

# The mortgage designed especially for public sector employees



## A Mortgage Guide For Public Sector Employees



# Our Mortgages Especially for Public Sector Employees

**Taking out a mortgage and buying a new home** is probably the biggest and most exciting financial decision you will ever make. It involves a lot of planning and organisation and that's why at ICS Mortgages we've made the mortgage process as simple and streamlined as possible.

**We also have a very attractive mortgage package** which has been especially designed for public sector employees. ICS Mortgages is a 150-year-old brand that was originally established to service the mortgage needs of the Public Sector, so you can be assured that you will be in safe and experienced hands!

**We will help you at each stage of your mortgage journey** and continue to look after you until you make your final repayment.

## ABOUT ICS Mortgages

ICS Mortgages is a trading name of Dilosk DAC, which is an Irish financial services company, regulated by the Central Bank of Ireland as a Retail Credit Firm since August 2014.

ICS Mortgages was established in 1864 and has remained a leading and trusted brand in the mortgage market.

**Dilosk DAC trading as Dilosk and ICS Mortgages is regulated by the Central Bank of Ireland**

# A Guide to your home-buying journey

This booklet aims to guide you through the process of getting a mortgage and will give you some tips on the entire homebuying process.

## **This Guide will bring you through :**

- ✓ Our Mortgage for Public Sector Employees
- ✓ Your Flexible mortgage options
- ✓ Your Mortgage Journey
- ✓ Gathering your mortgage documents
- ✓ Working out your budget
- ✓ A checklist for viewing properties
- ✓ Checking out the area
- ✓ Checking out properties
- ✓ Worked examples
- ✓ Key qualifying criteria





# Our Mortgage offer for Public Sector Employees

## Public Sector Mortgages



In order to apply for our special Public Sector Mortgage, **only one applicant** needs to be a public sector employee.

### Key features

(1) We consider your **basic income to be two points up your current pay scale**

(2) With regard to your **variable income**:

- Up to **100% of your regular overtime** earned may be factored into our assessment if your employer confirms that it is regular and on your salary certificate.
- **100% of your contractual allowances** will be factored in if your employer confirms it is guaranteed and is evident on your most recent Employment Details Summary and on target income for the current tax year

(3) We will consider employees who are promoted within the Civil Service on a one year 'probationary' period.

Please see worked examples pages 15 to 18





## Our Mortgage offer for Public Sector Employees

(4) If you are a new entrants to the Public /Civil service and are subject to a probationary period, we will review these applications on a case by case basis. Your previous employment history will be required to establish your experience and suitability for the new position.

(5) We have a streamlined application process specifically for public sector employees. Our team of professional and qualified mortgage consultants are highly familiar with the Public Sector pay scales, allowance and employment terms. This means they can assess and process your application swiftly with less hassle for you.

(6) We offer a competitive range of variable, 3 year and 5 year fixed terms starting at 2.40%.

(7) We have some of the lowest APRs in the market which means real long term value over the full mortgage term.

(8) We offer a number of flexible repayment options throughout your mortgage term.

**A combination of market leading rates, real long-term value with low APRs (Annual Percentage Rates), flexible repayment options and award winning customer service.**

# Flexible Repayment Options

We offer a range of **flexible repayment options**. These are aimed to suit your individual changing needs throughout your mortgage term\*

**Overpay facility** – customers can pay an additional 20% off their fixed rate mortgage without penalty in any 12-month period. This can either be in a lump-sum or regular overpayments.

**Mortgage breaks** – You can apply for a 3-month break from your mortgage up to 3 times throughout your mortgage term. This is to give a little breathing space during certain life events such as the birth of a child, medical or educational expenses. The mortgage must be drawn down for at least 12 months before applying for a mortgage break.

**Loan-to-value rates** throughout the mortgage term. If you choose a variable rate and as your Loan to Value reduces, you may be able to avail of lower rates. You will need to provide a new valuation on your home.

*\*All flexible options are subject to our lending criteria and terms and conditions.*





## Key Qualifying Criteria

- At least one applicant must be a Public Sector employee to avail of our Public Sector Mortgage
- All properties must be in the Republic of Ireland
- They must be used as Principal Dwelling Houses
- Applicants must have the required permission to reside and work in the state
- A full Valuation of each property is required
- Security, buildings insurance and life cover are required
- Minimum age of applicants 18 years and Maximum age on maturity 70 years
- Applicants must have a proven repayment capacity to meet stress test repayments
- A minimum deposit of 10% of the purchase price is required.

