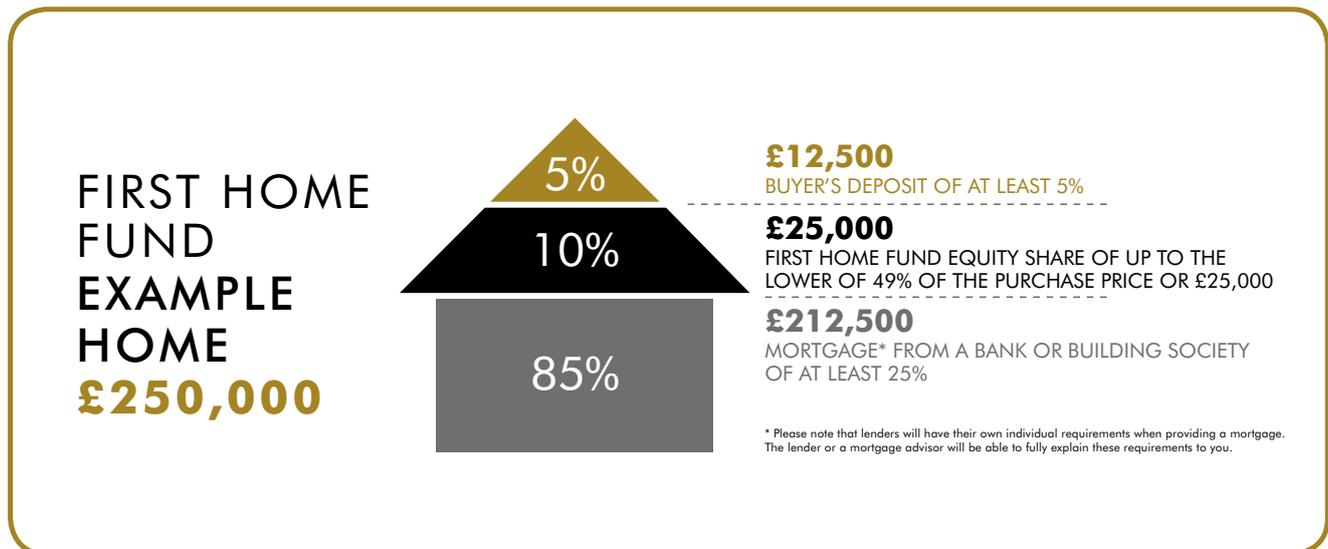


# WHAT IS FIRST HOME FUND?

The First Home Fund is a Scottish Government scheme to help first-time buyers purchase their first home in Scotland. It provides up to £25,000 as an equity loan or 49% of the purchase price (whichever is lower) towards the purchase of both newly built and existing properties in Scotland.

The way it works is that the Scottish Government will lend a percentage of the value of your first home to help you to get on the property ladder. This reduces the amount of deposit that you need to save, and it reduces your monthly mortgage repayments. Here's how the First Home Fund works:



## FREQUENTLY ASKED QUESTIONS:

IS HELP TO BUY A SHARED OWNERSHIP SCHEME?



No, you purchase 100% of your home and legally own 100%. Scottish Ministers will hold an equity share.

WHICH HOMES IS IT AVAILABLE ON?



Unlike Help to Buy, the First Home Fund is available on almost any home in Scotland bought by a first time buyer. There is no price cap.

CAN I BUY A HOME OFF-PLAN?



Yes, but you should be aware that you cannot conclude missives longer than six months before the legal completion of the sale. Check that your mortgage offer will still be valid at that time.

The Government does require that the property is a 'Tolerable Standard'. This has a legal definition and includes requirements like being structurally stable, among others.

All CALA Homes of course meet and surpass the Tolerable Standard requirements.



## WHO IS IT FOR?

The scheme is open to all first-time buyers in Scotland who are taking out a mortgage.

