



Help to Buy Guide



The government has created the Help to Buy schemes including Help to Buy: Shared Ownership and Help to Buy: Equity Loan to help hard-working people like you take steps to buy your own home.

The Help to Buy: ISA pays first-time buyers a government bonus. For example, save £200 a month and they'll add £50, up to a maximum of £3,000, boosting your ISA savings of £12,000 to £15,000.



Help to Buy is here to help.

Help to Buy: Equity Loan

The Government's new Help to Buy scheme now makes it possible to buy a new or existing home with just a 5% deposit.

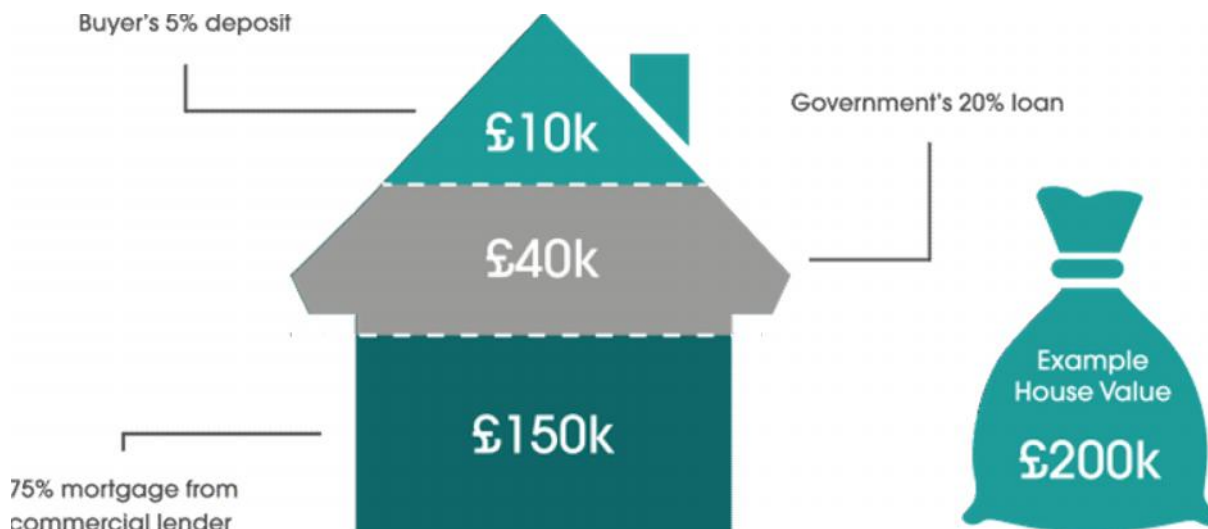


How does it work?

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.

Example: for a home with a £200,000 price tag



If the home in the example above sold for £210,000, you'd get £168,000 (80%, from your mortgage and the cash deposit) and you'd pay back £42,000 on the loan (20%). You'd need to pay off your mortgage with your share of the money.

For more information (including advice on fees and paying back your loan) please download our [Help to Buy Buyers' Guide](#) (PDF).

<https://www.helptobuy.gov.uk/wp-content/uploads/Help-to-Buy-Buyers-Guide-oct-16-V1016.pdf>

London Help to Buy equity loan

To reflect the current property market in London, from early 2016 the government will increase the upper limit for the equity loan it gives new buyers within Greater London from 20% to 40%.

With London Help to Buy equity loan:

- you'll need to contribute at least 5% of the property price as a deposit
- the government will give you a loan for up to 40% of the price
- you'll need a mortgage of up to 55% to cover the rest.

If you are looking to buy a new home in a London borough, find out more about [London Help to Buy](#).

<https://www.helptobuy.gov.uk/equity-loan/london-help-to-buy>

Who is eligible?

Equity loans are available to first time buyers as well as homeowners looking to move. The home you want to buy must be newly built with a price tag of up to £600,000.

You won't be able to sublet this home or enter a part exchange deal on your old home. You must not own any other property at the time you buy your new home with a Help to Buy: Equity Loan.

This scheme is available in England only. The Scottish Government, Welsh Government and Northern Ireland Housing Executive run similar schemes.

How to Apply

The Help to Buy: Equity Loan scheme is run by Government-appointed [Help to Buy agents](https://www.helptobuy.gov.uk/equity-loan/find-helptobuy-agent). (<https://www.helptobuy.gov.uk/equity-loan/find-helptobuy-agent>)

They can guide you through your purchase, from providing general information about the scheme to dealing with your application.

Or look out for the Help to Buy logo on new-build developments and ask about the scheme there.

Help to Buy: Shared Ownership

If you can't quite afford the mortgage on 100% of a home, Help to Buy: Shared Ownership offers you the chance to buy a share of your home (between 25% and 75% of the home's value) and pay rent on the remaining share. Later on, you could buy bigger shares when you can afford to.

You could buy a home through Help to Buy: Shared Ownership in England if:

- your household earns £80,000 a year or less outside London, or your household earns £90,000 a year or less in London
- you are a first-time buyer, you used to own a home but can't afford to buy one now or are an existing shared owner looking to move.

With Help to Buy: Shared Ownership you can buy a newly built home or an existing one through resale programmes from housing associations. You'll need to take out a mortgage to pay for your share of the home's purchase price, or fund this through your savings. Shared Ownership properties are always leasehold.

Only military personnel will be given priority over other groups through government funded shared ownership schemes. However, councils with their own shared ownership home-building programmes may have some priority groups, based on local housing needs.

People with disabilities

Home Ownership for People with Long-Term Disabilities (HOLD) can help you buy any home that's for sale on a Shared Ownership basis if you have a long-term disability.

