Republic of Ireland e.g. Insurance / Assurance Co., Bank, Building Society, Credit Union, Credit Card Company
- Correspondence from a Government Department

Proof of Residency in the Republic of Ireland:

Any one of the following documents:

- Summary (P60)
- Statement of Payments/Benefits from Dept. of Social Protection
- Tenancy agreement if you are renting
- Bank statements for the last 6 months showing day-to-day transactions or Direct Debits for utility bills

- An employment letter from your current employer, which includes your name, address and date you commenced work

Proof of Right to Reside in Ireland:

Evidence of legal and habitual residence in Ireland by way immigration permissions and stamps. Please see eligibility criteria above.

Proof of income: PAYE employees:

- Up to date Salary Certificate, Employment Detail Summary, and 3 months of payslips (3 payslips if paid monthly, 6 payslips if paid fortnightly and 12 payslips if paid weekly)

Proof of income: Self-Employed:

Documents for previous 2 years:

- Audited/Certified Accounts, Tax Balancing Statement and Tax Payment Receipt
- Projected Income for the coming 12 months
- Self-Assessment income tax for the previous year

Proof of income: Social Welfare Income:

Documentary evidence by way of a Statement of Payments from the Department of Social Protection, of all social insurance and social assistance payments, allowances and pensions being received by members of the household.

As income of household members over 18 is also included in the assessment for qualification, evidence of payments to these household members is also needed.

Residency Rule

To qualify under the **30% Residency Rule** you will need proof of being or having been resident in the administrative area of Louth County Council for a minimum period of 5 years, any of the below dated for **EACH** of the 5 years

- Utility bills (gas, electricity, landline telephone (not mobile))
- Bank statements/credit union statements
- Documents issued by government department that shows your address

- Statements of Liability P21 from Revenue dated for EACH of the last 5 years

Proof of PPSN/Tax Registration Number:

Any one of the following documents:

- Statement of Liability P21
- Tax Assessment
- Notice of Credits from Revenue
- Letter from Revenue Commissioners addressed to you showing PPSN, employee details from Revenue
- Receipt for social welfare payment
- Letter from Department of Employment Affairs and Social Protection addressed to you showing your PPSN
- Current Valid Medical Card / Current Drug Payment Scheme Card
- Payslip
- P45

How do applicants provide evidence of the ability to fund the purchase and do they need to have a mortgage approval in place?

Applicants should submit a Mortgage Approval in Principle letter from their proposed lender confirming the maximum mortgage available to the applicant when applying for affordable housing.

Purchasers can use a mortgage from any approved private lending institution, such as Bank of Ireland, Permanent TSB or Allied Irish Bank and its Haven and EBS subsidiaries. Alternatively, finance can be sourced via Louth County Council by way of a [Local Authority Home Loan](#).

Evidence of savings/deposit:

- 6months of up to date Bank / Financial Institution Statements

Evidence of first-time buyers' status:

- Self-declaration or Proof of Help to Buy

If you are not a first-time buyer:

- Evidence of qualification under the Fresh Start Principle Or
- Evidence that you own a dwelling which, because of its size, is not suited to the current accommodation needs of your household.

Confirmation of eligibility for Help to Buy (HTB) Scheme:

Please note that in the case of a joint application, your application can only be considered as a “first time buyer” application if both applicants are buying a house for the first time

myAccount PAYE applicants:

Print out from Revenue portal confirming names of applicant(s) and maximum entitlement under the scheme.

ROS self-assessed applicants:

Print out from Revenue portal confirming names of applicant(s) and maximum entitlement under the scheme.

In order to be eligible to claim HTB, a qualifying loan must be taken out on the qualifying residence, with a qualifying lender. As of the 11th October 2023, the combined value of your mortgage and your affordable dwelling contribution can now be used to calculate your loan-to-value ratio in a Help To Buy application. The loan-to-value ratio must be a minimum of 70% of the full market value.

Mortgage

Where can I apply for a mortgage loan?

Finance can be secured from Bank of Ireland, Permanent TSB or Allied Irish Bank. Alternatively, finance can be sourced via Louth County Council by way of a Local Authority Home Loan.

Loan approval in principle letter stating the maximum mortgage available to applicants. In addition to the Local Authority Home Loan, the following financial institutions are

participating in the scheme Bank of Ireland, Permanent TSB, Allied Irish Bank and its Haven and EBS subsidiaries.