**Information correct as at 17.06.20**

**Lending criteria, Terms and Conditions apply and are subject to change**





# Your Mortgage Journey

## **(1) Contact us to find out how much you may be able to borrow**

The first step in the mortgage process, is to find out how much you can borrow by contacting us direct on **0818 427 427** , email [icsdirect@dilosk.com](mailto:icsdirect@dilosk.com), or contact your **local Mortgage Broker**. They will be able to let you know how much you may be able to borrow.

There is also a handy Public Sector mortgage calculator on our website <http://www.icsmortgages.ie/public-sector-mortgage-calculator>

## **(2) Apply for a mortgage**

Your ICS Lending Manager or your mortgage broker will give you an application form to complete. There are also a number of documents that you will need to submit with your application (See page 9)

## **(3) Approval in Principle**

Your application form and documents will be assessed. If you are approved for credit, we will give you an 'Approval in Principle' which means you can go house hunting with confidence. The approval in principle will be valid for 6 months.

## **(4) Find your new home**

Once you know how much you can borrow, you can more accurately focus on the search for your new home.

## **(5) Get a Valuation on the property**

Your chosen property will need to be valued to find out how much it is worth. This will need to be conducted by a valuer from our Panel. We will arrange for you to organise this.





# Your Mortgage Journey

## **(6) Choose a Solicitor**

You must choose a solicitor who will look after the legal process of buying a home. This is called the 'conveyancing' process. They will also carry out searches to ensure there is nothing that could undermine the value of the property and to identify the boundaries.

## **(7) Insurance**

Before you get a mortgage, you need to arrange the appropriate Life Assurance and Building Insurance to protect both you and the property.

## **(8) Formal Letter of Offer**

We will send a loan offer pack to you and this also goes to your solicitor. It will contain your formal Letter of Offer and the European Standardised Information Sheet (ESIS) which outlines full details of your mortgage and the terms and conditions of your loan.

## **(9) Exchange Contracts**

Your solicitor and the seller's solicitor will liaise to do this on your behalf. Your solicitor will go through the contract with you to ensure you are satisfied with all the finer details.

## **(10) The Drawdown of your Mortgage**

This is where we issue your funds to your solicitor. Once the completion has taken place the solicitor will arrange for you to collect the keys to your new home.

**CONGRATULATIONS you get the keys to your new home!**



# Start gathering your mortgage documents

There are a number of documents required for an owner occupier mortgage application. It is wise to gather these at an early stage in order for the application process move smoothly and efficiently.

Your ICS Mortgages Lending Manager or your Mortgage Broker will give you a full checklist of the items that will be required. Examples are:

- ✓ Passport/Driving licence/National Identity card - Original proof (in date)
- ✓ Proof of address - Original proof of any of the following dated within the last 6 months - Utility Bill, Bank/Credit Union Statement, Credit/Debit Card Statement or Local Authority Documents.
- ✓ 6 months original continuous Current Account Bank Statements (the latest dated within the last 3 months)
- ✓ Up to date original Salary Certificate completed & stamped by employer within the last 6 months
- ✓ 3 consecutive recent payslips (latest within the last 6 months)

We can give you a handy app for your phone called 'ID Pal'. This allows you to upload some of your documents in a simple, secure and convenient way.

If the second applicant is a private sector employee or self employed, there will be additional documents to be submitted and you will receive our document checklist.







# Working out your budget

It is important to work out your monthly budget to determine where you stand with your finances. Simply jot down what money is coming in and what needs to be paid out. When you preparing a budget you can be realistic with yourself regarding the mortgage repayments you can afford each month. **Here is our handy budget planner to work out your budget:**

Income	Monthly amount €
Your basic salary	
Regular commission	
Overtime	
Child Benefit	
Shift allowance	
Other income	
Total Income	€ Per Month

Outgoings	Monthly amount €
Car loans	
Motor expenses	
Personal loans	
Childcare	
Pension contributions	
Overdraft debit balance	
Health insurance	
Food	
Entertainment	
Other outgoings	
Total Expenses	€ Per Month

# A checklist for viewing properties

Once you start viewing houses, there will be a number of things that you will need to consider. Try and have an idea in your mind what you are looking for and what you would expect from your new home. We have developed a handy checklist to help you prioritise what is important to you which you might like to bring with you when viewing properties.

