

Home Loan Guide.  
**Welcome Home.**

We understand that buying or building your home is a huge decision, and the mortgage process may seem overwhelming. Our Home Loan has been designed for members buying or building their home, or seeking to switch their existing mortgage, so rest assured you can rely on us to help you every step of the way. We've put together some common questions that might help you get started.

### What is a Secured Home Loan?

Our home loan has been designed for members looking to either buy/build their own home or carry out large home improvement projects on their current home. It is a long-term loan that is secured by a first legal charge over the house.

### What does Loan to Value (LTV) mean?

Loan to value (LTV) describes the size of the loan in relation to the overall value of the property. We can lend up to 90% of the LTV ratio, which means we can lend 90% of the total property value, the other 10% would need to be provided by you, the borrower.

For example, if a property was valued at €250,000 we could lend up to 90% of the total amount required:

$$€250,000 \times 80/100 = €225,000$$

The remaining €25,000 would need to be provided by you, the borrower.

### How much can I borrow?

Our Secured Home Loan let's you borrow up to €500,000, with a few guidelines as follows:

According to Central Bank of Ireland rules, a lender cannot lend more than 3.5 times your gross annual income. Your income includes your salary and other guaranteed income including any allowances that you receive regularly. For a joint account application this will be 3.5 times your joint income.

It is also important to note that your monthly loan repayments, which includes your Home Loan repayment and other financial commitments such as car loan, credit cards etc cannot exceed 40% of your net monthly income. This will be assessed as part of the underwriting process.

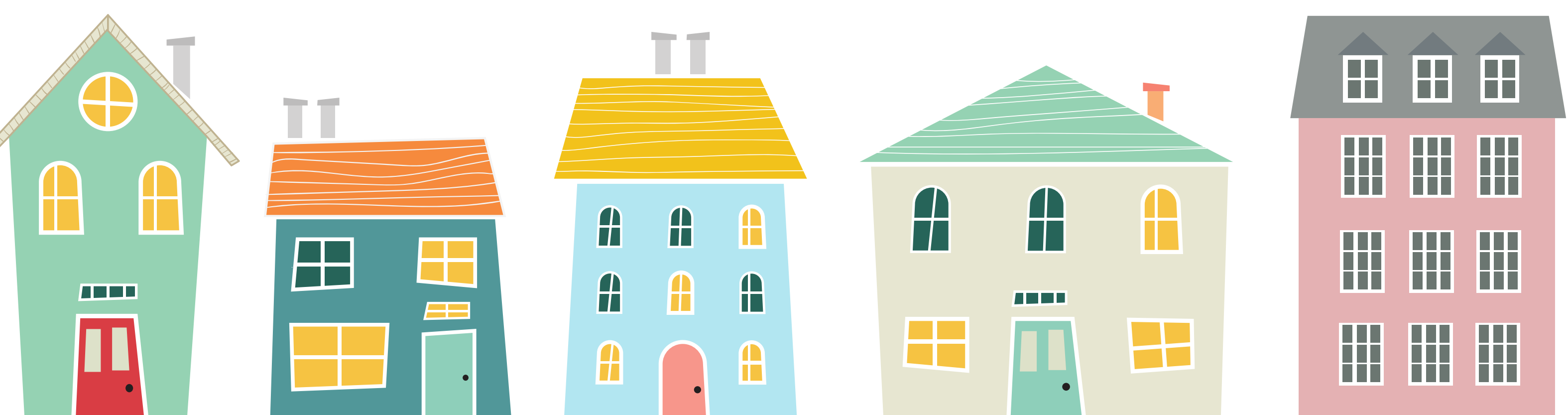
The maximum you can borrow from us is 80% of the value of the home you wish to buy. This means you will need to show proof of a 20% deposit.

For large home improvement projects, we can only lend at this rate if the property is currently mortgage free. Alternatively, we can lend up to €75,000 unsecured where there is currently a mortgage on the property. Please see our Big Life Loan for further information.

### Over what term can I borrow?

Terms start at five years and can be extended to up to 35 years. Please note, the loan must be cleared before the borrowers 70th birthday.

As this is a variable rate, there is no penalty for paying the loan back early, so if you are able to increase your repayments or make a lump sum payment against your home loan, there is absolutely no penalty for doing so, and you'll reduce the overall interest paid if you do so.



### Can I borrow for a new home?

Yes, we lend to first time buyers! We can lend up to 80% of the overall property value, you would need to supply for the remaining 20%. The Government Help to Buy incentive may be availed of by first time buyers purchasing a newly built home. Find out more on [www.revenue.ie](http://www.revenue.ie).

### Can I borrow for a second investment property?

We currently do not lend for buy to let properties...

### Can I borrow for home improvements?

Our Secured Home Loan starts at €40,000, so if you are carrying out a large home improvement project on your home, we can lend for this purpose. However, there must be no mortgage on the property, as given this is a secured loan, the Credit Union would need to have first legal charge on the property. This cannot happen if there is already a mortgage in place.

However, we can lend up to €75,000 unsecured where there is currently a mortgage on the property. Please see our Big Life Loan for further information.

### What insurance is in place on my secure home loan?

As with all Credit Union loans, we offer free Loan Protection Insurance (subject to qualification) on all Home Loans. In addition, the member can opt to take out their own Mortgage Protection policy as additional security.

### Can I make lump sum payments or increase my repayment at any time?

Yes, you can increase your repayments at any time or make lump sum payments against the loan to clear your loan quicker and reduce the overall interest paid. There is absolutely no penalty for clearing your home loan early.

**FOR MORE INFORMATION CHECK OUT OUR WEBSITE [WWW.LIFECU.IE](http://WWW.LIFECU.IE) OR CALL OUR TEAM ON 045 879 622 AND SELECT 2 FOR LENDING**

