Get more with First Start

Bank of Ireland UK
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First Start is a mortgage with a difference. It gives you more borrowing power to improve your chances of getting on the property ladder. And more opportunity to get the home you want.

First Start uses a sponsor's income as well as your own, to boost how much you can borrow. It's designed for first time buyers, but could also help if you've had a change in personal circumstances and need to buy a home.

First Start is a co-borrower mortgage. This means you'll be borrowing together and both be jointly and individually liable for the monthly mortgage repayments and the total loan.

This guide will give you and your sponsor more details about how it works.

Your broker will help you both decide if it's right for you.

Buying a home?

An overview for applicants

Whether you're buying your first home, or getting back onto the property ladder after a change in circumstances, First Start could help increase your borrowing power.

With more borrowing power comes more choice and this could be the difference between buying a stop gap property and one that you can live in for years to come.

Want to help your loved ones buy their new home?

An overview for sponsors

First Start could be the ideal way to help your children or close relatives buy a home without having to contribute towards a deposit. It uses your income, along with the income of the person you're sponsoring to work out how much they can borrow.

As a sponsor, you'll still be liable for the monthly mortgage payments and total loan.

It's up to you whether you're named as a joint owner. Your financial and legal advisers will be able to help you work out what's best for you.

More borrowing power

Applying on your own

The table below shows the difference between what you could borrow on your own and the increased borrowing power you could achieve by combining your income with a sponsor.

Borrowing power on your own
As a single applicant you could borrow £112,500

Applicant Income 1	Applicant Income 2	Borrowing Power
£25,000	£0	**£112,250**

Borrowing power with First Start
With the help of a sponsor you could borrow £336,750

Applicant Income 1	Sponsor Income	Borrowing Power
£25,000	£50,000	**£336,750**

More borrowing power = £224,500

As joint applicants

The table below shows how much two applicants could borrow and the increased borrowing power you could achieve by replacing one applicant with a sponsor.

Borrowing power with a partner
As joint applicants you could borrow £269,400

Applicant Income 1	Applicant Income 2	Borrowing Power
£32,000	£28,000	**£269,400**

Borrowing power with First Start
With the help of a sponsor you could borrow £500,000

Applicant Income 1	Sponsor Income	Borrowing Power
£32,000	£80,000	**£500,000**

More borrowing power = £230,600

The examples are based on incomes stated with no debts or commitments. Customers' circumstances may vary. An individual affordability assessment will determine how much you can borrow.

The sponsor: A sponsor is a close relative, normally a parent or step parent, who is added as a co-borrower.

The applicant: The buyer hoping to get onto the ladder – often a child of the sponsor.

Key features

- Borrow up to £500,000
- A minimum 5% deposit is needed towards the purchase price
- The Direct Debit payment must be made from one bank account, and you can decide on the contribution split to meet the monthly repayment
- Affordability is worked out using the combined incomes of the sponsor and the highest earning applicant.

Applicant

- You'll need to earn a minimum of £20,000pa
- You cannot be older than 75 years of age at the end of the mortgage term
- You cannot own any other property at time of completion. This includes any investment property.

Sponsor

- You'll need to be between 18 and 60 years old when the mortgage is taken out
- You cannot be older than 80 years of age at the end of the mortgage term
- You'll need to be employed and earn a minimum of £30,000pa
- You must be a residential owner occupier living in the UK.

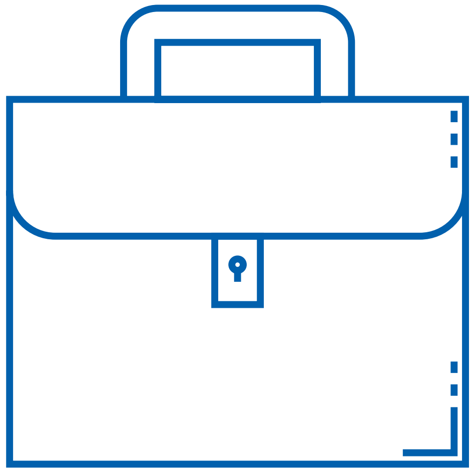
Ownership options

First Start allows the sponsor to choose whether to register as a joint owner of the property

The sponsor must get independent legal advice before completion if they choose not to be registered as a joint owner

If the sponsor chooses to be a joint owner, they'll be registered as a property owner at the Land Registry. An additional 3% stamp duty land tax is payable on second residential homes

We highly recommend independent financial, legal and tax advice is taken in all cases.



What is independent legal advice?

Independent legal advice is advice from a solicitor who's acting solely for the sponsor, and not involved in the purchase of the property.

The solicitor giving independent legal advice needs to be in a different firm or must have at least equal standing to the solicitor overseeing the conveyancing work. This means that if the conveyancing solicitor is a partner in the same firm, then the independent legal advice needs to be given by another partner of that firm. **We'll need evidence that the sponsor has had independent legal advice before completion.**

Tax considerations

We recommend you receive independent financial advice on the following:

Stamp duty land tax
Buyers of additional residential properties, such as second homes, need to pay an extra 3% in stamp duty. This will apply to sponsors if they decide to be a registered owner at the Land Registry

Capital gains tax
Anyone selling an additional property may need to pay capital gains tax on any profit. This includes jointly owned properties

Inheritance tax
An additional property would form a part of a deceased estate for inheritance tax purposes if jointly owned.

What if the sponsor wants to leave the mortgage?

What this means for the applicant

There may come a time when the sponsor wants, or needs, to be removed from the mortgage. If so, we would treat this as a remortage with associated costs. You would need to meet our standard lending and affordability criteria in order to take on the mortgage on your own.

What other fees will I pay?

Our fees vary from product to product, but may include the following:

- For most of our mortgages, we'll charge a product fee. This can often be added to the mortgage or paid on completion
- If you repay all or part of your loan before the end of the promotional period, we may charge you an early repayment charge
- When you repay your loan, we'll charge you a lending fee
- A fee is applied when we send money for your mortgage by CHAPS (Clearing House Automated Payment System)
- We may vary our fees during the course of your mortgage to reflect our costs, but we'll always keep you updated with any changes that could affect you.

Both you and the sponsor would need to agree for the sponsor to be removed from the mortgage. It's important to note that you're both jointly and individually liable for the monthly repayments, as well as the total loan.

What this means for the sponsor

If you want, or need, to be removed from the mortgage, both you and the applicant would need to agree. This would be the same as remortgaging and carry the same costs.

The applicant(s) taking on the mortgage must meet our standard lending and affordability criteria before this could happen. Removing you from the mortgage could affect your tax situation and we highly recommend you get independent financial, tax and legal advice first.

Important information for the sponsor

It's important to note that you're both jointly and individually liable for the monthly repayments, as well as the total loan.

If the mortgage falls into arrears you will be responsible for the debt and any subsequent shortfall. If payments are not met your credit rating could be impacted.

As a co-borrower the First Start mortgage will be used in future affordability calculations. This will be considered if you need to remortgage your own home. Your broker can provide more information on this.

Speak to your broker today to find out how First Start could give you more.

YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE

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