	Property 1	Property 2	Property 3
Property address			
New or old property			
Number of bedrooms			
Number of bathrooms			
Car parking			
Garage			
Overall light in the house			
Condition of the windows			
Condition of the roof			
Size of the garden			
BER energy rating			
Access to primary schools			
Access to secondary schools			
Commute distance to work			
Access to public transport			
Access to shops			
Overall neighbourhood			
Noise levels			
Traffic levels			





## Check out the area

It is good idea to take some photos or videos as you view houses. These will be useful when you are trying to compare a number of properties. It can be confusing when you are trying to remember all the details.

Local estate agents will be able to inform you of the properties for sale in the area and what might be coming up for sale. There are also lots of great property search websites where you can view pictures, videos and all the finer details.

### Explore the neighbourhood

View the property at different times of the week as traffic and other activities may change considerably. The property itself is only one part of your living experience. It's important to note what the area itself is like.

### Do a planning search

Do a search of the area and check out what is planned for the area. You will find out if there are any major development projects on the cards, or any plans for infrastructure enhancements such as new roads or new schools etc.

### Transport

Find out what public transport is available

### Take note of noise levels

Use your ears as much as your eyes. Too much noise pollution may have a serious impact on your quality of life.

**Don't be afraid to ask plenty<sup>7</sup> of questions and don't let anyone rush you.**



# Checking out the property

## Check out the light in the property

Take note of which way the sun shines on the house and how much light enters each room in the house. View the property both in the morning and the evening. Natural light is so important, it lifts your mood and your energy levels and also impacts your energy bills!

## Check out the heating system

Make sure to ask if you can have a look at the boiler. It should have a sticker with the date it was last inspected. Most houses with gas heating systems have annual boiler inspections, so if you notice there's no sticker, you will need to investigate this further.

## Look out for mould

Look out for black spots on the ceiling / walls. No one wants damp in their house which can be very costly to solve. Beware of smells of fresh paint or candles which may be used to cover up damp smells. If you hire a surveyor, they will be able to confirm whether or not the house has damp.





# Checking out the Property

## Consider the layout not just the size

You need to consider how the house is laid out and not just how big the house is. Make sure that the layout is conducive to your family's needs.

Consider the space you have around the property in case you want to build an extension in the future. Check out the attic and see if it would be possible to convert at a later date.

## Consider how you could add value to the property

Consider what home improvements you could make by knocking internal walls or even building a small extension. Major renovations may not be financially feasible day one, so make a list of essential items to be repaired or replaced such as windows, doors, roofs etc.

## Factor in the cost of home improvements

Make sure you know how much you will need to spend in total on the house. You may need to replace the kitchen or bathrooms before you move in, so it is important that you factor in these initial day 1 costs.



# Example (1)

## First Time Buyers

### One Public Sector + One Private Sector employee

This example is based on a teacher and their partner. The partner works in the private sector. They are both First Time Buyers. They are borrowing 90% Loan to value and need a 10% deposit.

- The Teacher is on pay point 8 with a salary of €45,652
- The Partner works in the private sector with a salary of €55,000

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- Teachers' total salary is based on **€59,498**  
(2 points up their salary scale is €49,118 plus an educational allowance and summer work for the Department of education at €10,380)
- Partners salary **€55,000**
- **Total mortgage amount they can borrow is €400,743**

**They could therefore purchase a property for €445,500**

Under normal lending guidelines, this couple would be able to borrow €352,282 (3.5 times their combined salaries) and could therefore purchase a property for €399,500

**In this example the applicants qualify for an additional mortgage amount of €48,461 with ICS Mortgages**



## Example (2) First Time Buyers Both Public sector employees

This example is based on two Public Sector employees both working as clerical officers in the Dept. of Health and Dept. of Education.

