

Help To Buy

**Only
available for
first time
buyers**

Current Government Schemes.

The current government are desperate to get you on that ladder! They have consequently launched a number of schemes intended to make it that little bit easier.

Gordon & Co consider there to be three key structures for first time buyers should you use on of these schemes.

1. Help to Buy ISA

The government have launched a Help to Buy ISA.

This is a savings account where the government will top up your savings by 25% every month that you save £200, totalling an extra £50 a month! The maximum you can save in this ISA is £12,000, so the most the government will give you is £3,000.

You must have £1,200 to activate the account and the minimum amount you can save to get the bonus is £1,600.

Help to Buy ISAs are available to each first-time buyer and NOT each property. Therefore, if you are buying with a partner, sibling or friend, you are eligible to open one each, meaning you can get up to £6,000 towards your property. The government bonus will not be added to your bank account but instead will go straight to the mortgage lender on the purchase of your new home.

The scheme is running up to 30th November 2019 but the final deadline to utilise your bonus is 1st December 2030.

T&Cs:

- You must be a first-time buyer and over the age of 16
- The ISA can only be used on a property under £250,000 or under £600,000 in London
- The ISA can be used with any mortgage
- The ISA cannot be used for an overseas property
- You are only entitled to one Help to Buy ISA per person
- You cannot open a Help to Buy ISA and a cash ISA in the same tax year

**Can only be
used on
properties up
to £600k in
London**

2. Mortgage guarantee

The mortgage guarantee is the scheme which allows buyers with a deposit of as little as 5% to borrow money from participating mortgage lenders. This applies to all types of property and not just off plan or new builds. It's worth mentioning that The Mortgage Guarantee officially ends on December 31st 2016 so make the most of it!

Only a 5% deposit needed!

Loans of up to 40% in London & Greater London

3. Equity loan

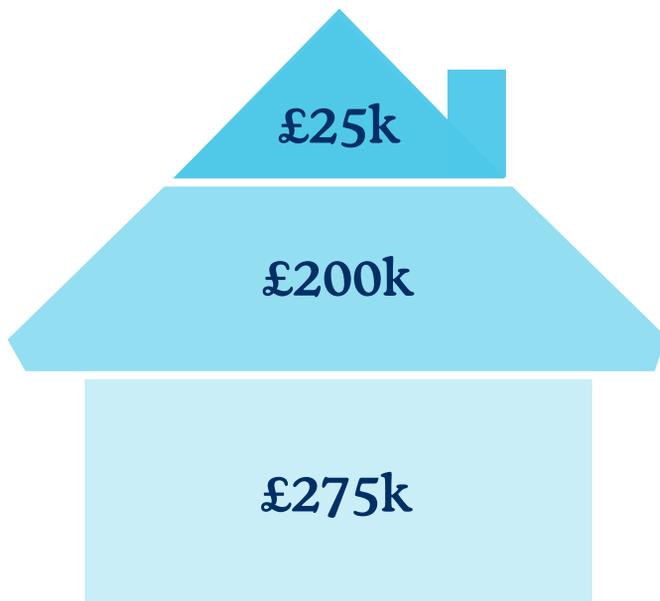
The equity loan part is only applicable to new homes or off plan properties.

A buyer needs a 5% deposit and is lent up to 20% (or 40% in London) of the purchase price by the government.

You won't be charged loan fees on the 20% (or 40%) loan for the first five years of owning your home. The loan does have to be paid back in time and the repayment will reflect any rise in the property's value.

Both Help to Buy elements are open to all buyers as long as the purchase price is under £600,000 in London, (£400,000 for the rest of the UK), the property is not a second home and cannot be a buy-to-let investment.

Example: Equity Loan of 40% on property value of £500k (London only)



➡ Buyers 5% deposit

➡ Government 40% loan

➡ 55% mortgage from a commercial lender