

## **HomeAssist Loans – Housing Authority Repayment Assistance Scheme**

### **1. Aim of the scheme**

The Housing Authority, in collaboration with Bank of Valletta p.l.c (the Bank) and the Foundation for Social Welfare Services, will be participating in a scheme to assist persons to purchase a property for residential and personal use and thus become home owners.

### **2. Scheme's Procedure**

This scheme is intended to those applicants who wish to purchase their residence for personal use from the private sector.

The Bank of Valletta, subject to all bank's criteria being satisfied, will be granting applicants a maximum loan up to €120,000 to purchase a property in finished and habitable state or in shell form state which can be rendered to a habitable state at the total expense of €140,000 which includes the purchasing and finishing of same property. The total amount of loan, where applicable, will cover the deposit related to the purchasing of the property. In addition, the Authority will assist applicants by granting them a monthly subsidy of not more than €167 on loan repayment to the Bank of Valletta in relation to the loan towards the purchase of this property. Furthermore, the Authority will be assisting these applicants with the professional services of a Notary, who will be appointed by the Housing Authority.

### **3. Qualification To Apply Under This Scheme**

The following persons can qualify for subsidy from the Housing Authority under this scheme, if on date of application, they are:-

- (a) over the age of 18;
- (b) Maltese citizens;
- (c) in full time employment;
- (d) not in possession of assets exceeding €23,300;
- (e) not in possession of other immovable property;
- (f) legally separated by a final judgment of the Competent Court pronouncing separation or legally separated by means of a public deed;
- (g) not in possession of annual aggregate income exceeding:-
  - € 22,232.36 in case of couples, who are both/or one of them in employment;
  - € 21,232.36 in case of single parents which children living with them.
  - € 20,232.36 in case of single persons
  - € 22,232.36 in case of a disabled persons or family with a disabled member.

Overtime, In Work Benefit (IWB) and Tapered Unemployment Assistance (UAT) are not to be considered as part of the aggregate income of the applicant.

### **4. Aggregate Annual Income**

For all purposes of the application, the calculation of the aggregate annual income of applicant shall be as follows:-

- (a) the gross income from any occupation, pay and/or salary, pension and/or other social benefits earned by the applicants during the basic preceding calendar year. When the application is made by two, the gross income of both applicants is taken into consideration.
- (b) the applicant's income and those of his wife during the basic calendar year from capital assets such as; bank deposits, stocks, shares, loans, rents, investments in commercial enterprises, other investments in property, including capital gains.

The overtime, in work benefit (IWB) and tapered unemployment assistance (UAT) are not to be considered in the calculation of the gross income.

## **5. Conditions of the Scheme**

- (a) The property, which is to be purchased by the applicant, should be built in accordance with building regulations and planning permits, be in a finished and habitable state, or in shell form as long as the purchase price and the amount of the necessary finishing do not exceed €140,000.
- (b) The property which qualifies under this scheme should be used and occupied by the applicants exclusively as their ordinary residence.
- (c) In case of finished properties, applicants must occupy the property purchased, within six (6) months from the date of deed whilst applicant purchasing properties in shell form, these should occupy the property within two (2) years from the date of the deed.
- (d) As long as the applicants are enjoying subsidy under this scheme, applicants must not rent or transfer the property under any title to third parties. They should not allow third parties to occupy the immovable property under any title even if by gratuities or by mere tolerance.
- (e) If applicants wish to transfer the properties to third parties, they should obtain a written consent from both the Bank and the Authority in order to transfer the property and any payment of subsidy enjoyed under this scheme, should be terminated as soon as the total balance of the loan is paid to the bank together with the interest incurred and any other legal fees.
- (f) In the eventuality, that the applicants, after obtaining the necessary consents to transfer the property, want to sell their property purchased under this scheme to third parties, they should refund to the Authority any fees indicated by the Authority which fees were paid by the Authority on date of deed and which are mentioned in Clause 5(j) & (k). For the avoidance of doubt it is being clarified that, on the sale of the said property to third parties, the loan given by the Bank has to be repaid with any interest incurred to the bank together with other ancillary fees.
- (g) In the case married / engaged couples or two persons who have entered into a Civil Union get separated/ annulled, divorced or terminated their relation both applicants shall, within thirty (30) days from the date of such dissolution, give a written notice thereof to the Authority. In the case of the above eventuality, the Authority reserves the right to revised the subsidy. For the avoidance of doubt it is being clarified that applicant has to continue paying the loan together with its interest, until a new agreement is reached in order to sign a new agreement with the Bank where one of the applicants intends to shoulder the full loan and transfer the whole title of the property onto his name.
- (h) The Authority will have the right to suspend the payment of subsidy under this scheme if the applicant fails to effect even one loan repayment, and even if the applicant does no longer satisfy all conditions of the scheme even though he would have been eligible for subsidy on date of application or on date of agreement. For the avoidance of doubt it is being clarified

that, in this eventuality, the bank will have the right to ask applicant to pay the full loan repayment and this without prejudice to any legal rights towards the bank in regard to the repayment of loan by applicant.

