

# **Incremental Purchase Scheme Application Form**

## **IMPORTANT PLEASE READ THE FOLLOWING INFORMATION CAREFULLY**

1. If you are unsure about how to answer any of the questions in this application form, please ask an officer in the Housing Department to help you.
2. Please sign Terms and Conditions acceptance forms and retain applicant's copy for your own reference.
3. When filling out this form please make sure to write clearly so that your application can be processed as quickly as possible.
4. Make sure you have answered all of the questions fully where they are relevant to you. If you do not answer all questions, we may have to return the form to you and this will delay your application. Only fully completed applications will be processed.
5. Be sure of your answers and do not give false or misleading information. The local authority may request and obtain information from another Housing Authority, the Criminal Assets Bureau, An Garda Síochána, the Minister for Social Protection, the Health Service Executive (HSE) or an Approved Housing Body (approved for the purposes of Section 6 of the Housing (Miscellaneous Provisions) Act, 1992) in relation to occupants or prospective occupants of, or applicants for local authority housing and any other person the authority considers may be engaged in anti-social behaviour.
6. You must supply the relevant supporting documentation so that your application can be processed quickly. Please use the checklist provided to make sure you have included everything which is needed to consider your application.
7. While a household may meet the minimum income requirements of the scheme, this does not guarantee the approval of their application to purchase. A household will not be accepted onto the scheme, where having regard to its overall financial situation (including other liabilities) the repayment of their mortgage, and other related housing costs (e.g. insurance or maintenance costs), would place the household in financial hardship.

# Incremental Purchase Scheme Application Form

## CHECKLIST FOR APPLICANT/S

**Applicants are strongly advised to submit their applications in person at this office as posted applications are frequently not completed correctly and have to be returned.**

**Please ensure that your application includes the following:**

Fully completed application form (including signed customer declarations)

Signed terms and conditions (local authority copy)

Photographic identification (current passport or drivers licence) – for both applicants where applicable

Proof of current address (utility bill, lease or rental statement) – for both applicants where applicable

Fully completed, signed and stamped salary certificate – for both applicants where applicable

Fully completed, signed and stamped social welfare form – for both applicants where applicable

Separation / divorce agreement (or solicitor's letter) – for both applicants where applicable

**INCREMENTAL PURCHASE SCHEME – TERMS AND CONDITIONS**  
**(APPLICANT COPY)**

The broad terms and conditions of the Incremental Purchase scheme which the purchaser(s) agree to are:

1. the purchaser will take out a mortgage from a financial institution or local authority to pay for a specified proportion of the sale/purchase price of the dwelling;
2. the proportion of the equity not paid for will be registered as a charge on the property in favour of the housing authority. This charged share will be reduced in equal proportions of 2% per annum over the period of the charge with the reduction for the first 5 years of occupancy being held and applied on expiry of that period;
3. the property can be resold by the purchaser at any time and the market price obtained for the property divided on the basis of the prevailing equity division between the authority and the purchaser;
4. the housing authority will have a first option to buy in the event of the resale of a dwelling by the purchaser while the charge in favour of the housing authority remains on the property;
5. special arrangements will be in place to allow purchasers to undertake major improvement works, with the agreement of the authority, expenditure on which will be taken into account in the division of monies obtained on the resale of the dwelling;
6. the purchaser will be fully responsible for repair and maintenance of the property and will have to maintain insurance cover on the whole property;
7. there are a number of important terms and conditions (contained in the transfer and charge orders) which go with the transfer of the title of the property to the purchaser including:
  - a. that the dwelling must be the normal place of residence of the purchaser and/or his or her family;
  - b. that within the relevant period the housing authority must be notified of the intention to resell the property and be given an option to purchase;
  - c. that substantial material improvements cannot be made to the property without the prior consent of the authority;
  - d. that the property must be maintained to an appropriate standard set by the housing authority; and
  - e. that adequate insurance cover be maintained on the property.

These terms and conditions, with others, will be enforced through the terms of the transfer and charging orders.

