



MORTGAGE GUIDE 2023

Steps after (AIP)
Approval in Principle

PREPARED BY



STEPS AFTER APPROVAL IN PRINCIPLE:

FIND PROPERTIES ON THE MARKET WITHIN YOUR APPROVAL AMOUNT



ENGAGE A SOLICITOR



GET A VALUATION



AWAIT & ACCEPT MORTGAGE OFFER



FINALISE PURCHASE & DRAWDOWN MORTGAGE

TOP TIPS

To speed up the process

- Share a link to the property you are viewing so that they can assess suitability.
- Ensure that your life insurance and home insurance are arranged well in advance to avoid delays/ Your broker can help with this too.
- Do not stop acting as if you are applying for a mortgage until you have the keys to your home. Until the funds are drawn down, the lender can always look for proof of income, latest payslips, updated bank statements, proof of savings, etc.
- Ask your mortgage broker to recommend a solicitor specialising in conveyancing. Do ask about their timelines for completion. Also, employ a company with more than one solicitor to avoid delays. Ask for an all inclusive quote.
- If you are planning to avail of the First Home Scheme, make sure that you have maxed out your AIP amount. Banks will not approve if you are even a few cents under your AIP! Your broker and lender will help with this.
- Apply for Help to Buy Scheme at the start of the mortgage application process via your Revenue Online. It will give you an indication early in the process what amount of your deposit will be covered by HTB.
- Each person has to apply for the HTB via their own Revenue account.
- Where possible attend the house prior to the handing over of money to make sure that all contents have been removed from the house and garden, and the contents included in the purchase price remained in the property.

Costs Associated with Buying

Now that you have your Approval in Principle, you have a clear picture of the price range of houses you can bid on, what deposit you need to put down and other expenses.

At this stage, double check that your life insurance is in place for the correct amount and in force, so that this does not delay your purchase.

- Solicitors €2,500 to €3,000. These vary, so do shop around.
- Stamp Duty 1% up to €1 million, 2% in excess of €1 million.
- Mortgage Valuation from €150/€200.
- Engineer report if needed €400/€500. Consult your broker.
- Buildings Insurance up to €500 per year.
- Life Cover/Protection €15 - €150 monthly.



FIND A PROPERTY

WHERE TO START?

Begin your property search and identify a suitable property that fits your requirements and budget. Engage with estate agents, search online listings, or explore other channels to find potential properties.

Define your search before you begin

1. Decide on the area radius you are willing to live in. Is it the price or the location that is more important to you? Check the Property Price Register before making an offer.
2. Set the maximum house price you can afford (usually that will be your AIP).
3. Are you looking for a new build, or a second hand property? If you are going to avail of the Help to Buy Scheme or Shared Equity Scheme, the property will need to be a new build.
4. Level of refurbishments you are prepared to undertake. Bear in mind that any extensive structural works may require a self-build mortgage.
5. Keep talking to your broker before you fall in love with a property.

Search Online Property and Auction Websites

The majority of properties are sold via estate agents. They are advertised online on property websites such as Daft.ie, Property.ie, MyHome.ie, etc. and the estate agent's own websites. A quick search online can give you a quick idea of what is available in an area and at what price.

New Properties

In order to avail of any of the government supports for First Time Buyers, you will need to be purchasing a new home. Some places to start with your search can include the New Homes tab on most property websites in Ireland or Local City and County Councils may have developments listed.

The Affordable Housing Schemes with Local Councils are a good way to purchase a new property. Contact the local City or County Council in the area where you are interested in purchasing. Often, they may have waiting lists or expression of interest forms for proposed developments.

Ask Around

If you are set on an area you wish to purchase in, do not be shy to ask around. Go for a drink in the local pub, or post a few letters in the neighbourhood. You never know where luck may find you!

Example:

- Lisa & John were first time buyers looking to avail of the government support schemes.
- The area where they were looking to purchase was slightly over their AIP amount.
- Furthermore, new built properties were in short supply. After approaching the local council, they were able to qualify for a new built affordable home under the local shared equity scheme. The scheme helped them with 12% of the home price, so they were delighted to own a home which otherwise was out of their budget.

ENGAGE A SOLICITOR

It's advisable to engage a solicitor who specialises in property conveyancing. Furthermore, speed is of essence when purchasing. They will help you with the legal aspects of purchasing a property, such as examining the title deeds, handling contracts, and conducting property searches.

We strongly encourage you to engage with our recommended panel of solicitors, Jacob Law and Hogan Dowling McNamara, who have special deals for Mortgage123 clients. They have proven record of outstanding service.

Special Offer for Mortgage123 Clients

Both Jacob Law and Hogan Dowling McNamara offer the following rates for our clients.

- Switcher €1,500 all in (currently special offers available as well)
- Property Purchase €2,800 all in excluding stamp duty

Clients must inform them that they are from Mortgage123.



SOLICITOR CONTACT DETAILS

Jacob Law

Start the Process

<https://jacoblaw.ie/start-the-legal-process/>

Address: Unit 4A, Complex 1, Riverstown Business Park, Tramore, Co. Waterford X91 KF96

Phone: +35351271013

Email: sj@jacoblaw.ie

Hogan Dowling McNamara

Address: Castletroy House, Dublin Road, Limerick V94 W6DC

Phone: +353 (0)61 501100

Email: info@hdm.ie



GET A VALUATION

Lenders require a valuation of the property before finalising the mortgage. You will need to engage a qualified valuer to assess the property's value and provide a valuation report to the lender.

