



Help to Buy Guide

The government has created the Help to Buy scheme to help hard-working people like you take steps to buy your own home.





Help to Buy is here to help.

Help to Buy: Mortgage Guarantee

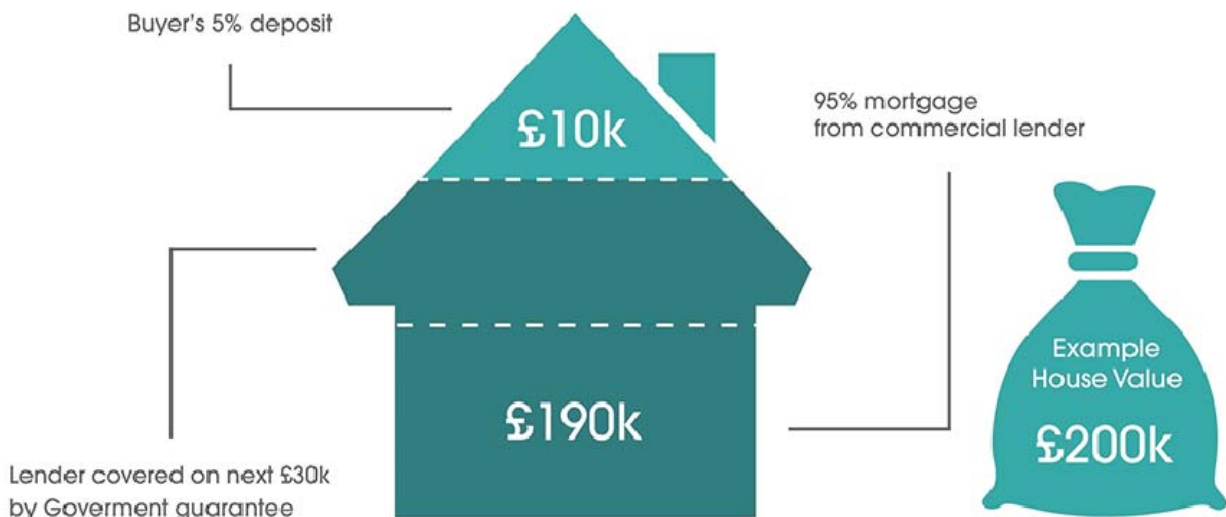
How does it work?

A mortgage supported by the Help to Buy: mortgage guarantee scheme works in exactly the same way as any other mortgage except that under the scheme the Government offers lenders the option to purchase a guarantee on mortgage loans.

Because of this support, lenders taking part are able to offer home buyers more high-loan-to-value mortgages (80-95%).

You will still be fully responsible for your mortgage repayments. So if you have a 5% deposit, you will need to take out and pay back a 95% mortgage.

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



Who is eligible?

A mortgage under the Help to Buy: mortgage guarantee scheme works like any other mortgage. Your lender will check that you can afford the mortgage and that you do not have a history of payment difficulties.

To qualify for a mortgage supported by Help to Buy: mortgage guarantee:

- the property you are purchasing could be an existing or new-build home in the UK, priced up to £600,000
- you must not own any other property anywhere in the world at the time you buy your home supported by the Help to Buy: mortgage guarantee scheme
- your mortgage must be a repayment one, not interest only. Offset and guarantor mortgages are also excluded from the scheme
- you can't let out the property to somebody else
- your mortgage can be taken out by an individual or individuals but not by a company
- you cannot use the mortgage guarantee scheme with Help to Buy: equity loan or shared ownership
- you don't have to pay any additional fee to Government to get a Help to Buy supported mortgage
- the size of the mortgage you apply for must be less than 4.5 times your income.

The Help to Buy: mortgage guarantee scheme will run for three years until **31 December 2016**.

How to apply

The Help to Buy: mortgage guarantee scheme is offered by mortgage lenders across the UK. You can apply for a mortgage through participating high street lenders or through a mortgage broker.

Your next step is to find your home and talk to your lender. Look out for the Help to Buy logo.

You can get more help and advice from the Money Advice Service - www.moneyadviceservice.org.uk

Help to Buy: Equity Loan



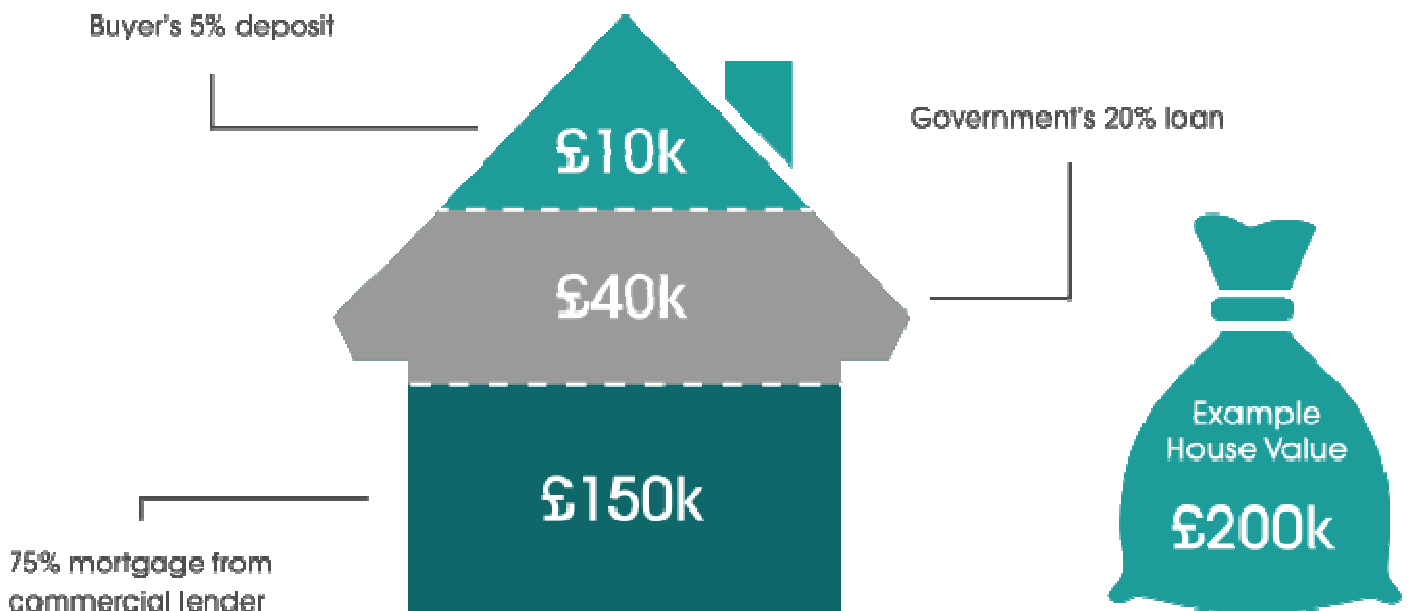
The Government's new Help to Buy scheme now makes it possible to buy a new or existing home with just a 5% deposit.

How does it work?

With a Help to Buy: equity loan the Government lends you up to 20% of the cost of your new-build 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.

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.



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

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.

For more information (including advice on fees and paying back your loan) please download our **Help to Buy: equity loan buyers' guide**:

<https://www.helptobuy.gov.uk/documents/2015/12/equity-loan-buyers-guide.pdf>