I have read and agree to the terms and conditions of the Incremental Purchase Scheme, as listed above:

Signed: \_\_\_\_\_  
(First Applicant)

Date: \_\_\_\_\_

Signed: \_\_\_\_\_  
(Second Applicant)

Date: \_\_\_\_\_

**INCREMENTAL PURCHASE SCHEME – TERMS AND CONDITIONS**  
**(LOCAL AUTHORITY COPY)**

The broad terms and conditions of the Incremental Purchase scheme which the purchaser(s) agree to are:

1. the purchaser will take out a mortgage from a financial institution or local authority to pay for a specified proportion of the sale/purchase price of the dwelling;
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4. the housing authority will have a first option to buy in the event of the resale of a dwelling by the purchaser while the charge in favour of the housing authority remains on the property;
5. special arrangements will be in place to allow purchasers to undertake major improvement works, with the agreement of the authority, expenditure on which will be taken into account in the division of monies obtained on the resale of the dwelling;
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7. there are a number of important terms and conditions (contained in the transfer and charge orders) which go with the transfer of the title of the property to the purchaser including:
  - a. that the dwelling must be the normal place of residence of the purchaser and/or his or her family;
  - b. that within the relevant period the housing authority must be notified of the intention to resell the property and be given an option to purchase;
  - c. that substantial material improvements cannot be made to the property without the prior consent of the authority;
  - d. that the property must be maintained to an appropriate standard set by the housing authority; and
  - e. that adequate insurance cover be maintained on the property.

These terms and conditions, with others, will be enforced through the terms of the transfer and charging orders.

I have read and agree to the terms and conditions of the Incremental Purchase Scheme, as listed above:

Signed: \_\_\_\_\_  
(First Applicant)

Date: \_\_\_\_\_

Signed: \_\_\_\_\_  
(Second Applicant)

Date: \_\_\_\_\_

# Incremental Purchase Scheme Application

## personal details

### first applicant

first name:

middle initial:

surname:

maiden name if applicable:

date of birth:

 /  / 

PPSN:

sex:

female

male

nationality:

mother's maiden name:

marital status:

married

single

separated

divorced

widowed

other

if separated or divorced, please see page 13

e-mail:

work tel:

home tel:

mobile:

current address:

how long at this address:

years:

months:

previous address:

number of dependants:

ages:

have you previously bought a local authority house?

yes

no

please provide details (e.g. address, ownership, etc.)

### second applicant

first name:

middle initial:

surname:

maiden name if applicable:

date of birth:

 /  / 

PPSN:

sex:

female

male

nationality:

mother's maiden name:

marital status:

married

single

separated

divorced

widowed

other

if separated or divorced, please see page 13

e-mail:

work tel:

home tel:

mobile:

current address:

how long at this address:

years:

months:

previous address:

number of dependants:

ages:

have you previously bought a local authority house?

yes

no

please provide details (e.g. address, ownership, etc.)

**additional household members (if applicable)**

Please provide details of additional household members (non purchasing) below:

**additional member - one**

first name:  middle initial:

surname:  marital status:

date of birth:  /  /  PPSN:

sex: female  male

current address:

employment status:

**additional member - two**

first name:  middle initial:

surname:  marital status:

date of birth:  /  /  PPSN:

sex: female  male

current address:

employment status:

**additional member - three**

first name:  middle initial:

surname:  marital status:

date of birth:  /  /  PPSN:

sex: female  male

current address:

employment status:

**additional member - four**

first name:  middle initial:

surname:  marital status:

date of birth:  /  /  PPSN:

sex: female  male

current address:

employment status:

Please copy this sheet for additional household members.

## employment status and details

### first applicant

employed:  self-employed:  not employed:

employer name:

employer address:

state type of business:

occupation:

employment status e.g. permanent, etc:

date commenced present employment:  /  /

gross basic salary p.a.: €

overtime p.a. €

bonus p.a. €

commission p.a. €

other income p.a.: €

source of other annual income:

deductions p.a. €

if less than 6 months in current employment, please give previous employment contact details:

### second applicant

employed:  self-employed:  not employed:

employer name:

employer address:

state type of business:

occupation:

employment status e.g. permanent, etc:

date commenced present employment:  /  /

gross basic salary p.a.: €

overtime p.a. €

bonus p.a. €

commission p.a. €

other income p.a.: €

source of other annual income:

deductions p.a. €

if less than 6 months in current employment, please give previous employment contact details:

## self-employment details

### first applicant

trading name and address:

|  |
|--|
|  |
|  |
|  |

date of commencement of business:  /  /

nature of business:

|  |
|--|
|  |
|--|

sole trader:  director / partner:

state % shareholding:

total net profit: €

*(all partners, before drawings)*

drawings: €

*(state your drawings only)*

previous employer's name and address:

|  |
|--|
|  |
|  |
|  |

previous employment from:  /  /

previous employment to:  /  /

nature of business:

|  |
|--|
|  |
|--|

occupation:

|  |
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|  |
|--|

### second applicant

trading name and address:

|  |
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|  |
|  |

date of commencement of business:  /  /

nature of business:

|  |
|--|
|  |
|--|

sole trader:  director / partner:

state % shareholding:

total net profit: €

*(all partners, before drawings)*

drawings: €

*(state your drawings only)*

previous employer's name and address:

|  |
|--|
|  |
|  |
|  |

previous employment from:  /  /

previous employment to:  /  /

nature of business:

|  |
|--|
|  |
|--|

occupation:

|  |
|--|
|  |
|--|

## nature of current tenure

### first applicant

do you rent your current accommodation?