A first-time buyer is anyone who has never owned a property (as either a sole or a joint owner) in Scotland or anywhere else in the world. While the scheme is open to all first-time buyers there are a few requirements that you will need to be aware of:

- There is a limit of one application per property. You can submit a joint application, however, you will be limited to a maximum of £25,000.
- Your mortgage must be at least 25% of the purchase price.
- Your mortgage must be capital repayment.
- The property must be the sole residence of all applicants. The scheme is not available for buy-to-let properties.
- You cannot apply to other Scottish Government shared equity schemes (e.g. Help to Buy (Scotland) Smaller Developer, LIFT New Supply Shared Equity or LIFT Open Market Shared Equity) while also applying to this scheme.
- However you are able to use a Help to Buy: ISA or Lifetime ISA to go towards your deposit.

## WHAT HAPPENS WHEN I SELL MY HOME?

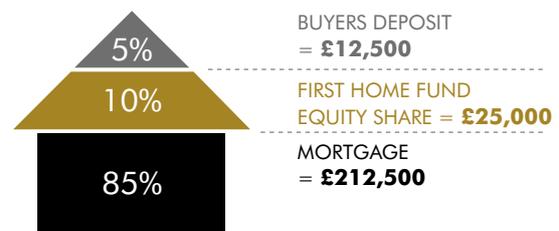


First Home Fund equity loans are granted as a percentage of the value of your new home. If your new home's value rises or falls, so will the value of your equity loan.

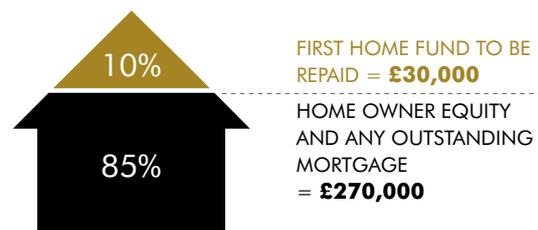
When you sell your home, you will pay back the First Home Fund percentage of your home's value at the time of the sale, which might be higher or lower than what you borrowed.

For example

### NEW HOME PRICED AT **£250,000** WITH A 10% HELP TO BUY EQUITY LOAN



### HOME SELLS FOR **£300,000** WITH 10% FIRST HOME FUND EQUITY LOAN OUTSTANDING



### WHO PAYS FOR REPAIRS AND ONGOING MAINTENANCE TO MY HOME?



Our homes come with a two-year guarantee and an NHBC warranty that will cover certain defects for up to 10 years after it was built. You will need to pay for repairs and maintenance not covered by these two warranties.

### HOW DO I PAY BACK MY FIRST HOME FUND EQUITY LOAN?



You can repay the equity loan in blocks of 5% of the value of your home or pay off the full amount at any time. If your equity share is 90% or higher, any further increase must be to 100%

### WILL I BE CHARGED INTEREST OR NEED TO MAKE REPAYMENTS AGAINST FIRST HOME FUND?



There are no monthly payments to be made towards the Scottish Government and no interest will be charged.

You should be aware that there is a fee to pay when you make your application. The details of this fee can be found on the Link Housing website.

### I'VE DECIDED THAT I'D LIKE TO EXPLORE FIRST HOME FUND. WHAT SHOULD I DO NEXT?



The first step is reserving your CALA home. Our helpful Sales Consultants will then help you to find the right IFA to find out how First Home Fund can work for you. You can also find more information on the Link Housing website.

\*YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON A MORTGAGE OR ANY OTHER DEBT SECURED ON IT. A second charge over your home is required. The First Home Fund cannot be used in conjunction with part exchange or any Scottish Government shared equity schemes (e.g. Help to Buy (Scotland) Smaller Developer, New Supply Shared Equity or Open Market Shared Equity). Availability of other incentives/offers subject to lenders criteria and CALA's discretion. Your mortgage lender's deposit requirements may vary, but you should usually expect to contribute a deposit of at least 5% of the purchase price. Available on selected properties, and subject to the Government's specific terms, conditions and qualifying criteria. CHECK THAT THIS MORTGAGE WILL MEET YOUR NEEDS. PLEASE SEEK INDEPENDENT FINANCIAL ADVICE.