Applicant (1) Clerical office Grade 7 – pay point 4 with a salary of €53,904

Applicant (2) Clerical officer Grade 4 – pay point 6 with a salary of €36,215

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- First Applicant total salary is based on **€59,975**  
(2 points up their salary scale is €56,615 plus allowances of €3,360)
- Second Applicant total salary is based on **€45,783**  
(2 points up their salary scale is €39,783 plus guaranteed average overtime of €6,000)

**The total Mortgage amount they can borrow is €370,153**

**They could therefore purchase a property for €412,000**

Under normal lending guidelines, this couple would be able to borrow €315,416 (3.5 times the combined salaries) and could therefore purchase a property for €351,500

**In this example, the applicants qualify for an additional mortgage amount of €54,737 with ICS Mortgages**



## Example (3)

# Two Public sector employees looking to Switch their mortgage and Release Equity

This example is based on two Public Sector employees both working in the HSE. They want to switch their mortgage of €220,000 from their current lender and are looking for an additional loan amount to renovate their home.

Applicant (1) Clerical Officer Grade 7 – pay point 7 with a salary of €57,919

Applicant (2) Clerical Officer Grade 4 – pay point 9 with a salary of €41,274

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The first applicants total salary is based on **€62,612** (2 points up their salary scale plus allowances of €2,168)

The second applicants total salary is based on **€44,162** (2 points up their salary scale)

**The total Mortgage amount they can borrow is : €373,709**

**After paying their current lender the outstanding €220,000, the couple will have €153,709 for home renovations.**

Under normal lending guidelines, this couple would be able to borrow €347,175 (3.5 times the combined salaries) and would have €127,175 for renovations after repaying their current lender.

**In this example, the applicants will have an additional €26,534 for renovations with ICS Mortgages**



## Example (4) Second time property purchase One Public Sector + One Private Sector employee



This example is based on a 1 Public Sector employee and 1 Private Sector Employee who are trading up to a larger family home.

Applicant (1) Midwife Practitioner - pay point 5 with a salary of **€64,571**

Applicant (2) Private Sector Worker with a Salary of **€45,119**

### **ICS Mortgages Public Sector Mortgage**

The first applicants total salary is based on **€66,924** (2 points up their salary scale)

The second applicants total salary is based on **€45,119**

**Total mortgage amount they can borrow is €392,150**

**They could therefore purchase a property for €490,188** (based on 80% loan to value)

Under normal lending guidelines, this couple would be able to borrow €383,915 (3.5 times the combined salaries) and could therefore purchase a property for €479,893.

**In this example, the applicants qualify for an additional mortgage amount of €8,235**



**We'd be delighted to talk to you !**



**For more information on ICS Mortgages  
Public Sector Mortgages**

**Contact us direct on**

**0818 427 427**

**[icsdirect@dilosk.com](mailto:icsdirect@dilosk.com)**

**or Contact your local Mortgage Broker**

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## WARNINGS

In accordance with the provisions of the Consumer Credit Act 1995, the following are for your attention:

**WARNING: YOUR HOME IS AT RISK IF YOU DO NOT KEEP UP PAYMENTS ON A MORTGAGE OR ANY OTHER LOAN SECURED ON IT. THE PAYMENT RATES ON THIS HOUSING LOAN MAY BE ADJUSTED BY THE LENDER FROM TIME TO TIME.**

Note: The above notice in respect of adjustments to repayment rates will not apply during any period when the loan is at a fixed rate.

In accordance with the provision of the Consumer Protection Code (CPC) 2012 the following are for your attention:

**WARNING: IF YOU DO NOT KEEP UP YOUR REPAYMENTS YOU MAY LOSE YOUR HOME.**

**WARNING: IF YOU DO NOT MEET THE REPAYMENTS ON YOUR LOAN, YOUR ACCOUNT WILL GO INTO ARREARS. THIS MAY AFFECT YOUR CREDIT RATING WHICH MAY LIMIT YOUR ABILITY TO ACCESS CREDIT IN THE FUTURE.**

The following warning applies in the case of variable rate loans:

**WARNING: THE COST OF YOUR MONTHLY REPAYMENTS MAY INCREASE.**

The following warning applies in the case of fixed rate loans:

**WARNING: YOU MAY HAVE TO PAY CHARGES IF YOU PAY OFF A FIXED RATE LOAN EARLY.**

The following warning applies in the case of debt consolidation loans:

**WARNING: THIS NEW LOAN MAY TAKE LONGER TO PAY OFF THAN YOUR PREVIOUS LOAN. THIS MEANS THAT YOU MAY PAY MORE THAN IF YOU PAID OVER A SHORTER TERM**