yes:  no:

if yes, weekly rent payable is: €

if payable monthly, monthly rent is: €

are you (please tick one of the following)

tenant of local authority

tenant of rental accommodation scheme

tenant of voluntary housing body

approved applicant on housing list

tenant/applicant reference number (if known)

name and address of your landlord:

is rent supplement payable to the household for your accommodation?

yes:  no:

if yes, the amount of weekly rent contribution received by the household is:

€

### second applicant

do you rent your current accommodation?

yes:  no:

if yes, weekly rent payable is: €

if payable monthly, monthly rent is: €

are you (please tick one of the following)

tenant of local authority

tenant of rental accommodation scheme

tenant of voluntary housing body

approved applicant on housing list

tenant/applicant reference number (if known)

name and address of your landlord:

is rent supplement payable to the household for your accommodation?

yes:  no:

if yes, the amount of weekly rent contribution received by the household is:

€

**public order offences**

In accordance with Section 14 of the Housing (Miscellaneous Provisions) Act 1997, as amended by Section 8 of the Housing (Miscellaneous Provisions) Act 2009, a housing authority may refuse to sell or allocate a dwelling to a tenant where the authority considers that the tenant is or has been engaged in anti-social behaviour or that a sale or allocation to that tenant would not be in the interest of good estate management.

In the 5 year period prior to the date of this application has **any member** of the household been convicted of offences under the following?

- 1. **Section 5: Disorderly conduct in a public place**
- Section 6: Threatening, abusive or insulting behaviour in a public place**
- Section 7: Distribution or display in a public place of material which is threatening, abusive, insulting or obscene**
- Section 14: Riot**
- Section 15: Violent disorder, or**
- Section 19: Assault or obstruction of a peace officer or emergency services personnel**

**of the Criminal Justice (Public Order) Act 1994 (No. 2 of 1994),**

yes  no

if yes, please give details (including name, address and date and details of conviction)

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- 2. **Section 117 of the Criminal Justice Act 2006 (No. 26 of 2006): withholding or giving false name and address or does not comply with a behaviour order.**

yes  no

if yes, please give details (including name, address and date and details of conviction)

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- 3. **Section 257F of the Children Act 2001 (No. 24 of 2001): a child withholding or giving false name and address or does not comply with a behaviour order.**

yes  no

if yes, please give details (including name, address and date and details of conviction)

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## **marital separation / divorce**

Where an applicant/joint applicant for Incremental Purchase Scheme is separated or divorced, the following (A or B) applies:

### **A. Separation Agreement**

Where a separation agreement is in place, a copy of the agreement confirming the below details must be included with this application.

The agreement must identify:

1. The extent of maintenance being received or paid by the applicant;
2. The circumstances under which the maintenance payments can cease;
3. Details of any payment to be made in respect of buy-out of spousal rights to the existing family home or other property which could have a bearing on the applicant's ability to purchase the dwelling;
4. That no onerous conditions exist.

In exceptional circumstances, a letter from the applicant's solicitor confirming the above details is acceptable.

### **B. No Separation Agreement**

If there is no separation agreement, a letter from the applicant's solicitor must be included with this application confirming:

1. That there is no formal separation agreement;
2. That there are no court proceedings pending under family law legislation;
3. The position in relation to maintenance and other payments.

### **Maintenance Payments**

Where the applicant is in receipt of maintenance payments these will be considered as assessable income.

Where the applicant pays maintenance, evidence must be provided that the required payments have been made for at least the previous 12 months, without interruption.

**salary certificate – to be completed by first applicant’s employer**

**EMPLOYMENT DETAILS**

Name of Employee: \_\_\_\_\_

Length of service with the company: Years \_\_\_\_\_ Months \_\_\_\_\_

Position held within the company: \_\_\_\_\_

The exact location of employment: \_\_\_\_\_

Is employment permanent? Yes  No

Is employee on probation period? Yes  No

So far as are you able to tell will he/she continue to be in your service?  Yes  No

If employee is on a salary scale, what is the maximum of such scale and by what annual increments reached?

