

Ollscoil na hÉireann, Gaillimh

FINANCIAL POLICY & PROCEDURES MANUAL

HOUSING LOAN SCHEME

Version: V2

Replaces: V1

Approved: FRC

Date: 13/02/2006

1. STATEMENT OF POLICY

It is University policy to support staff* in meeting the minimum deposit required to raise home loans from financial institutions i.e. to meet the differences between the proportion of cost usually advanced by finance houses and the total costs involved in a first home purchase/build.

2. DETAILED REGULATIONS

- a) Loans will be made only for the building, purchase or acquisition of a first house for permanent personal occupation by the borrower. Such houses must be situated within commuting (normally not greater than 50 kilometres) distance from the University.
- b) This scheme is available to all members of staff*, except those who are within 9 months of contract cessation, or retirement.
- c) A staff* member may avail of this scheme once only.
- d) A loan granted under the scheme shall not exceed an amount equal to six months salary of the applicant (such salary being scale payable at date of application) up to a maximum of €50,000.
- e) Loans must be repaid in full within 7 years.
- f) Interest will be charged on the reducing balance at the AAA bank overdraft rate. Note this rate may well exceed mortgage rates on offer from lending institutions. Staff* are advised to research these rates.
- g) Repayment of principal and interest will be effected by way of monthly deduction from salary.
- h) The borrower shall provide a mortgage protection policy in the joint names of the borrower and the University and shall authorise the University to deduct the related premiums from salary and pay them directly to the Insurance Company.

*Staff = Employees and their comparitors as defined in relevant legislation.

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- i) The borrower shall give at least six months notice of intention to resign, and in the event of such resignation, shall enter into such recognisance as shall, in the opinion of the President, adequately protect the financial interests of the University.
- j) In the event of the sale of a house (the purchase of which was either fully or partially financed by way of a loan from the University), the borrower shall undertake to comply with any conditions the University shall prescribe to protect the interests of the University. Due notice of intention to sell shall be given to the University.

3. PROCEDURES

- a) Applications for loan must be made on appropriate application form, available from the Bursar's Office. Sample at Appendix A herewith.
- b) The scheme will be monitored by the Finance/Resources Committee administered by the Pensions and Investments Officer. The latter will provide an annual report to FRC detailing number and value of loans granted/repaid and outstanding and other relevant information.
- c) Decisions regarding the approval of individual loans will take due cognisance of the borrower's ability to meet the repayment schedule.

APPLICATION FORM

(Loan Scheme for University Staff to Assist with First House Purchase)

I wish to apply for a loan under the Housing Loan Scheme

1. Name **Staff Number**

2. Address:

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3. Dept. in the University: **Phone Ext.**

4. Position in the University:

5. Purpose of loan:

(Buy or Build)

6. Address of Property to be Purchased/Built:

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(evidence of title will be requested)

7. Purchase/(Construction) Price:

Other costs (fees, stamp duty)

Total Cost _____

8. Finance:

Amount from Finance House

Amount from other sources

Amount from the University

Total Finance: _____

9. Name of Finance House:

10. Name of Insurance Company undertaking Mortgage Protection:

.....

A I have read and shall abide by the attached Rules of the Scheme.

Signed:
(Borrower)

B I act as solicitor for the above named and state that the loan applied for is for the purchase/building of a main residence to be occupied by the borrower.

In my opinion the above figures for total cost and total finance are accurate.

Signed:
(Solicitor)

Date:

FOR OFFICIAL USE

Details of Loan Cheque Issued

Payee _____

Date _____

Chq No. _____

NUIG Ref No. _____

Drawn on _____
(Bank)