Wake up in your own gaff

We’re here to help you find your perfect first home
As Dorothy said when she clicked her heels together in the *Wizard of Oz*, “there’s no place like home”. Buying a home is one of the biggest purchases you will ever make, but there comes a time when you just want to find a place to call your own.

Whether you’ve been renting, sharing with friends, or living with your folks, you’ll know when the time is right. And when it is, there’s lots of help and advice out there to get you on the property ladder.

EBS has been helping people in Ireland buy their first homes for over 78 years so we’ve put together this *Guide to Buying Your First Home* to help you in the process.

In this Guide we look at getting mortgage ready and finding the home of your dreams.

Good luck with finding and financing your first home purchase and if you’d like to discuss it with us at any stage, do get in touch.
On the move

After years in the doldrums, the Irish property market is picking up and owning your own home with EBS is becoming a real option

Make it happen with an EBS Home Mortgage

- Competitive interest rates including Variable relative to your Loan to Value and Fixed
- Dedicated mortgage advisors to help you every step of the way
- Up to 90% Loan to Value is available for the first time buyer
  Up to 80% loan to value is available for one-bedroom properties
- Repayment terms up to 35 years, subject to the age of borrowers
- You will need to be over 18 and security will be required before you can obtain a mortgage
- What you can borrow will also depend on what you can comfortably afford to repay monthly, this typically should not exceed 35% of your disposable income, however this may vary according to individual circumstances
- You will require Mortgage Protection and House Insurance which can be arranged via EBS or you may purchase this through another Insurance company
First time buyer’s, in particular, are climbing on the property ladder as they find very good value in house prices, sometimes with monthly loan repayments costing less than their previous rent. So if you thinking of buying your first home, what’s the next step? Here are 5 steps to consider.

01 The first thing to do is to find out if buying a property makes financial sense. Your new home may be financed with a combination of:

✓ Savings
✓ A new mortgage

02 It makes sense to save as much as you can for a deposit on your new home. EBS offers a regular savings account. Log onto www.ebs.ie for more information. See page 15 on this guide.

03 Do a household budget. Work out how much you have coming in versus what you spend every month. There are lots of on-line budget calculators to help you do this just like the one on www.ebs.ie

04 To find out how much you can comfortably afford to repay each month, check out some of the affordability calculators online, which will give you an idea of how much you could realistically borrow.

05 Remember when you buy a new home, you may also need cash to fund additional costs such as:

✓ Valuation fees for a report on your house, which is given to your lender.
✓ Legal fees to your solicitor.
✓ Surveyor fees to look over the house before you buy.
✓ Stamp Duty- Log onto www.revenue.ie for the latest rates for stamp duty.
✓ Repairs, decoration and furnishings.
✓ Storage and moving fees.

Once you get an overview of your finances, you’ll be in a better position to decide if buying your first home is right for you.

For information on how to finance your first home, drop into your local EBS, log on to www.ebs.ie or call 1850 654 321.
House hunting

If you’ve decided that buying your first home is right for you, it’s a good idea to get Approval in Principle before you start house hunting – so you have an idea of how much you can borrow towards buying your new home. This agreement may last only a few months, so keep in touch regularly with your lender.

Finding the right house takes time, so check out the tips on page 6.

When you find the house and your offer is accepted, contact your lender to move from ‘Approval in Principle’ to ‘Full Loan Approval’. To do this, your property will need to be valued by a valuer.

This is also a good time to look into house insurance and life cover to avoid delays later on. EBS is offering 4 months* free home insurance when you take out a policy with us.

Offer terms*

- The 4 months free offer is 36% off the annual premium in year 1 and is subject to paying by direct debit or along with an EBS mortgage. (For customers who wish to pay by cash/cheque/credit or debit card/postal order we offer 28% off the annual premium in year 1).
- Cover will commence from the time you take out the policy. Available to new policy holders who take out 12 months building and content cover. Offer is applied after all other premium reductions have been made and is subject to minimum premiums payable of Buildings €126, Contents of €105 and All Risks €12.60.