\_\_\_\_\_

**SALARY DETAILS**

|                                     | Guaranteed               | Regular                  | Irregular                |
|-------------------------------------|--------------------------|--------------------------|--------------------------|
| Gross basic wage/salary: _____ p.a. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Overtime: _____ p.a.                | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Bonus: _____ p.a.                   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Commission: _____ p.a.              | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Other income*: _____ p.a.           | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

\*Please give details of other income: \_\_\_\_\_

\_\_\_\_\_

**THIS SECTION IS TO BE COMPLETED BY AN AUTHORISED COMPANY OFFICIAL**

Signed by: \_\_\_\_\_

Position: \_\_\_\_\_

Company Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Please authenticate with  
company stamp or seal

Tel Number: \_\_\_\_\_ Date: \_\_\_\_\_

THE INFORMATION GIVEN WILL BE TREATED IN THE STRICTEST CONFIDENCE

**salary certificate – to be completed by second applicant's employer**

**EMPLOYMENT DETAILS**

Name of Employee: \_\_\_\_\_

Length of service with the company: Years \_\_\_\_\_ Months \_\_\_\_\_

Position held within the company: \_\_\_\_\_

The exact location of employment: \_\_\_\_\_

Is employment permanent? Yes  No

Is employee on probation period? Yes  No

So far as are you able to tell will he/she continue to be in your service?  Yes  No

If employee is on a salary scale, what is the maximum of such scale and by what annual increments reached?

\_\_\_\_\_

**SALARY DETAILS**

|                                     | Guaranteed               | Regular                  | Irregular                |
|-------------------------------------|--------------------------|--------------------------|--------------------------|
| Gross basic wage/salary: _____ p.a. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Overtime: _____ p.a.                | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Bonus: _____ p.a.                   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Commission: _____ p.a.              | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Other income*: _____ p.a.           | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

\*Please give details of other income: \_\_\_\_\_

\_\_\_\_\_

**THIS SECTION IS TO BE COMPLETED BY AN AUTHORISED COMPANY OFFICIAL**

Signed by: \_\_\_\_\_

Position: \_\_\_\_\_

Company Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Tel Number: \_\_\_\_\_ Date: \_\_\_\_\_

Please authenticate with  
company stamp or seal

THE INFORMATION GIVEN WILL BE TREATED IN THE STRICTEST CONFIDENCE

**for completion by social welfare – first applicant**

**THIS FORM IS REQUIRED ONLY IF FIRST APPLICANT IS ON SOCIAL WELFARE.**

**Name:** \_\_\_\_\_

**Address:** \_\_\_\_\_

\_\_\_\_\_

**PPS Number:** \_\_\_\_\_

**In relation to the above named applicant I confirm that the following information is correct:**

**TOTAL AMOUNT OF BENEFIT/ASSISTANCE RECEIVED FROM:**

1<sup>st</sup> January \_\_\_\_\_ to 31<sup>st</sup> December \_\_\_\_\_ = € \_\_\_\_\_

**AMOUNT OF BENEFIT/ASSISTANCE CURRENTLY BEING RECEIVED IS**

€ \_\_\_\_\_ PER WEEK

**TO BE COMPLETED BY AN OFFICIAL OF  
THE DEPARTMENT OF SOCIAL PROTECTION / LOCAL SOCIAL WELFARE OFFICE**

I hereby certify, in accordance with my records and to the best of my knowledge, that the above named person is in receipt of social welfare payments as detailed above.

**SIGNED**

**DATE**

**OFFICIAL STAMP**

\_\_\_\_\_

**for completion by social welfare – second applicant**

**THIS FORM IS REQUIRED ONLY IF SECOND APPLICANT IS ON SOCIAL WELFARE.**

**Name:** \_\_\_\_\_

**Address:** \_\_\_\_\_

\_\_\_\_\_

**PPS Number:**  
\_\_\_\_\_

**In relation to the above named applicant I confirm that the following information is correct:**

**TOTAL AMOUNT OF BENEFIT/ASSISTANCE RECEIVED FROM:**

1<sup>st</sup> January \_\_\_\_\_ to 31<sup>st</sup> December \_\_\_\_\_ = € \_\_\_\_\_

**AMOUNT OF BENEFIT/ASSISTANCE CURRENTLY BEING RECEIVED IS**

€ \_\_\_\_\_ PER WEEK

**TO BE COMPLETED BY AN OFFICIAL OF  
THE DEPARTMENT OF SOCIAL PROTECTION / LOCAL SOCIAL WELFARE OFFICE**

I hereby certify, in accordance with my records and to the best of my knowledge, that the above named person is in receipt of social welfare payments as detailed above.

**SIGNED**

**DATE**

**OFFICIAL STAMP**

\_\_\_\_\_

## declarations

**Please read this declaration carefully and sign and date it when you are satisfied that you understand it. Please note that the application will only be accepted when this declaration has been signed.**

**Collection and use of data:** **(Local Authority Name)** will use the data which you have supplied to assess and administer your application. Data may be shared with other public bodies for the purpose of the prevention or detection of fraud. **(Local Authority Name)** may also process this data for research purposes in conjunction with the Department of the Environment, Heritage and Local Government.

