

HASLAM'S
New Homes

Help to Buy Equity Loans Explained

Buy your own brand new home with help from the government's Help to Buy equity loan scheme



What is Help to Buy?

Help to Buy is an equity loan scheme that enables you to buy a brand new home (new build) with only a 5% deposit.



The scheme is available to both first time buyers and existing home owners. Available on homes up to £600,000.

What is help to buy?

With a Help to Buy Equity Loan the Government lends you up to 20% of the cost of your newly built home, so you'll only need a 5% cash deposit and a 75% mortgage to make up the rest.

You won't be charged loan fees on the 20% loan for the first five years of owning your home.

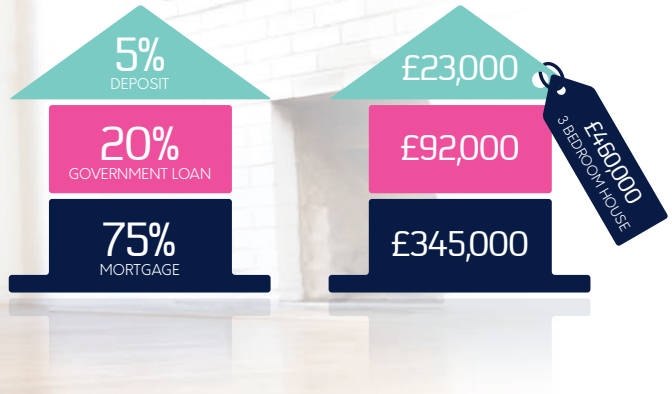
You effectively have a 25% deposit which means you can secure some highly competitive mortgage rates.



An example:

Move with only a 5% deposit and a 75% mortgage.

With 'Help to Buy' you could buy a stunning new home with a 20% government equity loan...



Equity Loan Fees

Years 1-5
Monthly management fee of £1 per month
Year 6
1.75% of the value of the loan plus a monthly management fee of £1 per month.
All subsequent years
Increase from 1.75% worked out by a multiple of the Retail Price Index (RPI) plus 1% plus a monthly management fee of £1 per month.

Before any fees are charged, you will be contacted by a Help to Buy agent to set up your repayment arrangement. Each year you will receive a loan statement. Fees payable do not decrease the value of the equity loan. They are interest on the loan only. Sub-letting of the property is not allowed on this scheme.

What if I want to sell my new home?

Your new home is in your name which means you can sell it at any time. If you choose to sell your new home you will have to pay back the equity loan or pay it back at the end of the mortgage period – whichever comes first. (Maximum term is 25 years.)

You do not have to sell your new home in order to pay back the equity loan. Your mortgage specialist or Help to Buy agent can give you more information on this.

Applying for Help to Buy

You can either contact one of our recommended mortgage advisors or visit the government's Help to Buy website.

www.helptobuy.gov.uk/equity-loan/equity-loans/



Terms and Conditions

- Funding from the homebuyer, comprising of a mortgage from an approved lender and any cash deposit must total at least 80% of the purchase price under the equity loan scheme.
- Your home will be subject to a first charge in favour of the mortgage lender. The remaining amount (between 10% – 20%) in the form of an equity loan from the Homes and Communities Agency (HCA) will be secured by a second charge on your home.
- The percentage of deposit you must provide can be based on the full value of the property, or the value of the property once the equity loan amount has been reduced from the initial price. This is decided by your mortgage provider's criteria.
- You must repay the equity loan within 25 years of legal completion of the purchase of the property. This is irrespective of whether the home has been sold. The amount repaid will be the same percentage of the current value of the home as the original percentage of the loan provided.
- If paying by instalments, it is your responsibility to obtain a valuation of the current value of your property. The minimum instalment value is 10% of the total equity loan.
- Detailed terms and conditions relating to the equity loan will be made via your legal advisers as part of the conveyancing process.
- Offer subject to contract and status. Please speak to your adviser for more details.

Call us on 0118 960 1010. We're here to help.
[haslams.net](https://www.haslams.net)