Mortgages Made Simple

Everything you need to know about getting a mortgage from your Credit Union.

Credit Union Mortgages

BY PEOPLE FOR PEOPLE

Back to Basics

What is a Mortgage?

A mortgage is a *long-term loan* to help you buy a home. Most mortgages are borrowed over (i.e. paid back over) 20 to 30 years, but can be longer or shorter. At the Credit Union, your mortgage can last up to **35 years**.

Mortgages are paid over regular repayments throughout this term. These payments will be including the interest on the loan. We give you the option of making these repayments on a fortnightly or monthly basis.

Mortgages are tied to your home, so until you pay it off, the lender (in our case, the Credit Union) holds the Deeds of the property as security against the loan.

The Mortgage Application Process in 3 Simple Steps

1 Before you apply

Who can apply?

To be eligible to apply for a Credit Union Mortgage, you need to be at least 18 years old, resident in Ireland and a member of a Credit Union. You also need to have a *stable income* that is enough to cover future repayments, even in a case where interest rates rise. As well as the money you can secure with a mortgage, you also need to have a deposit. The size of that deposit, your credit history, other existing loans or financial commitments impact the amount you can borrow.

How much deposit do I need?
A deposit is the amount you pay up front when buying a home with a mortgage. You'll usually need between 10-20% of the full property value. You'll also need to be able to show how you got the deposit (whether through saving or a gift).

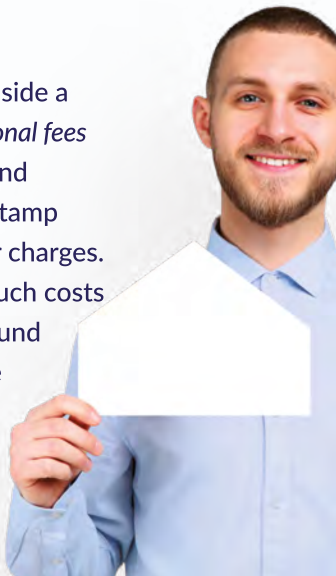
Sometimes, there are extra rules – for example, you may only be able to borrow to a certain multiple of your income and at a particular level of the property value.

How much can you borrow?

Once you know how much of a deposit you have, you can determine how much you need to borrow to cover the rest. Our *mortgage calculator* will help figure out how much you can afford based on your income and outgoings.

Are there any other costs involved?

You need to set aside a budget for *additional fees* to cover survey and valuation costs, stamp duty and solicitor charges. You can expect such costs to amount to around 2-3% of the price of the property.



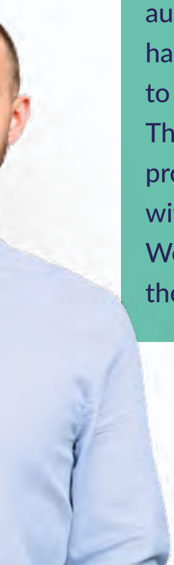
2 Your application

Your Credit Union can guide you through your entire application process. After you've completed your application and supplied your documents, we'll review and let you know if you've been approved.

This stage usually takes up to two weeks, and within that time we might ask for additional information while reviewing your application.

Approval in Principle

Some estate agents / auctioneers will want you to have an *Approval in Principle* to help you find a home. This is the same application process as a mortgage but without a property identified. We can offer this option in the Credit Union.



Getting a property valuation

Once you've been approved for a mortgage, we will require a qualified Valuer to provide us with a *Mortgage Valuation*. Or, if the property is older than 100 years, or the valuer has highlighted something to us we will require a full structural survey. Regardless of whether we need such a report to complete your application, it is always a good idea to get a full structural report so you know about any potential issues with the property.

The Offer

Once we have received and are satisfied with the valuation report we will issue you and your solicitor with a *Mortgage Offer*, which is valid for six months. Make sure you go through the offer and understand the terms and conditions of the contract with your solicitor.

3 Completion

From there, your solicitor will carry out the legal work required to complete the purchase of your home. This includes checking your Mortgage Offer letter, including any special conditions that need to be completed and asking you to sign a copy of the offer acceptance. Your mortgage funds will be released on the requested *completion date*.

You will need to organise *Life Insurance* or *Mortgage Protection* and *Building Insurance* before completion. That way, you're covered if something happens to your or your new home.

Your solicitor will ask for proof of these before completion of your mortgage.

You'll then need to send your deposit to your solicitor. They'll transfer this to the seller's solicitor. Once this is done, you'll be ready to *exchange contracts*.

After some final checks, you'll get your keys and can start moving in. Your solicitor will also arrange to transfer the *deeds* to your local Credit Union where we will store them as security against your mortgage until it is paid off in full.

If you have any questions, or want to start the process of applying for a Credit Union Mortgage, just drop into your local branch today.

Lending criteria, terms and conditions apply. Applicants must be over 18 and resident in the Republic of Ireland. Mortgage approval is subject to a satisfactory assessment of suitability and affordability.

Warning: You should consider the total cost of the mortgage and any applicable incentive included in a mortgage offer.

Warning: If you do not keep up your repayments you may lose your home.

Warning: Your interest rate may increase and the amount of your mortgage repayments may increase as a result.

Warning: If you do not meet the repayments on your loan, your account will go into arrears. This may affect your credit report, which may limit your ability to access credit, a hire-purchase agreement, a consumer-hire agreement or a BNPL-agreement in the future.

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