**(Local Authority Name)** may, for the purpose of its functions under the Housing Acts 1966 to 2009, request and obtain information from another Housing Authority, the Criminal Assets Bureau, An Garda Síochána, the Minister for Social Protection, the Health Service Executive (HSE) or an Approved Housing Body (approved for the purposes of Section 6 of the Housing (Miscellaneous Provisions) Act, 1992) in relation to occupants or prospective occupants of, or applicants for local authority housing and any other person the authority considers may be engaged in anti-social behaviour.

**Housing (Miscellaneous Provisions) Act 2009:** Section 32(7) of the Housing (Miscellaneous Provisions) Act 2009 provides that it is an offence, punishable on conviction by a maximum fine of €2,000, for a person to knowingly conceal any material fact in relation to the purchase of a dwelling under an incremental purchase arrangement. Section 32(8) of the 2009 Act provides that a housing authority may recover from a person convicted of an offence under section 32(7) any higher expenditure that it incurred on the sale of the dwelling due to reliance on false, misleading or undisclosed information.

**Declaration:** I/ we declare that the information and particulars given by me/us on this application are true and correct, and I/we understand that the provision of any false or misleading statements may lead to this application being cancelled. In respect of an IPS application received from a person/household on the local authority's waiting list, the local authority reserves the right to exclude an applicant from consideration for both an IPS purchase and for social housing support generally if he/she supplies false information or withholds relevant information on this form or at subsequent interviews. In relation to applications received from current tenants of the local authority, the local authority reserves the right to exclude a tenant from consideration for purchase of a housing unit if he/she supplies false information or withholds relevant information on this form or at subsequent interviews. In addition any person who gives false or misleading information may be guilty of a serious offence and may be liable for prosecution.

I/we undertake to notify **(Donegal County Council)** immediately should there be any changes from the information provided, or in my/our circumstances. I/we also authorise **(Donegal County Council)** to make necessary enquiries either written or otherwise regarding my/our application to verify information given.

## signatures

first applicant:

date:

second applicant:

date:

# **DONEGAL COUNTY COUNCIL**

## **Incremental Purchase Scheme for Purchase of Local Authority Dwellings**

### **The Scheme:**

Under the Scheme a purchaser pays a discounted price for a new dwelling and in return receives full ownership and responsibility for maintaining and insuring it. The Housing Authority in return places a reducing charge on the property that is equivalent to the discount afforded to the purchaser (lower income applicants receive 60% discount and higher income applicants receive 40% discount). The charge share is released to the purchaser over the period of the charge which can range from 20 to 30 years. The purchaser can resell the property at any time at market value with the Housing Authority being paid an amount equal to the proportion of the outstanding equity charge on the property. The Housing Authority has however first option on buying back the property in the event of the resale during the charge period.

### **What type of dwelling may be purchased:**

The Incremental Purchase Scheme (IPS) only applies to new dwellings (excluding Duplex Units/Flats/Apartments) which have been specifically designated by the Local Authority as being eligible for purchase under the scheme. There are a number of exceptions to the types of dwellings which can be designated which include dwellings which were specifically designed for occupation by the elderly, group housing for travellers, dwellings provided through Part V specifically for social housing and caravans/mobile homes or structures capable of being moved.

When a new tenant is being offered a dwelling, they will be advised if it has been designated under the Scheme.

### **Who can apply:**

There are two types of household that can be considered for inclusion in an IPS, each with different requirements placed on them should they be allocated a dwelling to purchase under the scheme.

Firstly, households that have been assessed by the Housing Authority as being eligible for and in need of social housing support can, if their income supports it, be considered for or offered a dwelling under an IPS. Such a household on a Housing Authority's waiting list who is allocated an IPS designated dwelling from the Housing Authority has five years to purchase the dwelling under the scheme. In the event that the five years expires without sale under the IPS, a dwelling may, at a later date, be purchased under the normal rules of any other tenant purchase scheme then in place.

Secondly, households who are already tenants of a Housing Authority, of an approved body or who are participants in the Rental Accommodation Scheme can apply to the Housing Authority to purchase a dwelling that has been designated for the purposes of an IPS. Such households cannot purchase the dwelling that they are currently occupying\*

under the IPS, instead, they must be willing to move to a new build dwelling identified as purchasable under the terms of the scheme. Furthermore these households are not afforded five years within which to complete the purchase of the IPS dwelling, they must purchase it before moving in.

