

WHAT IS HELP TO BUY (ENGLAND)?

There are a few different Government schemes in the UK that go by the name 'Help to Buy'.

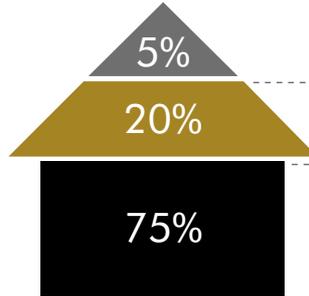
We are talking about the Help to Buy: Equity Loan scheme, which is available to first time buyers on new build properties.

The way it works is that Homes England will lend a percentage of the value of a new build 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.

To work out how much you could borrow through Help to Buy on your chosen home, use the calculator on our website.

HERE'S HOW THE HELP TO BUY SCHEME WORKS



BUYER'S DEPOSIT
OF AT LEAST 5%

HELP TO BUY EQUITY
LOAN OF UP TO 20%

MORTGAGE FROM A BANK
OR BUILDING SOCIETY FOR THE
REMAINING AMOUNT

FREQUENTLY ASKED QUESTIONS:

WHO IS IT FOR?



Help to Buy is available to first time buyers and it's subject to eligibility and affordability checks. An Independent Financial Advisor (IFA) can help you find out if you're eligible. If you'd like us to, we can help you find one.

If you intend to sublet or rent out the property, you cannot use Help to Buy.

CAN I BUY A HOME OFF-PLAN?



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

IS HELP TO BUY A SHARED OWNERSHIP SCHEME?



No, you purchase 100% of your home and legally own 100%.

Help to Buy is a second charge against your home, so it is a loan rather than a shared ownership.

WHICH HOMES IS IT AVAILABLE ON?



Help to Buy is only available on homes built by a registered house builder, like CALA. There is a price cap set by the Government and this differs in different regions of England. The price caps can be found on our website.

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.

WILL I BE CHARGED INTEREST AGAINST HELP TO BUY?



The Help to Buy equity loan is interest free for the first five years. In the sixth year, you will start to pay interest at 1.75% and this amount will rise each year in April by the Consumer Prices Index including owner occupiers' housing costs (CPIH) plus 2%. You also pay a monthly management fee of £1 for the life of the loan.

HOW DO I PAY BACK MY HELP TO BUY EQUITY LOAN?



You can repay the equity loan in blocks of 10% of the value of your home or pay off the full amount at any time. The equity loan must be repaid after 25 years, or earlier if you sell your home or pay off your main mortgage.

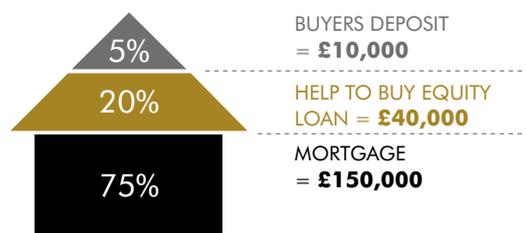
WHAT HAPPENS WHEN I SELL MY HOME?



Help to Buy 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 Help to Buy percentage of your homes' value at the time of the sale, which might be higher or lower than what you borrowed.

For example

NEW HOME PRICED AT **£200,000** WITH A 20% HELP TO BUY EQUITY LOAN



HOME SELLS FOR **£250,000** WITH A 20% HELP TO BUY EQUITY LOAN OUTSTANDING



I'VE DECIDED THAT I'D LIKE TO EXPLORE HELP TO BUY. WHAT SHOULD I DO NEXT?



The first step is reserving your CALA home. We can put you in touch with an IFA, and you should then find a Help to Buy agent at helptobuy.gov.uk.

YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON A MORTGAGE OR ANY OTHER DEBT SECURED ON IT. Security over your home is required. Availability of other incentives/offers subject to lenders criteria and CALA's discretion. For the first five years there is no interest charged on the equity loan component. At the start of year six a fee of 1.75% is payable on the equity loan, which rises annually by RPI inflation plus 2%. The equity loan is provided by Homes England and held as a second charge. 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 IF YOU WANT TO MOVE OR SELL YOUR HOME OR YOU WANT YOUR FAMILY TO INHERIT IT. IF YOU ARE IN ANY DOUBT SEEK INDEPENDENT ADVICE.

