

Help to Buy

Key information sheet



The Government's Help to Buy scheme aims to get new home owners on to the property ladder and move those already there up to the next rung. Our Help to Buy products could help your customers make the most of this opportunity.

Key points of interest

- ▶ Available in England and Wales.
 - ▶ Maximum valuation in England - £600,000.
 - ▶ Maximum valuation in Wales - £300,000.
- ▶ Non-repayable family gifted deposits are allowed.
- ▶ Offers valid for 6 months, may extend for a further 3 months.
- ▶ Lending on new build flats with commercial ground floor considered.
- ▶ Up to 20 storey blocks considered.
- ▶ Section 106 Planning Obligations considered.

Product features

- ▶ 5% customer deposit can be supplemented by up to 5% incentives offered by builder (in addition to the scheme's 20% contribution, or 40% for Help to Buy London customers).
- ▶ Adverse credit considered - please see 'Allowable adverse' below.
- ▶ 35 year term subject to age at end of mortgage term (maximum age of 70).
- ▶ Equity loan repayment calculated at 1.75% for affordability purposes.
- ▶ Self-employed with 1 year's accounts accepted.
- ▶ Fees can be added to the loan.
- ▶ Refund of standard valuation fee (up to £630) on select products.

Affordability calculation

The affordability assessment includes an assessment of the equity loan as an expense. This is calculated by multiplying the equity loan by 1.75% and then dividing it by 12 to calculate the monthly figure.

This figure must be keyed into the Decision in Principle under the 'Unsecured Loan Commitments' section.

An example of how the **monthly figure** is calculated is shown below.

Equity Loan (£50,000) x 1.75% = £875

£875 divided by 12 = £72.91

Allowable adverse - Residential Mortgages

Precise Mortgages' products are tiered to meet individual credit profiles. The maximum allowable adverse is shown below.

Defaults: 5 in 24 months.

CCJ: 3 in 24 months.

Missed mortgage/secured loan arrears: Worst status 1 in 12 months/3 in 36 months.

Debt management plans (DMPs): Active and recently satisfied (within the last 36 months) allowed.

Applicant must not have any defaults, CCJs or secured arrears recorded in the 3 months before application.

Unsecured arrears are not counted but may affect customer's credit score.

For further details on our products please refer to the Residential Mortgages product guide and criteria guide.

Get in touch with our Help to Buy and New Build Priority Processing Service Team

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