*\*An existing Local Authority tenant wishing to purchase the dwelling they are currently residing in it must do so under the rules of any other tenant purchase scheme in place.*

### **Are there any exceptions:**

A person/household who previously purchased a dwelling from a Housing Authority or an approved body is not permitted to buy a home under an incremental purchase arrangement. A Housing Authority may also refuse to sell a dwelling under an incremental purchase arrangement where the Housing Authority considers that the eligible household or a household member has been engaged in anti-social behaviour or that the sale to that household would not be in the interests of good estate management.

### **Income Requirements:**

While a household may meet the basic eligibility requirement, the household must also have a gross annual income of not less than €15,000 in order to be eligible for consideration to purchase under the Scheme. Furthermore having the required gross annual income alone does not guarantee the approval of their application to purchase as a household will not be accepted onto the scheme, where having regard to its overall financial situation (including other liabilities) the repayment of their mortgage, and other related housing costs (e.g. insurance or maintenance costs), would place the household in financial hardship.

The following applicants are considered **not** to have sufficient means to purchase under the scheme:

- (1) applicants who are the subject of legal action for debt recovery.
- (2) applicants who are declared bankrupt or currently subject to bankruptcy proceedings.
- (3) applicants who have a court order (judgement) for recovery of debts granted against them.

#### **Household Income:**

Only the income of the applicant or joint applicants is assessed for the purposes of determining whether an applicant household meets the minimum income requirements of the scheme and the level of discount to be offered. A joint application in this context means an application where two or more adult persons apply to purchase a dwelling under the scheme. Income from other 'non applicant' members of the household will, therefore, not be taken into account in the assessment of means for the scheme, with the exception of the spouse/partner of an applicant applying alone.

100% of the gross income of the applicant/joint applicants is taken into consideration in determining whether the household meets all of the income criteria.

#### **Income that is assessable/not assessable for IPS:**

The following incomes are assessable for the purposes of IPS

- (1) income from employment including overtime, bonuses and commissions.  
Overtime payments, commissions and bonuses will be assessable in accordance with the following:
  - (i) overtime – restricted to a maximum of 10% of basic income, though special consideration can be given to regular overtime.

- (ii) bonus – restricted to a maximum of 10% of basic income.
  - (iii) commission – restricted to a maximum of 30% of basic income, where applicable.
- (2) income from self-employment.

Income from social insurance and social assistance payments, allowances, pensions allowances and other welfare benefits is not assessable income for the purposes of IPS, except where this is a secondary source of income, i.e.

- (1) where a person receives a social welfare payment in addition to income from employment.
- (2) where the spouse/partner of an employed applicant receives a social welfare payment.

Notwithstanding this, in all cases income from the following sources shall not be regarded as assessable income for the purposes of IPS:

- a. child benefit or guardians payment;
- b. carer's allowance;
- c. scholarships or higher education grants;
- d. foster care allowance;
- e. domiciliary care allowance;
- f. allowances/assistance from charities;
- g. fuel allowance;
- h. living alone allowance.

***Marital Separation:***

Where an applicant/joint applicant under the IPS is separated/divorced, the following guidelines apply.

Where a separation agreement is in place, a copy of the agreement must be included with the application. The agreement must identify:

- a. the extent of maintenance being received or paid by the applicant.
- b. the circumstances under which the maintenance payments can cease.
- c. details of any payment to be made in respect of buy-out of spousal rights to the existing family home or other property which could have a bearing on the applicant's ability to purchase the dwelling.
- d. that no onerous conditions exist.

Where there is a reluctance to provide the full agreement due to sensitivity about some of the contents, a letter from the applicant's solicitor confirming details is acceptable.

If there is no separation agreement, a letter from the applicant's solicitor must be submitted confirming:

- 1. that there is no formal separation agreement.
- 2. that there are no court proceedings pending under family law legislation.
- 3. the position in relation to maintenance and other payments.

Where the applicant is in receipt of maintenance payments these will be considered as assessable income both in terms of meeting the minimum income requirements and the level of discount to be offered. Evidence, though, must be provided that the required payments have been made for at least the previous 12 months without interruption.

## **Time limits:**

A household on a Housing Authority's waiting list who is allocated an IPS designated dwelling from the Housing Authority has five years to purchase the dwelling under the scheme. In the event that the five years expires without sale under the IPS, a dwelling may, at a later date be purchased under the normal rules of any other tenant purchase scheme then in place.

Households who are already tenants of a Housing Authority, of an approved body or who are participants in the Rental Accommodation Scheme and who are subsequently allocated an IPS designated dwelling must purchase it before moving in.