Applications for Local Authority Home Loans should be made to The Loans Section, Finance Department, Louth County Council

- If a home is being sold under a Local Authority Affordable Purchase Scheme, the relevant price for the determination of the home's eligibility for the Local Authority Home Loan is the 'purchase price' determined by the relevant local authority for that Affordable Purchase home.
- Applicants can borrow up to 90% of the purchase price for a home under the Affordable Housing Schemes within the house price limits set out for the Local Authority Home Loan. A deposit of at least 10% of the purchase price is also required.
- Regardless of the market value, if the 'purchase price' is below the relevant maximum price under the Local Authority Home Loan for that local authority, it is eligible to be purchased using the Local Authority Home Loan Scheme.

What is meant by market value?

The market value of a property is the price for which the property would be expected to achieve on the open market. What is meant by affordable purchase price? The affordable purchase price for a property is the price that the applicant will pay for the property after the subsidy has been applied to the market value. This price is based on an applicant's income and purchasing power. Purchasing power must not exceed 95% of the market value of the property. Your individual purchasing power is equal to your Approved Mortgage Amount + Deposit + Savings in excess of €30,000.00. See below for a more detailed explanation.

How do I know which property to apply for?

It is recommended that two- or more person-households apply for the 3-bedroom dwellings – on the basis that under the Scheme of Priority for Affordable Dwelling Purchase Arrangements, as adopted by Louth County Council, where the number of eligible applicants exceeds the number of affordable dwellings for which applications are made, applications will be prioritised in accordance with Louth County Council's

Scheme of Priority, to include that for 3-bedroom dwellings, priority shall be given to two- or more-person households.

How is the affordable purchase price calculated?

Example – Property with a Market Value of €380,000

The below examples show varying incomes and how they determine the affordable purchase price and the Council’s equity share of a property with a market value of €380,000. Example based on 3 bed semi-detached house minimum prices.

Gross Household Income	Mortgage (Income x 4)	Deposit (Minimum 10%)	Purchasing Power, (Mortgage + Deposit)	LCC Contribution	LCC Equity Share	Total Cost
€70,000	€280,000	€28,000	€308,000	€72,000	18.95%	€380,000
€72,000	€288,000	€28,800	€316,800	€63,200	16.63%	€380,000
€78,000	€312,000	€31,200	€343,200	€36,800	9.68%	€380,000
€81,225	€324,900	€32,490	€357,390	€22,610	5.95%	€380,000

These are examples only.

The higher an applicant’s purchasing power is, the more they will contribute to the price and the less equity the Council will take.

How is my purchasing capacity calculated?

The purchasing capacity of applicants will be calculated as the combined total of:

- Maximum mortgage capacity, i.e., 4 times gross household income Plus
- A minimum deposit of 10% of the affordable purchase price Plus
- In limited circumstances, any relevant savings, i.e. any savings in excess of your deposit amount plus €30,000.00 can also be taken in to account as purchasing power.

For example, if you have a deposit of €30,800 and you have additional savings of €40,000. You are only allowed to use €10,000 of those savings to reduce the equity share of the Local Authority in your house. This is a macro prudential (banking) rule. It should be noted that Help To Buy (HTB) can be used for some or all of your deposit and any other savings you have in excess of €30,000, can be used to reduce the Council’s equity share in your home

How much of a deposit do I need?

For Affordable Housing, the applicant should have a deposit of 10% of the amount they are paying for the property and financial institutions require this 10% deposit be raised by the purchaser.

For example, for a mortgage approval amount of €292,000 you will require a deposit of at least €29,200. The Market value of the house may be €395,000 but you only pay a deposit for the equity you are purchasing in the property. Applicant pays €321,800 (€292,000 mortgage + €29,200 deposit) of €395,000 = 81% of the purchase price. Louth County Council pay 19% of the purchase price i.e. the remaining €73,200

Stamp Duty

Stamp Duty is calculated on the full Market Value of the house and is payable by the applicant.

The Help to Buy (HTB) Scheme operated by The Revenue Commissioners can be utilised towards this deposit amount where the you do not have a deposit in savings. Note: Applicants using Help To Buy for payment of deposit can contact affordablehousing@louthcoco.ie to confirm the purchase price payable to ensure compliance with the terms and conditions of the Revenue run scheme.

