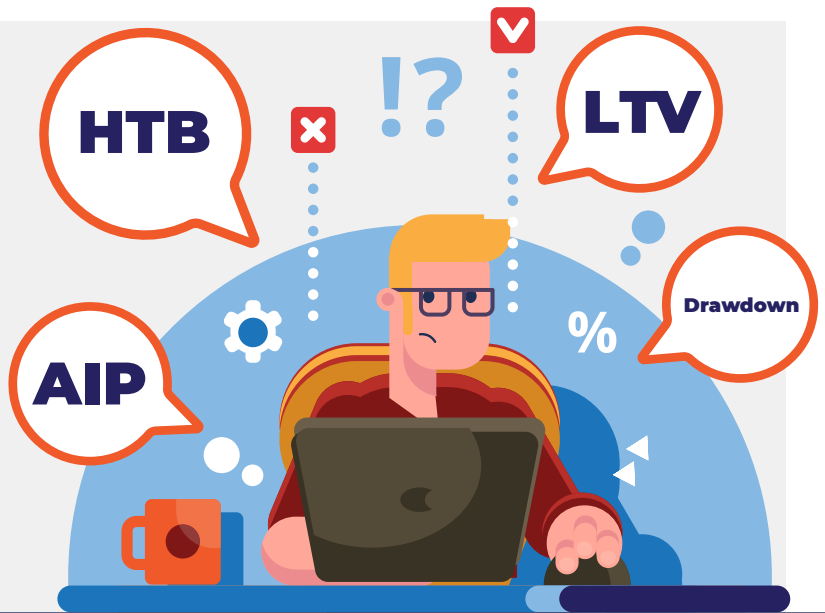


Which Mortgage Glossary Guide



HTB - Help to Buy

This is the current Help To Buy incentive scheme administered by the Revenue Commissioners. You can get a tax refund of up to €20,000 if you are a First Time Buyer and buying a newly built house.

Booking Deposit

This is the amount paid to the Estate Agent/ Auctioneer to secure the property until the contracts are signed. It is part of the overall price of the property.



LTV - Loan to Value

Loan To Value – This is the value of your mortgage compared 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

Approval In Principle – This document is issued by the mortgage lender and shows the loan amount approved for you. You may or may not have chosen your property as yet.



FLO - Full Loan Offer

The official document 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) as well as the loan offer conditions.

Penalty Fee

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

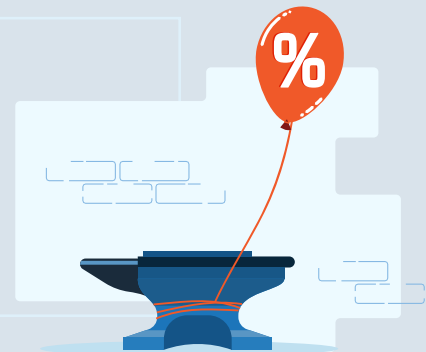


Variable rate

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 ECB rates change, your monthly repayment is 'adjusted' to reflect the new interest rate. However, the mortgage 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 (eg. 3 years)





Annuity mortgage

An annuity mortgage, also known as a repayment mortgage, is the most common type. Your lender works out the amount you need to repay each month to clear your mortgage by the end of an agreed term. Your monthly repayment is made up of two parts: An interest payment on the loan and a capital repayment (paid off the balance).

Mortgage protection assurance

Mortgage protection is a life assurance policy linked and assigned to your mortgage. Should any assured die during the mortgage term the mortgage loan is fully repaid to the lender.



Rebuilding cost

Rebuilding cost is the amount necessary to repair or replace your property in the event of an unforeseen event such as a fire.

Drawdown

The Drawdown is when the loan amount is issued by the lender to your solicitor to close the purchase.



Stamp Duty

Stamp Duty is a tax calculated at 1% of the selling price of any property up to €1m. For amounts above €1m you will be charged 2%. For example: If you buy a home that is worth €300,000, you will pay stamp duty of €3,000. It is payable to your solicitor on closing.