You can only apply for HOLD if the properties available through the other home ownership schemes don't meet your needs, e.g. you need a ground-floor property.

Older People

You can get help from another home ownership scheme called Older People's Shared Ownership if you're aged 55 or over.

It works in the same way as the general Shared Ownership scheme, but you can only buy up to 75% of your home. Once you own 75% you won't have to pay rent on the remaining share.

Applying for a Help to Buy: Shared Ownership scheme

To buy a home through a Help to Buy: Shared Ownership scheme contact the [Help to Buy agent](#) in the area you want to live.

<https://www.helptobuy.gov.uk/equity-loan/find-helptobuy-agent>



**Help to Buy
is here to help.**

Help to Buy: ISA

How does it work?

If you are saving to buy your first home, save money into a Help to Buy: ISA and the Government will boost your savings by 25%. So, for every £200 you save, receive a government bonus of £50. The maximum government bonus you can receive is £3,000.

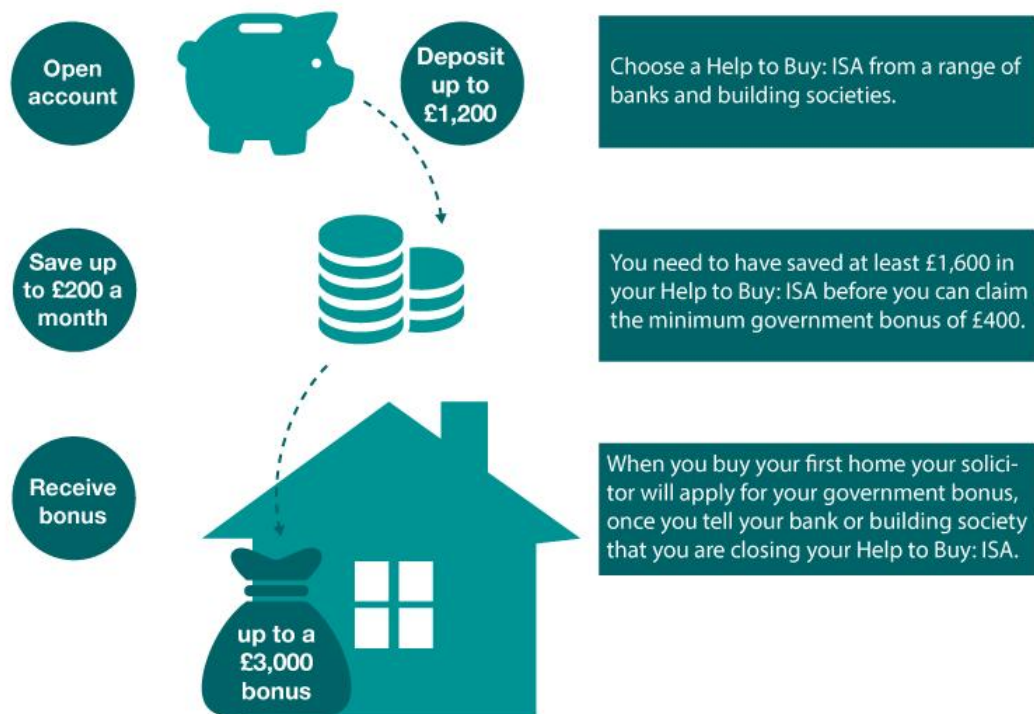
Open: the Help to Buy: ISA is available from a range of banks, building societies and credit unions.

The accounts are available to each first time buyer, not each household. This means that if you are planning to buy with your partner, for example, you could receive a government bonus of up to £6,000 towards your first home.

Save: save up to £200 a month into your Help to Buy: ISA. To kickstart your account, in your first month, you can deposit a lump sum of up to £1,200.

The minimum government bonus is £400, meaning that you need to have saved at least £1,600 into your Help to Buy: ISA before you can claim your bonus. The maximum government bonus you can receive is £3,000 – to receive that, you need to have saved £12,000.

Receive bonus: when you are close to buying your first home, you will need to instruct your solicitor or conveyancer to apply for your government bonus. Once they receive the government bonus, it will be added to the money you are putting towards your first home. The bonus must be included with the funds consolidated at the completion of the property transaction. The bonus cannot be used for the deposit due at the exchange of contracts, to pay for solicitor's, estate agent's fees or any other indirect costs associated with buying a home.



Who is eligible?

To qualify for a Help to Buy: ISA you must:

- be 16 or over
- have a valid National Insurance number
- be a UK resident
- be a first time buyer, and not own a property anywhere in the world
- not have another active cash ISA in the same tax year: If you have opened a cash ISA this tax year, you can open a Help to Buy: ISA but will have to take additional steps.

To qualify for the government bonus, the property you are buying must:

- be in the UK
- have a purchase price of up to £250,000 (or up to £450,000 in London)
- be the only home you will own
- be where you intend on living
- be purchased with a mortgage

You can use the Help to Buy: ISA with other government schemes, including the Help to Buy: Equity Loan scheme and Shared Ownership.

You can apply for your Help to Buy: ISA through one of the Providers (building societies and credit unions) in the scheme.

<https://www.helptobuy.gov.uk/help-to-buy-isa/providers-in-the-scheme>

For more details about Help to Buy: ISA see the [frequently asked questions](https://www.helptobuy.gov.uk/help-to-buy-isa/faq) page:
<https://www.helptobuy.gov.uk/help-to-buy-isa/faq>

Help to Buy: Mortgage Guarantee

The Help to Buy: mortgage guarantee scheme closed to new loans as of 31 December 2016. A wide range of 95% loan-to-value mortgage products are available from commercial lenders.

