



Comhairle Cathrach
& Contae **Luimnigh**

Limerick City
& County Council

Comhairle Cathrach agus Contae Luimnigh
Ceanncheathrú Chorparáideach
Cé n gCeannaithe
Luimneach

Finance Department
Limerick City and County Council
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14 March 2025

To: The Mayor, Príomh Chomhairleoir and Each Member of Limerick City and County Council

Re: Raising of Loan in the amount of €5,520,000 – To fund the issuing of the 2025 Local Authority Home Loans (LAHL) and Local Authority Purchase and Renovation Loans (LAPR) by Limerick City and County Council to borrowers.

Limerick City and County Council issues Local Authority Home Loans for housing purposes. To fund these loans a corresponding loan must be drawn from the Housing Finance Agency. The Council was advised on 7 March 2025 that the total capital allocation for Local Authority Home Loans and Local Authority Purchase and renovation Loans for the period 1 January 2025 to 31 December 2025 is €5,520,000 (copy of this circular attached). Accordingly, The Council is therefore requested to approve an application for sanction from the Minister for Housing, Local Government and Heritage for this loan.

Recommendation:

The Council is therefore requested to consider approving application for sanction from the Minister for Housing, Local Government and Heritage, in accordance with Section 106 of the Local Government Act, 2001 as amended, for a loan in the amount of €5,520,000 to fund the drawdown of Local Authority Home Loans and Local Authority Purchase and Renovation Loans.

Matthew White
Director of Finance, Economic Development and Digital Services



7 March 2025

Director of Housing
Limerick City and County Council
Merchant's Quay
Co Limerick

Local Authority Mortgage Lending – Local Authority Home Loan and Local Authority Purchase and Renovation Allocation for 2025

Dear Director,

I refer to the local authority mortgage lending allocation for the Local Authority Home Loan [LAHL], Local Authority Purchase and Renovation Loan [LAPR] and home improvement schemes.

2025 Lending Allocation

A sum of **€5,520,000** is allocated for **new lending approvals in 2025**. The actual loan drawdown may take place in either 2025 or subsequent years. **Loans that receive Approval in Principle (AIP) in 2025 will be treated as new lending approvals in 2025.** For clarity, this lending approval covers **LAHL and LAPR applications** that receive AIP in 2025.

Any 2025 loan approvals that expire in 2025 may be 'recycled' for the purpose of the 2025 allocation.

Loan commitments (loans paid out and outstanding approvals), based on approvals given in 2025, **may not at any time in 2025 exceed the amount notified above without prior approval from the Department.** Where it becomes evident that the level of demand is greater than the amount of the allocation now being notified, **local authorities should contact the Department as soon as possible before committing themselves to further approvals under the scheme. Additional allocations may be available from the Department.** Progress against the allocation will be monitored.



Outstanding LAHL Approvals from 2024, 2023 and 2022

The 2024 allocation that issued on 16 February 2024 covers LAHL loans that received AIP in 2024. Similarly, the 2023 allocation that issued on 24 February 2023 covers LAHL loans that received AIP in 2023. The 2022 allocation that issued on 4 February 2022 covers both RIHL and LAHL loans that received AIP in 2022.

The 2022, 2023 and 2024 allocations cannot be used for loans that receive AIP in 2025. Loans drawn down in 2025 from the AIPs issued in 2022, 2023 or 2024 must be separately recorded and identified to the Department and on the HFA system as from the 2022, 2023 or 2024 allocation.

Rebuilding Ireland Home Loan [RIHL]

To note that all outstanding RIHL AIPs [from 2019 to 2022] are now deemed to be expired with an exception for self-build properties that are currently underway and at least one stage payment has been made. Such RIHL applicants whose AIP has expired should now reapply under the LAHL.

Drawdowns from HFA – Information Required

Local authorities must clearly state in the relevant comments box on the HFA website the date of the AIP so that lending under each category can be tracked. However, for GDPR reasons, **personal identifying details** of the borrower for example name and address of the property **must not be included** on the HFA website. In addition, personal documents which contain identifying details of the borrower should not be attached to the HFA system.

When loans are being drawn down from the HFA, local authorities must select the correct loan type either under RIHL [if such loans remain], LAHL or LAPR.

For RIHL applications received prior to 15 January 2020 that are drawn down from 1 January 2025, the Fixed Interest Rebuilding Ireland Home Loan (or the Variable Loan Rebuilding Ireland Home Loan if such an approval remains outstanding) loan type must be selected.

For RIHL loans drawn down from 1 January 2025, the Fixed Interest Phase Four Rebuilding Ireland Home Loan loan type must be selected.

For LAHL loans drawn down from 1 January 2025, the Fixed Interest Phase Two Local Authority Home Loan loan type must be selected.



For **LAPR loans drawn down** the

- **Fixed Interest LA Purchase and Renovation** loan type must be selected for the **annuity** element of the loan;
- **Variable Loan LA Purchase and Renovation IO Bridging** loan type must be selected for the bridging element of the loan.

Local authorities are reminded that loans should be drawn down regularly and in a timely manner from the HFA. **Local authorities should ensure that the rate that they lend to borrowers is based on the rate at which they obtain financing for the loan from the HFA.** While local authorities may decide to group a number of loans together and drawdown a lump sum to cover this group of loans on a monthly basis, **it is not appropriate to group loans for the entire year together and have one drawdown for the year.**

Accounting Systems

When entering **RIHL loans** onto your local authority accounting system, the category **RIHL must** be utilised.

When entering **LAHL loans** onto the local authority accounting system, one of the following categories **must** be utilised:

- **LAHL** – for all **private purchases** using LAHL. This would be the majority of purchases.
- **LAHLAFFORD** – if the dwelling is purchased through the **Affordable Housing Scheme using a LAHL**
- **LAHLTP** – if the dwelling is purchased through **the Tenant Purchase Scheme using a LAHL**.

When entering **LAPR loans** onto the local authority accounting system, the fixed interest annuity loan and the variable interest only bridging loan must be entered separately on the accounting system. The loan type **LAPR** must be utilized for both the fixed interest annuity loan and the variable interest only bridging loan.

The following additional fields must also be completed:

- Property price at the time of purchase, i.e. purchase price
- Date of house purchase
- Applicant(s) gross annual income at AIP [in the case of joint applications, this is their combined gross annual income]
- Direct Debit Payments / Standing Order



Reporting

Statistics on the operation of the LAHL for each month must be returned within 10 working days of month end.

Summary

To summarise, the following conditions apply to your 2025 lending allocation of **€5,520,000**:

- This is the total amount which you are allowed to grant as AIP in 2025 under LAHL. This amount **must not be exceeded without prior authorisation from the Department**. Additional allocation may be available;
- date of AIP to be recorded for the Department on HFA website;
- loans that receive AIP in 2025 may also be drawn down beyond the end of 2025;
- 2025 loan approvals that expire in 2025 can be recycled for 2025.

2026 Lending Allocation

You are advised that, in 2026, you are authorised to approve new lending up to 20% of the value of your 2025 lending allocation prior to being officially advised of your 2026 allocation. This is to ensure that there are no delays to issuing AIPs for LAHL applicants pending the official notification of lending allocations for 2026 from the Department.

Any enquiries relating to this letter may be made to
localauthorityhomeloan@housing.gov.ie

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Michael Hough'.

Michael Hough
Local Authority Mortgage Lending and LIHAF
cc: Head of Finance, Chief Executive