

### Mortgage Interest Relief (MIR)

The Government has fulfilled its commitment in the Programme for Government to increase mortgage interest relief to 30% for first-time buyers who purchased homes between 2004 and 2008.

- As a result of this measure all MIR claimants who purchased for the first time between 2004 - 2008 will benefit from an increase in the level of mortgage interest relief that they receive in the period 2012 to 2017.
- It is estimated that this measure will cost €52 million per annum

The effects of this measure are demonstrated below:

#### Single and Married couples who purchased their first home between 2004 – 2008

Year of Purchase	Maximum Relief in 2012		Maximum Gain	Maximum Gain (per month)
	<i>Existing</i>	<i>Proposed</i>		
2004	€450/€900	€900/€1,800	€450/€900	€37/€75
2005	€450/€900	€900/€1,800	€450/€900	€37/€75
2006	€2,000/€4,000	€3,000/€6,000	€1,000/2,000	€83/€167
2007	€2,000/€4,000	€3,000/€6,000	€1,000/€2,000	€83/€167
2008	€2,250/€4,500	€3,000/€6,000	€750/€1,500	€63/€125

#### **Details:**

##### **Those who purchased their first home in 2004:**

- Individuals who took out qualifying loans in **2004** as first-time buyers will receive a maximum gain of **€450** per annum for single and **€900** per annum for married. This will bring their total maximum relief to €900/€1,800 per annum for single/married.
- These mortgage holders are now receiving relief at non-first-time buyer rates (7 year rule).
- They would have received relief in 2012 at a rate of 15% on ceilings of €3,000 for single and €6,000 for married. However, as result of this measure they will now receive relief in 2012 at rate of 30% on ceilings of €3,000/€6,000 for single/married respectively.

- They will benefit from this increased rate of relief until 2017 which is demonstrated in the table below:

### **Single and Married Couples who purchased their First Home in 2004**

Year	Status	Ceiling	Current Rate	Proposed Rate	Maximum Current Relief	Maximum Proposed Relief	Maximum Gain
2012	Non FTB	€3k/€6k	15%	30%	€450/€900	€900/€1,800	€450/€900
2013	Non FTB	€3k/€6k	15%	30%	€450/€900	€900/€1,800	€450/€900
2014	Non FTB	€3k/€6k	15%	30%	€450/€900	€900/€1,800	€450/€900
2015	Non FTB	€3k/€6k	15%	30%	€450/€900	€900/€1,800	€450/€900
2016	Non FTB	€3k/€6k	15%	30%	€450/€900	€900/€1,800	€450/€900
2017	Non FTB	€3k/€6k	15%	30%	€450/€900	€900/€1,800	€450/€900

### **Those who purchased their first home in 2005:**

- Individuals who took out qualifying loans in **2005** as first-time buyers will receive a maximum gain of **€450** per annum for single and **€900** per annum for married. This will bring their total maximum relief to €900/€1,800 per annum for single/married.
- These mortgage holders will now receiving relief at non-first-time buyer rates in 2012 (7 year rule).
- They would have received relief in 2012 at a rate of 15% on ceilings of €3,000 for single and €6,000 for married. However, as result of this measure they will now receive relief in 2012 at rate of 30% on ceilings of €3,000/€6,000 for single/married respectively.
- They will benefit from this increased rate of relief until 2017 which is demonstrated in the table below:

### **Single and Married Couples who purchased their First Home in 2005**

Year	Status	Ceiling	Current Rate	Proposed Rate	Maximum Current Relief	Maximum Proposed Relief	Maximum Gain
2012	Non FTB	€3k/€6k	15%	30%	€450/€900	€900/€1,800	€450/€900
2013	Non FTB	€3k/€6k	15%	30%	€450/€900	€900/€1,800	€450/€900
2014	Non FTB	€3k/€6k	15%	30%	€450/€900	€900/€1,800	€450/€900
2015	Non FTB	€3k/€6k	15%	30%	€450/€900	€900/€1,800	€450/€900
2016	Non FTB	€3k/€6k	15%	30%	€450/€900	€900/€1,800	€450/€900
2017	Non FTB	€3k/€6k	15%	30%	€450/€900	€900/€1,800	€450/€900

