

## RESIDENTIAL MORTGAGES

# HELP TO BUY

If you are looking to buy through one of the government's new-build schemes such as Help to Buy, SPF New Homes can assist you. The Help to Buy: Equity Loan allows a buyer to purchase a property on a new-build development with assistance from the government in the form of an equity loan. The government loans up to 20 per cent of the property value and the borrower contributes a minimum of 5 per cent deposit. The remaining amount is obtained from a participating mortgage lender. To qualify, the property you want to purchase must meet the following criteria:

**New-build property only (from a Help to Buy registered developer)**  
**Maximum purchase price of £600,000**  
**Must not be a second home**  
**Cannot be rented out**

The scheme is open to both first-time buyers and home movers provided you buy a new-build property and your mortgage must be taken out on a capital and interest repayment basis.

The 20 per cent equity loan is interest free for 5 years and in year 6 a fee of 1.75 per cent of the loan is charged, paid monthly by direct debit. The fee increases annually by the Retail Price Index (RPI) + 1 per cent. The loan can be repaid at any time at an amount equal to 20 per cent of the market value, whether the property value has increased or decreased. Partial repayments are allowable at a minimum amount of 10 per cent of the market value at the time of repayment. The loan must be repaid on the sale of the property or after 25 years, whichever comes first.

### LONDON HELP TO BUY

In recognition of the higher cost of housing in London, the government has increased the amount it will lend to 40 per cent of the property value, for those buying in the London boroughs. The criteria for the scheme is exactly the same as above and is good news for those who in the past may have struggled to get a foot on the ladder.

To find out if you can qualify for a Help to Buy mortgage 24/7, please go online to [spfnewhomes.co.uk](http://spfnewhomes.co.uk)

For more information please contact:

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Backed by  
HM Government

YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE.



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