EBS Home Insurance is solely underwritten by Allianz p.l.c. Standard acceptance criteria, terms and conditions apply.
Applying for a Mortgage at EBS

When applying for a mortgage at EBS, there are a number of factors we consider to ensure the loan is suitable for you.

- **Your income** - EBS will consider your annual income. We will ask you to provide evidence of a sustainable income pattern.
- **Your age and number of years left to retirement.**
- **Outstanding loans repayments** - these may include car loan, personal loan or credit card.
- **Other monthly outgoings** - these may include household costs, childcare costs, travel cost, etc.
- **Credit history** - this shows your repayment history on existing or previous loans.
- **Savings** - this shows you have the ability to save on a regular basis and that you have built up a sufficient deposit.
- **The value of your new home** - this is the market value or purchase price of your property.
- **The amount you need to borrow** - this is the difference between the amount you have yourself to put towards the purchase and the purchase price of the property. EBS will assess whether you can sustain the monthly mortgage repayment based on your current income and financial commitments, even in a period of higher interest rates. EBS will also assess whether you have sufficient remaining income after the mortgage repayment is made every month.
Applying for a Mortgage at EBS

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FOR PAYE EMPLOYEES

- P60 – or 3 months consecutive pay slips
- Certificate of income from your employer
- Bank statements going back 6 months covering any savings, investments or loan accounts you may have

FOR SELF-EMPLOYED

- 3 years audited/trading accounts (certified by your accountant)
- Confirmation of your tax position from your accountant
- 3 years Revenue Notice of Assessment
- Minimum 6 months business current account statements.

Make sure that you have original copies of all documents and not photocopies!

GETTING READY

If you plan to apply for a mortgage for your first home, you can help speed things up by having all the documents you’ll need in one place.

FOR ALL APPLICANTS

- Current photo ID (passport or driving licence)
- Proof of address (gas/ESB bill) – last 3 months
- We are required by law to collect and verify your Personal Public Service Number (PPSN) or Tax Reference Number (TRN). This is required by the Central Bank of Ireland’s Central Credit Register for customer identification. In order to verify your PPSN/TRN you will need to provide us with an original or electronic version (for example, a PDF or photo) of a document showing your PPSN/TRN and full name. For a full list of acceptable documents and more information on how to provide it, visit www.ebs.ie/ccr or your local EBS office.
House-hunting tips

Anna Shelswell-White, Editor of Ireland’s favourite interior magazine, *House and Home*, shares her top tips on finding the ideal home

Some of the things you should ask yourself when doing your wish list are:
- House or apartment?
- New or second-hand?
- Do you want to live close to your work, family and friends?
- How important is parking? And, what about shops, restaurants, leisure facilities?
- List 10 important features in order and decide which ones you could live without e.g. garage, south facing garden, number of bedrooms, etc.

Always know what you want - and don’t want. Write a checklist of what you expect from your first home and bring it with you every time you view a property

PLAN YOUR TRIPS
- Make the most of your time by viewing properties close to each other.
- Confirm the appointment and get the name and phone number of the person showing you the property.

When viewing houses, take a walk around the exterior and watch out for things like missing roof slates and cracks in walls

If you’re seeing a lot of places, it’s easy to get confused - so take notes, measurements and pictures/video to help you with your decisions later.
BEFORE YOU GO IN
● Check maps before you go to make sure the area is served by public transport and good roads.
● Take a look at the area. Is it well maintained? What’s the traffic like?

Drive or walk around and check out the parking facilities, shops, parks, pubs, restaurants and so on

Find out what’s included in the sale. If you’re buying a house or an apartment, check if there is a Property Management Company involved and what rules and guidelines they have in place and, most importantly, the annual service fee. If the common areas are not well maintained ask to see the accounts.
● View at different times of the day and week e.g. does traffic change in the evenings/weekends, is there a lot of noise from schools, trains, traffic etc.
● Verify if you have to pay extra for a parking space.

