



# HOUSE PURCHASE LOANS

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Sheet of : 1 of 5

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## 1. *PURPOSE*

The object of the scheme is to help meet the difference between the proportion of the cost usually advanced by financing agencies and the total cost involved in house purchase (the word "house" can be interpreted as meaning any residential accommodation of permanent construction and which is the employee's sole or main residence). Applications for loans should be made to the Finance Committee (c/o Treasurer's Office, College).

2. House Purchase Loans fall within the scope of Revenue guidelines on employer provided benefits. Under the guidelines these loans are defined as preferential loans where the employee enjoys a preferential rate of interest, and where applicable PAYE and PRSI will be levied on the benefit through the employee's pay records. The benefit is the difference between the actual interest charged on the loan in the tax year and the amount that would have been charged if we had used the Revenue Specified rate (as determined and varied from time to time in the Finance Acts).

## 3. *PROCEDURE*

- 3.1 The decision to make a loan will be made by the Finance Committee, which will consider each case on its merits. The Committee will make a loan only for the first purchase of a house as a residence in the Dublin area. The Finance Committee will require to be informed of any subsequent disposal of the property.
- 3.2 A loan may be made to any staff member who
  - (a) is a permanent member of staff
  - (b) is the holder of a contract of a duration of 5 years or longer
- 3.3. No loan will exceed an amount equal to one half of the basic annual salary, such salary being as at the date of application, or an amount of €26,000, whichever is the lesser.

- 3.4 Where the amount of the loan exceeds €10,000 the College will require the creation of a second charge on the property in respect of the loan.
- 3.5 Loans, once authorised by the Finance Committee, must be taken up within six months.
- 3.6 Loans will be issued against Promissory Notes of repayment.
- 3.7 Loans must be repaid in full
  - (a) by a full-time permanent member of staff over a period not exceeding 10 years
  - (b) by a contract holder of a duration of five years or longer over a period not exceeding the balance of the contract duration.

Should the borrower resign from or otherwise leave the employment of the College, he/she must arrange to repay the loan in full together with any interest due before leaving. If circumstances preclude this, the loan holder must negotiate accelerated repayment with the Secretary of the Finance Committee.

- 3.8 Interest will be charged on the reducing balance at the same rate of interest as charged by the Bank of Ireland to their customers under their variable rate annuity Homeloans Scheme, varying from time to time as the Bank's interest rates fluctuate. Where the holder of a house loan leaves the employment of College without having repaid the loan in full the rate of interest applicable to the outstanding balance will be one percent above the Bank's 5-7 term loan rate of interest (Category A).
- 3.9 Repayments of principal and interest charges will be deducted from the salary/wages of staff members.
- 3.10 Prior to provision of the loan, applicants will be requested to sign a copy of the regulations indicating their acceptance of same.

## HOUSE PURCHASE LOANS IN EXCESS OF €10,000

Before the loan cheque can be issued applicants will have to produce the following legal documents:-

1. The written consent to the creation of the second charge to be given by any Bank, Building Society or other financial institution which has an existing first mortgage on the property being charged to the College.
2. An unqualified certificate and undertaking in relation to the Title to the property from the applicant's solicitor in the current standard form approved by the Incorporated Law Society of Ireland.
3. A second mortgage or charge on the property in a form approved by the College's solicitors duly executed by the applicant (and by his or her spouse/civil partner if the property is owned jointly).
4. A statutory declaration by the applicant confirming or otherwise that the property being charged is a Family Home. This means a dwelling in which a married couple/civil partner ordinarily reside; in cases where the property is solely owned by the applicant consists of a family home the applicant's spouse/civil partner will have to endorse his or her consent to the creation of the second mortgage or charge and will have to certify that he or she has obtained independent legal advice.
5. The applicant's solicitor will also have to furnish appropriate legal searches in order to ensure that there are no other existing charges or encumbrances on the property of which the College is not aware.
6. Applicant will also have to pay College's legal costs and any appropriate outlay in connection with the creation of the second mortgage or charge.

THE UNIVERSITY OF DUBLIN  
TRINITY COLLEGE  
HOUSE PURCHASE LOAN SCHEME  
APPLICATION FORM\*

|   |                   |
|---|-------------------|
| Application by  | Surname _____     |
|   | Given names _____ |
|   | Degree(s) _____   |
| In respect of premises at<br>(if property is known at time of application.<br>Full address must be provided at time of<br>House loan collection)  | _____             |
| Staff Classification:   |                   |
| - Permanent or 5 year contract  | _____             |
| - Position and grade  | _____             |
| - Department  | _____             |
| - Telephone Ext.  | _____             |
| Date of joining full time Staff   | _____             |
| Pensionable salary p.a. at date of<br>Application ( <i>i.e. exclude any non-<br/>Pensionable additional remuneration</i> )  | _____             |
| Loan being applied for<br>( <i>not to exceed 50% of pensionable salary<br/>p.a. or €26,000 whichever is the lesser</i> )  | _____             |
| Repayment period<br>( <i>not to exceed ten years</i> )  | _____             |
| Is it your present intention to remain in<br>the College's service throughout the<br>repayment period of the College loan?<br>( <i>Please note that the College may recover<br/>all or part of the outstanding loan balance<br/>against monies due to applicants as salary<br/>during period of notice and/or final salary.</i> ) | _____             |
| Estimated total cost of house purchase<br>( <i>include cost of house, commission (if any),<br/>legal expenses</i> )   | _____             |
| Manner in which total cost is to be met   |                   |
| Savings:  | € _____           |
| Mortgage:   |                   |
| Monthly Repayments:   | € _____           |
| (Enclose copy of mortgage offer showing<br>monthly repayments)  | € _____           |
| No of people repaying mortgage:<br>(Enclose P60 of anyone else repaying<br>mortgage)  | _____             |

Present residential address of applicant \_\_\_\_\_

Tenure of present accommodation \_\_\_\_\_ Owner / Rented / Other (elaborate)  
*(delete whichever does not apply)*

Date of Birth \_\_\_\_\_

I confirm that I have read and fully accept my  
Obligations under the College's House Purchase  
Loan Scheme

Signed \_\_\_\_\_

Date \_\_\_\_\_

- Applicants should note that this Form will be submitted, as presented, to the Finance Committee