

Buying your L&Q home with the Help to Buy: Equity Loan

The Help to Buy: Equity Loan is a government-backed scheme which can increase your deposit, giving you a wider range of mortgage product options and reducing your monthly mortgage repayments. This scheme is only available for new build properties, meaning that your dream L&Q home is within easier reach than you may think.



What are the criteria for prospective purchasers?

- ▶ You must be a first-time buyer
- ▶ You must currently live in England
- ▶ You must not own any other home in the UK or abroad now or previously
- ▶ You must not have had any form of share in mortgage finance
- ▶ Help to Buy is valid only on new build homes
- ▶ Applicants in the Armed Forces have different entitlements and may be eligible to sublet a home
- ▶ For full details on eligibility please visit the Help to Buy website: ownyourhome.gov.uk

*Eligibility is subject to terms and conditions

What is the maximum amount I could borrow?

- ▶ If you have a deposit of at least 5% of the property's total value, you are able to borrow up to 20% (outside London) or 40% (in London) of the total value through the Help to Buy: Equity Loan.
- The total loan amount (your deposit plus the Help to Buy: Equity Loan) must not exceed 75% of the total purchase price.

Is there a cap on the property's total value?

Yes, there are price caps in place to ensure that the scheme is accessible by those who need it, these vary by each region's predicted averages.

- ▶ North East – £186,100
- ▶ North West – £224,400
- ▶ Yorkshire and Humber – £228,100
- ▶ East Midlands – £261,900
- ▶ West Midlands – £255,600
- ▶ East of England – £407,400
- ▶ **South East – £437,600**
- ▶ South West – £349,000

Is the Help to Buy: Equity Loan subject to interest?

The Help to Buy: Equity Loan is interest-free for the first five years. The interest applied thereafter is 1.75%, rising each year by CPI inflation plus 2%. The Help to Buy affordability calculator on our website can help you ascertain how much your mortgage payments will be.

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If you have any questions about the Help to Buy: Equity Loan please contact our Sales Team at Saxon Reach: saxonreach@lqgroup.org.uk or call **01908 031 197**

You can learn more about the Help to Buy: Equity Loan at lqhomes.com/help-to-buy

*Help to Buy: Equity Loan: Terms and conditions apply. Applicants should seek independent financial advice and get information and guidance on applying for a Help to Buy: Equity Loan at helptobuy.gov.uk
All information in this document is correct at the time of publication going to print October 2021



Backed by
HM Government

Before you get started with the Help to Buy: Equity Loan

You need to have the funds available for:

- ▶ A £500 reservation fee
- ▶ A minimum of a 5% deposit (of the total purchase price)
- ▶ Additional fees such as stamp duty, legal fees and mortgage fees

L&Q



Stage 1 Application

Find your new home

Browse our website to find out more about the properties we have to offer you. Register your interest to find out more information and to arrange an appointment to visit our show homes.

Get financial advice

If you haven't done so already, speaking to a financial advisor can help you make the right decision when purchasing your first home. You will need to acquire an Agreement in Principle (AIP) from a mortgage provider in order to progress further with your application. We have a recommended panel of financial advisors - please speak to our Sales Team for more information.

Reserve your new home

Once you have found your dream home and acquired an AIP, a reservation fee of £500 will be taken to reserve the property.

Apply for the loan

You will need to provide personal and financial information on the Property Information Form (PIF) and submit this to your local Help to Buy agent.



Stage 2 Authority to Proceed

Financial assessment

Your Help to Buy agent will review the information you submitted on your PIF and will be able to approve or reject your application based on your confirmed affordability.

Application approved

Your Help to Buy agent will issue an Authority to Proceed (ATP) so you can go ahead and purchase your new home. Please note, the ATP is only valid for three months.

Apply for your mortgage

Now that you have the ATP, you can go ahead and arrange for a mortgage application with your chosen mortgage provider.

Conveyancing

Your Help to Buy agent will send legal forms to your conveyancer for them to complete. Before these are returned to us, please check these forms are accurate as any inconsistencies may delay completion.



Stage 3 Mortgage offer and exchange of contracts

Sign contracts

Your conveyancer will outline the Help to Buy: Equity Loan contract before you sign it. You must then sign the property sale contract ensuring all details match those agreed in the AIP as well as a legal declaration to ensure that all purchasers are first-time buyers.

Authority to Exchange (ATE)

Following verification checks, Help to Buy will issue the Authority to Exchange (ATE) to your conveyancer so exchange of contracts can take place. You must pay a 5% deposit at this point, even if your full deposit is more.



Stage 4 Completion

Completion day

The remainder of your deposit will be paid if it is more than 5%, your mortgage provider will release the remaining funds and the Help to Buy: Equity Loan is then paid to L&Q. Now that legal completion has taken place, you will then be able to collect your keys and settle into your new home. Congratulations!

Managing your payments

Your conveyancer will inform the Help to Buy agent of the sale and your details will be passed to the administration team who will help you manage payments and make changes to your account.

Registration of interest

Your conveyancer will register two separate legal charges on your home: one for Help to Buy and one for your mortgage provider. These charges will show on your property title deeds. When you are ready to sell your home, you must inform your Help to Buy agent and repay your loan and repayment mortgage before the charges are removed.