



HELP TO BUY

HOW IT WORKS



Backed by
HM Government

WHAT IS HELP TO BUY?

The Help to Buy: Equity Loan scheme (2021–2023) is a government initiative that’s designed to help first-time buyers buy a new-build home with just a 5% deposit.

HOW DOES IT WORK?



Getting onto the housing ladder can be really difficult – fortunately Help to Buy has made life a lot easier. If you’re a first-time buyer and eligible for the scheme, you can borrow up to 20% (40% if you’re buying in London) of the purchase price of your first home – and you’ll only need to save 5% of the asking price to get a mortgage for the balance.

For the first five years, you won’t be charged any interest on the equity loan – after that, interest fees will start at 1.75% and increase every April in line with the Consumer Price Index plus 2%.

The equity loan will be secured on your property and, when you sell it, pay off your mortgage or reach the end of the loan term, you must repay it. You can repay part of it by ‘staircasing’ or all of it at any time.

CASE STUDIES

List Price	£300,000
Deposit required 5%	£15,000
Government equity loan 20%	£60,000
Mortgage amount 75%	£225,000
Monthly mortgage payment	£808.22*

List Price	£400,000
Deposit required 5%	£20,000
Government equity loan 20%	£80,000
Mortgage amount 75%	£300,000
Monthly mortgage payment	£1077.62*

List Price	£350,000
Deposit required 5%	£17,500
Government equity loan 20%	£70,000
Mortgage amount 75%	£262,500
Monthly mortgage payment	£942.92*

List Price	£437,600
Deposit required 5%	£21,880
Government equity loan 20%	£87,520
Mortgage amount 75%	£382,200
Monthly mortgage payment	£1178.92*

A Help to Buy price cap of £437,600 applies to new homes in the south-east region.

Terms and conditions: *The illustrations above are provided on the basis of capital interest mortgage over a 30 year term at 1.79% two year fixed rate £749 Arrangement fee, £35 CHAPS fee, £80 Deeds release fee, £126 Legal fee (will be confirmed by your solicitor) and Free basic Mortgage Valuation. This is an example rate, these vary daily so this illustration does not constitute an offer. Mortgage is subject to full underwriting, affordability and credit scoring via the lender, this rate and product was valid at point of printing. **The government will provide an Equity loan of up to 20% of the value of the property or with the Help to Buy mortgage guarantee scheme, you could get a 95% mortgage with a 5% deposit. A MORTGAGE IS A LOAN SECURED AGAINST YOUR HOME. YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE OR ANY OTHER DEBT SECURED ON IT.