WHEN YOU’RE INSIDE
● Check for musty smells, creaky floorboards, cracked, stained, bumpy or flaky walls and ceilings. Beware of smells used to cover this up or fresh paint.
● Open and close windows and doors to make sure they are not damaged or warped.
● Ask about heating and whether the property is alarmed.
● Test the taps and shower and flush the toilets.
● Make a list of what may need to be repaired.
● View the property in the morning and afternoon to see the level of natural light.
● Remember, empty rooms appear bigger than they are, so try to imagine them with your style of furniture.
● Don’t be put off by dodgy decor. A lick of paint and some imagination can make all the difference.
● Check to see you understand how the heating and boiler works, if possible ask for a demonstration.
● Most of all don’t be afraid to ask plenty of questions, take your time and don’t be rushed.

Happy house-hunting!
Anna Shelswell-White
House and Home Magazine
On the move Checklist

There’s so much to think about when you’re moving into your first house so we’ve compiled a handy check-list to help you on your way.

1 MONTH  
_before move_

☐ Decide if you will move yourself with help from friends and family or if you will hire professional movers. If you are doing it yourself, check your insurance cover and increase the cover if necessary.

_Tip:_ Don’t underestimate the cost of buying boxes, renting a van and the hassle of moving yourself. If you use professional movers make sure they are insured and agree full terms and conditions with them in advance.

☐ If you are renting, declutter your house setting aside anything you don’t want to bring with you for recycling, gifting or donation to charity shops.

☐ Put insurance in place for your new home.

☐ Buy packing materials and enlist friends if you are moving yourself.

☐ Start to use up all the food in your freezer.

☐ Check if you have broadband in your new home and arrange a connection as it can take a little longer if there is no service already at the address.

☐ Arrange for any pets to be temporarily housed during the move.

☐ Arrange babysitting for any small children on the day of the move.

☐ Clear out your kitchen cupboards and dispose of all those out of date foods hidden in the back.

☐ Make sure any children’s school records have been transferred to a new school.

☐ Start packing non essentials like winter clothes and other seldom used equipment.

☐ Make sure a removal van will be able to pull up outside both properties and agree with neighbours if necessary.

☐ If you are renting notify your landlord of your move.

_The legal stuff:_ Make sure you have the seller’s solicitor’s details.

2 WEEKS  
_before move_

Make a floor plan of the new house and mark the name of each room on it. This should correspond to the names you put on the top and sides of your boxes in thick marker. You can then use this as a guide for delivering clearly marked boxes to the right location in your new home.

☐ You will need to have utilities like gas and electricity connected in your new home. If there are existing suppliers arrange with the sellers to transfer them into your name.

☐ Notify An Post of your forwarding address and arrange forwarding of your mail. There is a charge for this service.
☐ Notify telecom, broadband and TV providers of your move and set up an account for your new home.
☐ Set up waste collection services at your new home.
☐ Ensure you have any alarm codes for your new house and arrange for the service provider to change the codes for you once you move in.

1 WEEK before move

☐ Check the weather forecast for the day of the move to ensure you have rain gear/ grit for icy paths and warm clothes as appropriate.
☐ Pack an emergency box with lightbulbs, candles, fuses, torches, first aid equipment. Keep this box in your car for moving.
☐ Start packing as much of your house contents as you can marking boxes on the top and sides with the name of the room they will go to in your new house.
☐ Buy cold storage bags for moving the contents of your freezer.
☐ Pack any valuables carefully and consider storing them off-site during the move. Make sure you have insurance cover in place.
☐ Do any laundry necessary.

2 DAYS before move

☐ Defrost your freezer.
☐ Pack a cleaning box to take to your new house including, cleaning products, refuse bags, vacuum cleaner, washing up liquid etc.

☐ Put passports, licences and valuable documents in a safe place.