- (i) The conditions of this scheme should form an integral part of the deed of sale and the applicants should declare that they are fully aware and fully accept them.
- (j) The Authority is to pay for all professional notarial fees and expenses. These include fees due Notaries according to law, fees for registration of deed and other fees related to the publication of the deed, but the fees related to searches are excluded – such fees will have to be paid by the applicant. Bank processing fees which include legal and professional fees, are to be paid by the Authority. If the eventuality that the deed of sale and loan is not concluded for any reason, and therefore not published, the bank legal and professional fees due to the bank will have to be fully paid by the applicants.
- (k) In eventuality that the property is sold to third parties, the Authority will not be bound to pay any fees/expenses;
- (l) The deposit paid on Preliminary Agreement should be retained by the Notary until the final deed is signed;
- (m) The subsidy under his scheme will be directly deposited at Bank of Valletta;
- (n) The loan facility is only granted by Bank of Valletta p.l.c if all Bank of Valletta p.l.c's established conditions and criteria are satisfied. The Bank of Valletta p.l.c' s decision in this regards should be final.

## 6. Subsidy Granted under this Scheme

- (a) The subsidy will be granted to applicant as long as he qualifies for it and according to the following schedule :-
- (b) Schedule of Subsidy

Category	Gross Annual Income for a basic Calendar Year	Annual Maximum Subsidy
<b>A</b>	€	€
Single Person	0,000 – 20,232.36	1,600
Disabled Single Person	0,000 – 22,232.36	1,725
<b>B</b>	€	€
Single parents with Children living with them	0,000 – 21,232.36	1,900
Disabled single parents with children living with them	0,000 – 22,232.36	2,025
<b>C</b>	€	€
Couples	0,000 – 22,232.36	2,000
Disabled Couples	0,000 – 22,232.36	2,125
Couples (+ 5 members)	0,000 – 22,232.36	2,125
Couples with fostered children living with them	0,000 – 22,232.36	2,300

In additional, single people who:-

- (1) lived in care; or
- (2) were for a period of time fostered;

they can benefit from the subsidy amounting to a maximum of €3,200 per annum until the age of twenty eight (28). This means that these applicants will be granted twice the amount of rent subsidy they are entitled to according to Table above.

The annual income for the basic year above indicated in tables above shall be reviewed every year by the amount of increase on a yearly basis other National Minimum Wage.

A member of the family is to include only:-

- (1) the applicants; and
- (2) children living in the household including fostered children, grandchildren or children related to the applicant up to the second degree even in the collateral line. The children must be:-
  - (i) not married or in a Civil Union; and
  - (ii) dependent on the applicant; and
  - (iii) not gainfully employed; and
  - (iv) under 18 years of age.

The age limit shall not apply to children registered as disabled.

- (c) The first payment of subsidy is effected as soon as the first payment on loan is due to the bank and applicants effects his first monthly repayment. In case the applicant is in receipt of rent subsidy issued by the Authority, this subsidy is terminated with immediate effect and as soon as the first monthly subsidy on loan under this scheme is issued.

## **7. Revision of Subsidy**

The subsidy is revised every two years. Every two years the Authority will carry out a full means test on applicants which includes the checking of both income and assets, but the value of the property purchased under this scheme is not considered as assets. In each year where a revision of income/assets takes place, the applicant has to satisfy all conditions of the scheme and will not be eligible for any subsidy if he does not satisfy all conditions of this scheme (even though he would have been eligible for subsidy on date of application) and this in agreement with the Bank.

## **8. Loss of Subsidy**

If an applicant who has applied successfully under this scheme:-

- (i) has given incorrect information, which is proved to be false or incorrect, he will automatically forfeit the right from benefiting from subsidy under his scheme; In addition, the Authority will have the right to report the case to investigative authority concerned.
- (ii) Does not satisfy all the condition of the scheme upon revision date which occurs every two years;

the subsidy will be terminated with immediate effect in accordance with the Bank and applicant will not be entitled to any further subsidy.

In the eventuality where one or more of the conditions of this scheme are not adhered to, the applicant shall automatically forfeit the right for subsidy under this scheme. The Authority's decision to terminate the subsidy, in accordance with the Bank, will be final and this is without prejudice to any legal rights towards the bank in regard to the repayment of loan by applicant, interest due and other ancillary fees. The applicant will be obliged to pay a penalty fee of ten Euros (€10) per week, or for any part thereof and this until the same applicant adheres to the same conditions.

## **9. Right Of Refusal**

Notwithstanding anything contained in the foregoing provisions of this Scheme, the Authority as well as the Bank shall have the right to refuse any application and their respective decision will be final.

## **10. Interpretation**

In case the Maltese text differs from the English text, the Maltese text will prevail.

## **11. Amendment Of Scheme**

The Authority shall have the right to make any amendments to this Scheme, and this in agreement with the Bank, by publication of the said amendments in the Government Gazette

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