

Help to Buy – Summary Guide for Lending Institutions

January 2024

Introduction

The **Help to Buy (HTB) scheme** is designed to assist first-time purchasers fund the deposit required to purchase or self-build a qualifying property to live in as their home. HTB provides for a refund of Income Tax and Deposit Interest Retention Tax (DIRT) paid in the State for the previous four tax years, subject to limits outlined in the legislation (section 477C Taxes Consolidation Act 1997).

An enhanced HTB scheme was introduced in 2020 as part of a Government Stimulus package. The enhanced HTB relief has been further extended and is now set to expire on 31 December 2025. The enhancement provides that where applicants sign a contract for the purchase of a qualifying property, or make the first draw down of the mortgage in the case of a self-build property, during the period from 23 July 2020 to 31 December 2025, they will be eligible for increased relief under the HTB scheme to the lesser of:

- i. €30,000, or
- ii. The amount of Income Tax and DIRT paid for the four years prior to making the application, or
- iii. 10% of the purchase value or approved valuation in the case of a self-build.

This document should be read in conjunction with the **Tax and Duty Manual Help to Buy - Part 15-01-46** which outlines the requirements of the HTB scheme.

What is a qualifying lender?

In order to be recognised as a qualifying lender for the purposes of the HTB scheme, the lending institution must be a qualifying lender for the purposes of section 244A. Section 244A provides relief for interest paid on certain home loans. Once the lender has established it is a qualifying lender for section 244A, it may seek to apply to be added to the list of qualifying lenders for the HTB scheme. This can be done via MyEnquires, and the following details should be noted:

1. Registered name of the lender
2. Confirmation that the lender is a qualifying lender under section 244A
3. Contact name and phone number.

Verifying potential maximum refund on a Help to Buy application

As key stakeholders in the purchase of a home, qualifying lenders will need to confirm the potential maximum refund available on a Help to Buy application prior to the mortgage approval decision with respect to that first-time purchaser or first-time self-builder. More details about the HTB process from the perspective of the applicant can be found in the **Help to Buy – Summary Guide for Applicants**.

After the application stage is completed by the first-time purchaser or first-time self-builder, the **Mortgage Query tool** on ROS can be used by the applicant's qualifying lender or qualifying contractor to confirm the potential maximum relief available prior to either mortgage approval or signing a contract to purchase a home. This is done by entering the HTB Application Number and HTB Access Code (provided by the first-time purchaser or first-time self-builder). Note that the actual HTB refund amount may change once the purchase value of the property is confirmed.

The information in this document is provided as a guide only and is not professional advice, including legal advice. It should not be assumed that the guidance is comprehensive or that it provides a definitive answer in every case.