DAY before move

☐ Pack your remaining contents, except essentials you will need overnight like your kettle, toiletries etc.
☐ Prepare a box of picnic foods and flasks for the day of your move. And don’t forget chocolate a – must-have for busy movers!
☐ Pack a box for your laptops, tablets etc and bring this box in your car with you.

DAY of move

☐ Pack a box of essentials to include, kettle, teabags, coffee, milk, bread, clothes you will need for day one, baby foods and supplies, any medication you need, toiletries, toilet paper and pet food. Bring this box with you in your car.
☐ Finish packing toiletries,
☐ Strip the beds and put all bedding in clearly marked bags.
☐ Start packing the van and once you have finished, check everywhere for anything overlooked.
☐ Before you close the door on your old home take final meter readings of you gas and electricity accounts and note the readings in your new house also.
☐ Check all doors and windows are locked before you leave and arrange to return keys to the landlord.
☐ Wave goodbye!
Pack a cleaning box to take to your new home.

Defrost your freezer.

Start packing as much of your house as appropriate.

Do any laundry necessary.

Buy cold storage bags for moving the contents of your freezer.

Check the weather forecast for the day of the move to ensure you have rain gear/ grit for icy paths and warm clothes.

Pack an emergency box with essentials you will need overnight like toiletries, toilet paper and pet food.

Pack any valuables carefully and clearly marked bags.

Pack any cleaning products, refuse bags, vacuum cleaner, washing cover in place.

Move. Make sure you have insurance for moving.

Ensure you have any alarm codes for your new house and arrange for the service provider to change the codes for your new house and arrange for the providers of your move and set up an account for your new home.

Set up waste collection services at your new home.

Notify telecom, broadband and TV service provider to change the codes for your new house and arrange for the return keys to be returned locked before you leave and windows are readjusted.

Check all gas and electricity accounts and note the meter readings of your old home take final readings in the house also.

When you ask us to lend you money we will make a decision based on your ability to repay the loan.

How much can you borrow?

When you apply for a loan we will ask you for information such as your income, expenditure, assets and liabilities. We may ask you for evidence of this information.

• Maximum loan to value of owner occupier residential properties - 90% of the purchase price or valuation, whichever is lower, and 80% loan to value on one bed properties.

Lending levels are subject to monthly repayment burden, typically not exceeding c. 35% of borrower’s disposable income and will vary according to individual circumstances.

Mortgage loan requests are considered on the basis of proof of income, financial status and demonstrated repayment capacity (including capacity to repay at higher interest rates). Mortgage loans are not available to people under 18 years.
If you do not provide us with the requested documentation, we will not be able to assess your application and credit cannot be granted.

**How long it takes us to deal with your application**
Once we receive your application and any other information we ask you to give us as set out in the mortgage application checklist we will contact you within three business days to say we have received it.

a) If there is any information missing we will tell you, within three business days;
b) We will let you know our decision on your mortgage application within ten business days of receiving all the information we need;
c) If we cannot make a decision within ten business days we will tell you why and when we are likely to make a decision.

**Repayment terms**
We offer mortgage durations of up to 35 years, subject to your age at the time of application.

**Security for the mortgage loan**
Mortgage loans are secured by a first legal mortgage/charge over your property. The property must be within the Republic of Ireland.

**Foreign currency mortgage loans**
The currency of your loan and repayments will be euro. If the currency of some or all of the income or assets you intend to use to repay the mortgage loan is not euro, and/or you live in a European Economic Area (EEA) state that is not in the euro zone, the mortgage loan is a foreign currency loan.

You should be aware that fluctuations in the relevant currency exchange rates may affect the value of your outstanding mortgage balance and/or your repayment.

This could mean that you may find it difficult to afford your mortgage repayments.