Please refer to the qualifying criteria for defined by the Revenue Commissioners for eligibility for the scheme Help To Buy.

What is the fixed charge?

All purchasers must sign up to an 'Affordable Dwelling Purchase Arrangement' with Louth County Council. Under this arrangement, Louth County Council will register a fixed, second charge against the property subject to the sale, equal to the difference between the market value of the dwelling and the price paid by the purchaser, to account for financial subsidy obtained from the Department of Housing, Local Government & Heritage, Affordable Housing Fund expressed as a percentage.

For example, if your home is valued at time of purchase at €300,000 and the Housing Authority has an equity share in your home of 10% (initially valued at €30,000). If sometime in the future, you decide to buy out the Council's equity share. The home is now valued at €350,000. As the Housing Authority's equity share is unchanged at 10%, you will now need €35,000 to redeem the Housing Authority's equity share in the home

Louth County Council may not seek repayment of the ‘Fixed Charge’ before a 40-year period (with exception where a breach of the agreement occurs). A purchaser may choose to repay the ‘Fixed Charge’ at any time, by means of one or a series of payments to Louth County Council.

How is a decision made on my application?

The decision on your application is made by Louth County Council in accordance with the eligibility criteria set out in this document and a [Scheme of Priority](#) adopted by Louth County Council on 19th September 2022. Properties will be allocated on a first come first served basis.

What is the Scheme of Priority?

A Scheme of Priority was approved by the Elected Members of Louth County Council on 19th September 2022. The Scheme of Priority outlines a methodology to be applied to determine the order of priority accorded to eligible households where the demand for such arrangements exceeds the dwellings or resources available.

The main points are as follows:

- The property must be suited to your household’s need.
- In relation to 100% of the dwellings, the date and time of application will be one of the criteria on which eligible applications will be prioritised under the Council’s Scheme of Priority i.e. properties will be allocated on a first come first served basis
- In relation to 30% of the dwellings, priority will be given to eligible applicants based on any person making the application being or having been resident in the administrative area of Louth County Council for a minimum period of 5 years.

Can the Local Authority demand repayment of the “Affordable Dwelling Equity”?

The Local Authority can demand the repayment of the affordable dwelling equity by serving a Realisation Notice on the homeowner on the occurrence of certain realisation events including the expiry period of 40 years without redemption in full of the equity share by the purchaser(s) (which will be the period during which the Local Authority may not realise its equity share other than for breach of other conditions of the agreement)

- Where the purchaser(s) dies, commits an act of bankruptcy, or is adjudicated a bankrupt.
- A mortgagee, incumbrancer or receiver gains possession of the affordable dwelling.

- The dwelling becomes subject to an order or process for compulsory purchase.
- The dwelling is demolished or destroyed, whether by fire or otherwise or is damaged so as to materially affect its market value.
- The dwelling is abandoned or is no longer the principal primary residence of the purchaser(s).
- The dwelling is sold.
- Where there is a material breach of a covenant in the affordable dwelling purchase arrangement.
- The purchaser(s) is found to have deliberately misled the Local Authority in respect of any material fact regarding eligibility or priority in making their application.

A Realisation Notice will specify a period (not shorter than three months commencing on the service of the notice) after which the Local Authority will be entitled to realise the affordable dwelling equity. The procedure for this arrangement will be clearly set out in the Affordable Dwelling Purchase Arrangement.

Can I rent out the property?

The Local Authority Equity is provided to homebuyers who intend to make the property their Principle Private Residence.

What is an Affordable Dwelling Purchase Arrangement?

The Affordable Dwelling Purchase Arrangement is the legal agreement or contract between the Local Authority and the purchaser setting out the terms and conditions under which the Local Authority provides the Affordable Dwelling Contribution.

Each successful applicant will enter into an Affordable Dwelling Purchase Arrangement with the Local Authority. This will be prior to the closing of the purchase of their affordable home. The agreement covers the obligations of the purchaser and the Local Authority and makes provision for the registration of the agreement with the Registry of Deeds/Land Registry. The agreement will also set out how and when the homeowner can make redemption payment(s) to reduce the Local Authority's affordable dwelling equity share as well as the conditions under which the Local Authority may seek redemption of the affordable dwelling equity.