### **Those who purchased their first home in 2006:**

- Individuals who took out qualifying loans in **2006** as first-time buyers will receive a maximum gain in 2012 of **€1,000** for single and **€2,000** for married. This will bring their total maximum relief in 2012 to €3,000/€6,000 for single/married respectively.
- These mortgage holders will continue to receive relief on the increased ceilings for first-time buyers in 2012 of €10,000/€20,000 for single/married respectively.
- In 2013 these mortgage holders will be entitled to the increased rate of relief on non-first-time buyer ceilings (7 year rule)
- They will benefit from this increased rate of relief until 2017 which is demonstrated in the table below:

### **Single and Married Couples who purchased their First Home in 2006**

Year	Status	Ceiling	Current Rate	Proposed Rate	Maximum Current Relief	Maximum Proposed Relief	Maximum Gain
2012	FTB	€10k/€20k	20%	30%	€2000/€4000	€3000/€6000	€1000/€2000
2013	Non FTB	€3k/€6k	15%	30%	€450/€900	€900/€1,800	€450/€900
2014	Non FTB	€3k/€6k	15%	30%	€450/€900	€900/€1,800	€450/€900
2015	Non FTB	€3k/€6k	15%	30%	€450/€900	€900/€1,800	€450/€900
2016	Non FTB	€3k/€6k	15%	30%	€450/€900	€900/€1,800	€450/€900
2017	Non FTB	€3k/€6k	15%	30%	€450/€900	€900/€1,800	€450/€900

### **Those who purchased their first home in 2007:**

- Individuals who took out qualifying loans in **2007** as first-time buyers will receive a maximum gain in 2012 and 2013 of **€1,000** for single and **€2,000** for married. This will bring their total maximum relief in 2012 and 2013 to €3,000/€6,000 for single/married respectively.
- These mortgage holders will continue to receive relief on the increased ceilings for first-time buyers in 2012 and 2013 of €10,000/€20,000 for single/married respectively.
- In **2014** these mortgage holders will be entitled to the increased rate of relief on non-first-time buyer ceilings (7 year rule)

- They will benefit from this increased rate of relief until 2017 which is demonstrated in the table below:

### **Single and Married Couples who purchased their First Home in 2007**

Year	Status	Ceiling	Current Rate	Proposed Rate	Max Current Relief	Max Proposed Relief	Maximum Gain
2012	FTB	€10k/20k	20%	30%	€2000/€4000	€3000/€6000	€1000/€2000
2013	FTB	€10k/20k	20%	30%	€2000/€4000	€3000/€6000	€1000/€2000
2014	Non FTB	€3k/€6k	15%	30%	€450/€900	€900/€1,800	€450/€900
2015	Non FTB	€3k/€6k	15%	30%	€450/€900	€900/€1,800	€450/€900
2016	Non FTB	€3k/€6k	15%	30%	€450/€900	€900/€1,800	€450/€900
2017	Non FTB	€3k/€6k	15%	30%	€450/€900	€900/€1,800	€450/€900

### **Those who purchased their first home in 2008:**

- Individuals who took out qualifying loans in **2008** as first-time buyers will receive a maximum gain in 2012 of **€750** for single and **€1,500** for married. This will bring their total maximum relief in 2012 to €3,000/€6,000 for single/married respectively.
- In 2013 and 2014 they will receive a maximum gain of €1,000 for single and €2,000 for married. This will bring their total maximum relief in 2013 and 2014 to €3,000/€6,000 for single/married respectively.
- These mortgage holders will continue to receive relief on the increased ceilings for first-time buyers in 2012, 2013 & 2014 of €10,000/€20,000 for single/married respectively.
- In 2015 these mortgage holders will be entitled to the increased rate of relief on non-first-time buyer ceilings (7 year rule)
- They will benefit from this increased rate of relief until 2017 which is demonstrated in the below:

### **Single and Married Couples who purchased their First Home in 2008**

Year	Status	Ceiling	Current Rate	Proposed Rate	Max Current Relief	Max Proposed Relief	Maximum Gain
2012	FTB	€10k/€20k	22.5%	30%	€2250/€4500	€3000/€6000	€750/€1500
2013	FTB	€10k/€20k	20%	30%	€2000/€4000	€3000/€6000	€1000/€2000
2014	FTB	€10k/€20k	20%	30%	€2000/€4000	€3000/€6000	€1000/€2000
2015	Non FTB	€3k/€6k	15%	30%	€450/€900	€900/€1,800	€450/€900
2016	Non FTB	€3k/€6k	15%	30%	€450/€900	€900/€1,800	€450/€900
2017	Non FTB	€3k/€6k	15%	30%	€450/€900	€900/€1,800	€450/€900

## Qualifying loans taken out in 2012

- Individuals who take out qualifying loans in 2012 as first-time buyers will now receive relief at a rate of 25% on ceilings of €10,000 per annum for single and €20,000 per annum for married couples. This will give a maximum relief in 2012 of €2,500 for single and €5,000 for married. This is a gain of **€2,050** and **€4,100** on what would have applied.
- **Non-first-buyers** who take out qualifying loans in 2012 will continue to receive relief at a rate of 15% on ceilings of €3,000 for single individuals and €6,000 for married couples. This will give a maximum relief in 2012 of €450 for single and €900 married. This is a gain of **€150** and **€300** on what would have applied.
- The previous Government had legislated for qualifying loans taken out in 2012 would receive the relief at reduce rate of 15% for first time buyers and 10% for non-first-time buyers with a common ceiling of €3,000 for single individuals and €6,000 for married couples. However, the current system of relief will now be extended for anyone taking out qualifying loans in 2012.
- It is estimated that it will cost €5 million per annum to extend the current system of relief to 2012.
- Loans taken out in 2013 will not qualify for mortgage interest relief.
- The changes to rates and ceilings for those who purchased in 2012 is demonstrated below:

### Single and Married Couples taking out a qualifying loans in 2012 as a First Time Buyers

Year	Current Ceiling	Proposed Ceiling	Current Rate	Proposed Rate	Maximum Current Relief	Maximum Proposed Relief	Maximum Gain
2012	€3k/€6k	€10k/€20k	15%	25%	€450/€900	€2500/€5000	€2050/€4100
2013	€3k/€6k	€10k/€20k	15%	25%	€450/€900	€2500/€5000	€2050/ €4100
2014	€3k/€6k	€10k/€20k	15%	22.5%	€450/€900	€2250/€4500	€1800/ €3600
2015	€3k/€6k	€10k/€20k	15%	22.5%	€450/€900	€2250/€4500	€1800/ €3600
2016	€3k/€6k	€10k/€20k	15%	22.5%	€450/€900	€2250/€4500	€1800/ €3600
2017	€3k/€6k	€10k/€20k	15%	20%	€450/€900	€2000/€4000	€1550/ €3100

**Single and Married Couples taking out a qualifying loans in 2012 as a Non-First-Time Buyers**

Year	Current Ceiling	Proposed Ceiling	Rate	Proposed Rate	Maximum Relief	Maximum Proposed Relief	Maximum Gain
2012	€3k/€6k	€3k/€6k	10%	15%	€300/€600	€450/€900	€150/€300
2013	€3k/€6k	€3k/€6k	10%	15%	€300/€600	€450/€900	€150/€300
2014	€3k/€6k	€3k/€6k	10%	15%	€300/€600	€450/€900	€150/€300
2015	€3k/€6k	€3k/€6k	10%	15%	€300/€600	€450/€900	€150/€300
2016	€3k/€6k	€3k/€6k	10%	15%	€300/€600	€450/€900	€150/€300
2017	€3k/€6k	€3k/€6k	10%	15%	€300/€600	€450/€900	€150/€300