**Our mortgage interest rate options**
Your EBS Mortgage Coordinator can tell you exactly what our current interest rates are and how they translate into monthly repayments. Here is a brief description of the types of interest rates available:

(i) **Variable interest rate**

- A variable interest rate can go up and/or down resulting in your monthly repayments rising and/or falling over the life of your mortgage loan.
- A variable interest rate gives you more flexibility. You can make extra mortgage repayments or clear your mortgage earlier than agreed without having to pay any penalties.
- You may have the option of switching to a fixed interest rate (if offered by us at that time).
- Our Loan to Value (LTV) variable rate is available to owner occupier mortgage loans. We have a range of LTV variable rates depending on the amount you are borrowing relative to the value of your home.
- As your loan to value may decrease over the term of your mortgage, you may be able to move between LTV rate bands.
- LTV rates are not available to owner occupier customers at the drawdown of a new top up loan.
(ii) Fixed interest rate

- While on a fixed interest rate, the interest rate and mortgage repayment remains the same for the agreed fixed interest rate period (typically 1 to 5 years). During this time the interest rate will not change. This gives you budget certainty.

- An early redemption charge is payable in the following cases where the fixed interest rate period has not expired:
  a) if a capital payment or full repayment is made to the Loan, or
  b) if the Loan is converted to a variable interest rate, or
  c) if the Loan is converted to another fixed interest rate.

- The formula to calculate the early redemption charge is: amount (A) x remaining term in days divided by 365 (U) x difference in cost of funds (D)%

Definition of terms used in this formula:

(A) amount – The amount being repaid early or the amount being converted to a variable rate or another fixed rate term.

original cost of funds – The cost of funds for EBS for the fixed rate period at the time the fixed rate period commenced.

cost of funds for the fixed rate period remaining – Fixed rate period. The cost of funds used will be as of 5pm the day previous to the request to calculate the early redemption charge.

(U) remaining term in days – Remaining number of days left before the fixed rate is due to expire, divided by 365.

(D) difference in cost of funds – The difference between the original cost of funds and the cost of funds for the fixed rate period.

Worked example:
Assume a 5 year fixed rate loan. Full repayment of €100,000 after 3 years (A); remaining term 2 (U); difference in cost of funds 2% (D). The early redemption charge would be as follows:

\[
(A) 100,000 \times (U) 2 \times (D) 2\% = \text{€}4,000.
\]

- At the end of a fixed interest rate period, the interest rate on your loan will default to the standard variable interest rate then offered by EBS at that time unless you choose an alternative interest rate, if on offer by EBS to you at that time. Our standard variable interest rate is a variable interest rate. If the interest rate on your loan defaults or otherwise converts to a variable interest rate then offered by EBS, your interest rate and the amount of your instalments could increase or decrease during the term of your loan and your interest rate could be higher than the fixed interest rate that applied during any fixed interest rate period.

(iii) Split interest rate

You may choose to have a portion of your mortgage loan on a fixed interest rate and the other portion on a variable interest rate. This will enable you to benefit from the advantages of each interest rate in whatever proportions you choose.

(iv) You or your legal representative can ask us to give you an idea of how your current or existing mortgage interest rate compares to any other rate we may offer at that time.
Flexible features
You can speak to us about the following flexible repayment options that may be available to you:

- Term extension - You may be able to increase the term of your mortgage loan once affordability criteria has been met.
- Interest Only - You may be able to apply for interest only repayments for a specified duration during the term of your mortgage loan.

These options are subject to you meeting the eligibility criteria and terms and conditions and, if granted, may affect the repayment amount and/or the term of the mortgage loan.

Fees and charges
You will have some expenses to pay in connection with the mortgage loan. Here are some examples of the expenses that may be payable:

(i) Valuation Report
A valuation of the property must be carried out by a valuer on our panel of valuers prior to loan approval. This valuation will cost you €150 which will be refunded to you if your loan application is unsuccessful.

If the valuation of the property is undertaken more than four months before the requested date of drawdown, a re-valuation will be required which will cost you €65. If the conditions of your loan require a final valuation following completion of the building of the property, renovations or repairs to it, this will cost you €65.

