

HELP TO BUY

MAKE YOUR PURCHASE EASIER
AND MORE AFFORDABLE



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Whether you are a first-time buyer or looking to move on from your existing home, Help to Buy could make your purchase easier and more affordable than ever before.

How it works

With an 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 20% of the price
- You'll need a mortgage of up to 75% to cover the rest

EXAMPLE

For a property worth £200,000	Amount	Percentage
Cash deposit	£10,000	5%
Equity loan	£40,000	20%
Your mortgage	£150,000	75%

Equity loan fees

You won't be charged loan fees for the first five years of owning your home. In the sixth year, you'll be charged a fee of 1.75% of the loan's value. After this, the fee will increase every year, at a rate of 1% above the retail price index.

Your Help to Buy agent will contact you before the fees start, to set up monthly payments with your bank. You'll also be sent a statement about your loan each year. Fees don't count towards paying back the equity loan.

Selling your home and paying back the loan

You must pay back the loan after 25 years or when you sell your home - whichever is earliest. How much you pay back will depend on the market value at that time.

You can pay back part or all of your loan at any time. The minimum percentage you can pay back is 10% of the market value of your home. The amount you pay will depend on the market value at that time.

EXAMPLE

Market value of your home	Equity loan taken out	Amount
Bought for £200,000	20%	Borrowed £40,000
Sold for £250,000	20%	Pay back £50,000

EXAMPLE

Market value of your home	Percentage	Amount
Bought for £200,000	Borrowed 20%	Borrowed £40,000
Value at time of payment £220,000	Paying back 10%	Pay back £22,000

You won't be able to sub-let your home if you use this scheme. It must also be your only property.