**Your Glossary Guide**

**HTB**- Help to Buy Incentive is a tax refund of up to €20,000 if you are a First Time Buyer and buying a newly built home.

**LTV** - Loan to Value - This is the value of your mortgage in comparison to the value of the property. For example, if you receive a 90% Loan to Value as a first time buyer you will receive a mortgage of €270,000 on a property valued at €300,000,

**AIP**- Approval in Principle - The first step in a mortgage application is to receive an approval in principle from a mortgage lender. This shows the mortgage amount that the lender is prepared to lend you.

**Breakage cost -** You may get charged a fee if you pay back your mortgage early. You should check your letter of approval for the fee amount.

**Deposit** - this is the amount you need to pay towards the property purchase.

**Full Loan Offer**- The official letter from the mortgage lender to confirm your mortgage has been approved for the property you wish to purchase. The FLO includes the interest rate, the term and the type of mortgage (fixed rate or variable)

**Variable Rate** - A variable rate mortgage is a mortgage where the interest rate is calculated by the lender based on a margin above the European Central Bank rates. When E.C.B. rates change, your monthly repayment is ‘adjusted’ to reflect the new interest rate. However, the lender may adjust rates at other times also.

**Fixed Rate** – A fixed rate mortgage is one with an interest rate that stays the same for a set period of time during the mortgage term (i.e. 3 years)

**Mortgage Protection** - Mortgage protection safeguards your home. It pays any remaining balance on your mortgage in the event of death. Mortgage protection is essential – from the day you buy your home until your mortgage is fully paid.

**Reinstatement cost** - Reinstatement cost is the amount necessary to repair or replace your entire home in the event of an unforeseen circumstance such as a fire.