(ii) Your own advisors’ fees
You will pay any fees, charges and expenses that you are charged by any of your own advisors in connection with the mortgage loan.

(iii) Stamp Duty
Stamp duty is payable on your new home. Your solicitor will work out how much stamp duty you owe.

(iv) Our solicitors’ fees
If the security includes a new mortgage over property that is not your private dwelling place or holiday home, you will have to pay our solicitors’ fees in connection with the mortgage loan.

(v) Insurance
  
- For your property
  
  For your own protection as well as ours, it will be a condition in your letter of offer that your property is adequately insured, at your own cost, for the full re-instatement value (i.e. rebuilding costs) specified in your valuation report (you can seek this insurance through us or from other sources). EBS Home Insurance is brought to you by EBS d.a.c. and is solely underwritten by Allianz p.l.c.

  - Life assurance
  
  If you or your dependants intend to use the property as a principal place of residence, you must show evidence of mortgage protection insurance, unless you are exempt under the Consumer Credit Act 1995. These policies are designed to pay off your mortgage in full if you or your co-borrower die unexpectedly. The correct type of life assurance will depend on the amount, term and type of borrowing (you can seek this insurance through us or from other sources).

  Life Term Cover is provided by Irish Life Assurance plc. EBS d.a.c. is a tied insurance agent of Irish Life Assurance plc for life insurance products.
Paying the mortgage loan
Your letter of loan offer will detail the number, frequency and amount of your mortgage repayments.

If you choose a variable interest rate, there is no guarantee that repaying the monthly repayments detailed in the credit agreement will be sufficient to pay the full amount (including interest) that you owe us under the credit agreement. This is because the detailed monthly repayments are only correct as of the date of the credit agreement and variable interest rates can go up resulting in your monthly repayments rising over the life of your mortgage loan. However, variable interest rates may also go down resulting in your monthly repayments falling over the life of your mortgage loan.

If you cancel or make a claim for reimbursement of a direct debit repaying your mortgage account, and fail to make alternative arrangements for payment, your account will go into arrears.

If you do not repay the mortgage loan when due then you will be in breach of the terms and conditions of your mortgage and EBS will take the appropriate steps to recover the amount due. This could mean that EBS will commence legal proceedings seeking an order for possession against you, which will put your home at risk and affect your credit rating, and limit your ability to access credit in the future. All of your obligations in connection with the mortgage loan will be detailed in your credit agreement.

Can I make additional payments and/or repay my mortgage loan early?
If your loan is on a variable rate, you may repay the mortgage loan, in part or in full, at any time without incurring any additional charges payable to EBS.

A fixed rate mortgage loan may be repaid in full, or in part, subject to an early breakage charge. The formula to calculate the early breakage charge is detailed above.

What is the total amount I will have to pay?
The following example may give you an indication of the total amount payable at the end of a typical mortgage.

Owner Occupier Property
A typical €100,000, 20 year mortgage for an Owner Occupier Residential Property with LTV greater than 80% will have a variable interest rate of 3.7% and APR 3.8%, and 240 monthly repayments of €590.29. If the APR does not vary during the term of the mortgage, the total cost of credit, i.e. the total amount repayable less the amount of the loan, would be €41,884.48 (inclusive of valuation report fees of €215). The total amount repayable would be €141,884.48. The effect of a 1% increase in interest rates for such a mortgage will add €53.21 to the monthly repayments.

Additional information relating to switching lender or changing mortgage type can be found on the www.ccpc.ie website.
Morning babe!

EBS Mortgages

Wake up in your own gafl
We’re here to help you find your perfect first home

Your guide to buying your first home

EBS.ie

The content of this booklet is expressed in broad terms and is limited to general information purposes only. Readers should always seek professional advice to address issues arising in specific contexts and not seek to rely only on the information in this booklet which does not constitute any form of advice or recommendation by EBS.