Central Bank regulations require that a valuation report must not be more than four months old at the time of the mortgage drawdown.

Why is a Valuation required?

The aim of the mortgage valuation is to give enough information for the lender to decide whether the property is safe to lend on, and up to what amount. However, you will have to cover the cost for this report.

What is Included in a Valuation?

- Property prices in the locality for similar houses.
- Any features or significant defects that could affect the property's value.
- The "minimum reinstatement value", which is the amount of money it would take to rebuild the property from scratch, should it ever be necessary. You will need this for your home insurance.

What if Valuation is Different from Purchase Price?

In the unlikely event that the valuer down values the property, you can try to renegotiate a lower offer. However, this may not be an option if the bidding for that property is high and you want to purchase it.

The lender may need to re-evaluate the mortgage offer based on the loan-to-value. The lender will lend based on the agreed purchase price or the valuation, whichever is lower.

Buildings Insurance

Watch out for the minimum reinstatement value on the valuation report. Later, the mortgage lender will ask to see evidence that a suitable buildings insurance policy is in place, together with confirmation that you are covered for the minimum reinstatement value.

MORTGAGE OFFER

Await Mortgage Offer

Once you have found a property and gone sale agreed, you will need to put down a refundable booking deposit. The purpose of this deposit is to secure the property until you get your final mortgage loan offer from the lender.

Tip: Make sure you get a receipt for the deposit paid.

Lenders will issue a loan offer after receiving the official valuation report. The lender will review your application and evaluate the property's suitability for the mortgage. They may request additional information or documentation during this process.

Receive Mortgage Offer

The timeframe for approval can vary depending on the lender and other factors. If your application is successful, you will receive a mortgage offer from the lender.

This document will outline the terms and conditions of the mortgage, including the loan amount, interest rate, repayment structure, and any special conditions.

Get Offer Signed by Solicitor

Along with a copy of this letter, your solicitor will also receive the solicitor's pack. This is a set of documents which they need to complete for the sale to go through.

You should arrange to meet with your solicitor as soon as contracts and mortgage offer are ready to be signed. At this stage, it is crucial to have a solicitor who specialises in conveyancing, so that the process is not delayed.

Accept the Mortgage Offer

Review the mortgage offer carefully, ensuring you understand the terms and conditions. If you are satisfied, sign and return the acceptance letter or complete any necessary online acceptance process outlined by the lender.

Do not hesitate to ask your mortgage broker for advice and clarifications. You need to understand all the conditions of the mortgage offer clearly before you sign it.

MORTGAGE DRAW DOWN

Finalise the purchase

Work closely with your solicitor to complete the legal aspects of the property purchase, including exchanging contracts and transferring funds. Your solicitor will guide you through the closing process.

Draw down the mortgage

After the legal process is complete, the lender will release the mortgage funds to your solicitor. The funds will then be transferred to the seller, and you can take possession of the property.

Mortgage Draw Down Date

Your solicitor will request the mortgage draw down when the purchase is ready to complete. Before the lender releases the funds, they will make sure that all the conditions on the loan offer document are met, such as income, ID documents, life cover, valuation and house insurance, etc.

Your solicitor will prepare a statement setting out the balance required to complete the purchase of the property. This is sent to you in advance of the completion in order that you can deliver the balance cheque in advance of the completion date. Once your solicitor is happy that all title documents have been signed, your solicitor hands over the balance of the purchase money and you will get your keys.

Sign the Purchase Deed

After the sale is completed, your solicitor will ask you to sign the Purchase Deed. This is an important title document which transfers the title into your name. Your solicitor would have received this document at the closing. You normally pay Stam Duty to your solicitor before closing.

Land Registry Entry

When you have signed, your solicitor will proceed to stamp the deed and then send the Deed and your Mortgages document to the Land Registry so that the property can be registered in your name. The period of time required for registration to be completed can vary, but does not affect your ownership.

Title Document (Folio)

When registration is completed you will receive a Folio (title document) which identifies you as the registered owner of the property. The mortgage will also be registered on the Folio. The title deeds when registration is completed is sent to your bank. Your bank will hold onto the deeds until such time as the mortgage is paid in full.

Mortgage Guide 2023

WHY CHOOSE MORTGAGE123?

- ✓ We are an independent broker with access to hundreds of rates.
- ✓ We will package your application and present it to the lender which suits your situation and preferences, once we are confident that you are ready.
- ✓ We manage your mortgage from start to finish and have a dedicated sales progression team who work for you.
- ✓ We have access to enhanced benefits, such as income exceptions.
- ✓ We offer advice on life and home insurance to ensure you get value for your money.
- ✓ We deal with First-Time Buyers, Movers, Switchers and Self-Builders while offering the best rates on the market.

Warning: If you do not keep up your repayments you may lose your home.

Warning: You may have to pay charges if you pay off a fixed-rate loan early.

Warning: If you do not meet the repayments on your loan, your account will go into arrears. This may affect your credit rating and may limit your ability to access credit in the future.

Mortgages as easy as 1, 2, 3 ...

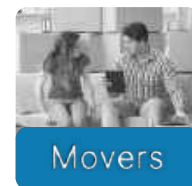
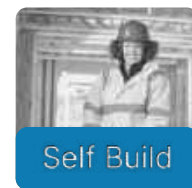
THE MORTGAGE EXPERTS

This mortgage guide has been provided by Mortgage123, Irish mortgage broker providing advice on domestic mortgages.

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*One Broker,
All Banks*

Expert Mortgage Advice,
Nationwide!



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