## **What information must be submitted with the application?**

Persons wishing to purchase a dwelling under the Scheme must complete an application from which is available at [www.donegalcoco.ie](http://www.donegalcoco.ie) or at any of the Public Service Centres. The Application Form contains a checklist of requirements, which must be submitted with the application. Where an application is submitted which does not include all of the required information it will be returned to the applicant setting out the missing information.

## **Evaluation**

The Housing Authority will firstly determine whether or not a household meets the basic eligibility and income requirements in order to be eligible for consideration to purchase under the Scheme. Where, on investigation, the Housing Authority considers that a household meets these requirements, it will issue confirmation of agreement in principle to enter into an incremental purchase arrangement with the household. This agreement in principle will be conditional that the household, prior to the completion of the sale, gives to the Housing Authority, written notice of loan approval or otherwise establishes, to the satisfaction of the Housing Authority, its capacity to pay the purchase money for the dwelling. The issue of such confirmation does not constitute a contract between the Housing Authority and the household nor should it be considered as an offer of a loan to purchase the dwelling. It is only after the position in relation to the payment of the purchase money is established to the satisfaction of the Housing Authority that the sale can be completed.

## **The Purchase Price:**

The purchase price of a dwelling shall be the total cost to the Authority of providing the dwelling in the first place.

## **The "Purchase Money"/Discount Applicable to a Purchaser:**

The 'purchase money' (i.e. the money that the purchaser pays) is a straightforward application of the relevant discount level to the purchase price. The level of discount depends on the household income as determined under the Section "Income Requirements".

The following table sets out three different levels of discount depending on the household income:

| <b>Bands</b> | <b>Household Income Level</b> | <b>Discount Applicable</b> |
|--------------|-------------------------------|----------------------------|
| Band 1       | ≤ €20,000                     | 60%                        |
| Band 2       | ≥ €20,001 ≤ €29,999           | 50%                        |
| Band 3       | ≥ €30,000                     | 40%                        |

### **Structural Condition of the Dwelling:**

No warranty shall apply or be deemed to be implied as to the state of repair or condition or the fitness for human habitation of a dwelling sold under the IPS. Dwellings offered for sale contain the proviso that no warranty shall apply or be deemed to be implied as to the state of repair or condition or the fitness for human habitation of the dwelling. It is therefore in the applicant's own interest to employ a suitably qualified person to ensure that the property has been properly constructed and is free of defects.

The Local Authority reserves the right to carry out any inspections/investigations it deems appropriate in the context of the consideration of the application. Applicants should be aware that any such inspections by staff employed by the Local Authority or by any of its agents is purely for the information of the Local Authority. The Local Authority does not accept any statutory or common-law duty of care to the applicant to ensure that the property has been properly constructed or is free of defects.

### **Local Authority Mortgages:**

If a tenant is unable to pay for the dwelling from their own resources and can not get adequate finance from a Bank or Building Society, they may apply to the Local Authority for a mortgage provided:

They are aged between 18 and 70 years ***and***  
Earning under €50,000 as a single applicant or under €75,000 as joint applicants  
***and***

In the case of the primary earner on the application, in continuous employment for at least two years (this can be self employment) and in the case of the second applicant, (whose income is being relied upon to fund the mortgage repayment), in employment for at least one year.

*Full details of the terms and conditions of Local Authority Loans are available on [www.donegalcoco.ie](http://www.donegalcoco.ie) or at any of the local Public Service Centres.*

### **Effecting the sale of a dwelling – the Transfer Order:**

The sale of a dwelling under an incremental purchase arrangement is done by way of a combined transfer and charge order. This order transfers full title of the dwelling to the purchaser on the day of sale, subject to a charge that the Housing Authority will place on the dwelling equivalent to the discount given (see Section The "Purchase Money"/Discount Applicable to a Purchaser) and a number of other terms and conditions set out in the order.

The proportion of the equity not paid for will be registered as a charge on the property in favour of the Housing Authority. This charged share will be reduced in equal proportions of 2% per annum over the period of the charge with the reduction for the first five years of occupancy being held and applied on expiry of that period. The period for which the

charge remains depends on the level of discount allowed in calculating the purchase monies.

The following table set out the different periods for which the charge remains:

| <b>Level of Discount</b> | <b>Charge Period</b> |
|--------------------------|----------------------|
| 60%                      | 30 years             |
| five0%                   | 25 years             |
| 40%                      | 20 years             |

### **Occupying/Maintaining the Dwelling:**

The dwelling must be the normal place of residence of the purchaser and/or his or her family. The purchaser will be fully responsible for repair and maintenance of the property and will have to maintain insurance cover on the whole property.

### **Selling the Dwelling:**

A person who buys a dwelling from a Housing Authority under an incremental purchase arrangement is at liberty to sell that dwelling at any time. Where the dwelling is still the subject of the charge order in favour of the Housing Authority, the sale is subject to a number of terms and conditions, the first of which is that the Housing Authority must be given prior written notice of the intention to sell.

The Local Authority may refuse to consent to the re sale during the charge period for a number of reasons as follows:

- if the purchase price is less than the market value
- If the person buying the dwelling is or has been engaged in anti-social behaviour, or the sale of the dwelling, in the opinion of the Housing Authority, would not be in the interest of good estate management.
- If the sale of the dwelling would leave the vendor or any of the vendor's dependents without adequate housing.

Where the Local Authority consents to a sale, it has first refusal on buying back the dwelling. Should the Authority decide to buy back the dwelling, it will buy it at market price less an amount equal to the value of the charged share that the Housing Authority still holds on the dwelling.

If the Local Authority decides not to buy back the dwelling and consents to it being sold to another person, the purchaser must pay to the Housing Authority an amount equal to the market value of the charged share that the Housing Authority still holds on the dwelling.

### **Material Improvements to the Dwelling:**

Material improvements cannot be made to the property without the prior consent of the Authority. Where the vendor (incremental purchaser) has made approved material improvements to a dwelling being resold, adjustments are made to exclude the improvements element of the property's market value from the calculations. Where however improvements have been made without the consent of the Housing Authority, then no allowance is made.

## **Determining the Market Value:**

The Local Authority will determine the current market value of a dwelling for the purposes of calculating the value of the equity which it still holds in a dwelling on resale or where it has suspended the reduction of a charge share for a breach of the terms and conditions of the combined transfer and charge order. If the purchaser disputes the market value assigned to the property by the Housing Authority, an independent valuer can be nominated by the purchaser, from a panel established by the Housing Authority of qualified Valuers, to determine the market value of the property. The Housing Authority is not responsible for any expenses incurred by the purchaser in getting an independent valuer to make the assessment.

## **Breaching the Terms & Conditions of the Combined Transfer and Charge Order:**

There are significant penalties/consequences of breaching the terms and conditions of the combined transfer and charge order. The Local Authority may suspend the reduction of the charge share and at the end of the charge period, the purchaser will be liable to pay to the Local Authority a sum of money equal to the current market value of the charged share that has not been released. This will be payable irrespective of whether or not a dwelling is being sold.

A purchaser who carries out unapproved material improvements to their home will not get the benefit of these improvement in a monetary sense should they decide to sell, as the additional value of the improvements (and cost to the vendor) will not be taken into consideration in the splitting of the sale proceeds between the vendor and the Housing Authority. Furthermore, should a purchaser sell their dwelling to someone else and not pay to the Housing Authority an amount equal to the outstanding charged share on the property, the Housing Authority has recourse to the courts to recover the monies owed.

## **Submitting the Application**

Completed applications should be submitted to the relevant Public Information Service Centre at the following address:

|  |                |
|--|----------------|
| Glenties Electoral Area, Gweedore Road, Dungloe    | 074 - 95 61300 |
| Inishowen Electoral Area, Malin Road, Carndonagh   | 074 - 93 73700 |
| Letterkenny Electoral Area:                        |                |
| (North East/South) Neil T Blaney Road, Letterkenny | 074 - 91 94200 |
| (North West) Main Street, Milford                  | 074 -91 53900  |
| Donegal Electoral Area, Drumlonagher, Donegal Town | 074 - 97 24400 |
| Stranorlar Electoral Area, County House, Lifford   | 074 - 91 72222 |

When making an application be sure of your answers and do not give false or misleading information. The Local Authority may request and obtain information from another Housing Authority, the Criminal Assets Bureau, An Garda Síochána, the Minister for Social Protection, the Health Service Executive (HSE) or an Approved Housing Body (approved for the purposes of Section 6 of the Housing (Miscellaneous Provisions) Act, 1992) in relation to occupants or prospective occupants of, or applicants for Local Authority housing and any other person the Authority considers may be engaged in anti-social behaviour.

**Warning:**

Section 32(7) of the Housing (Miscellaneous Provisions) Act 2009 provides that it is an offence, punishable on conviction by a maximum fine of €2,000, for a person to knowingly conceal any material fact in relation to the purchase of a dwelling under an incremental purchase arrangement. Section 32(8) of the said Act provides that a Housing Authority may recover from a person convicted of an offence under section 32(7) any higher expenditure that it incurred on the sale of the dwelling due to reliance on false, misleading or undisclosed information.

*Further information in relation to the Incremental Purchase Scheme may be obtained by contacting any of the local Public Service Centres.*