

## Forces Help to Buy

**Don't forget!** Forces Help to Buy scheme due to finish at end of December 2018

### Background

Time is running out for members of the armed forces to take advantage of the Forces Help to Buy scheme.

Applications for the scheme, which is available to regular service men and women, must be submitted by 31st December 2018.

The scheme was launched in 2014 to combat low levels of homeownership within the military. Since its launch, payments totalling approximately £242m have been made to around 16,100 applicants at an average of around £15,000 per claim<sup>1</sup>.

<sup>1</sup> Source: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/750341/FHTB\\_Official\\_Statistics\\_Q2\\_2018-19.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/750341/FHTB_Official_Statistics_Q2_2018-19.pdf)

### What is the Forces Help to Buy scheme?

The Forces Help to Buy scheme enables regular service men and women to borrow up to 50% of their gross annual salary to a maximum of £25,000, interest free, over a period of 10 years.

The loan can be used to help them purchase their first home, move to another house or, in exceptional circumstances, extend an existing property.

The scheme is open to all regular service personnel who:

- ▶ Have completed the pre-requisite length of service
- ▶ Have more than 6 months left to serve at the time they apply
- ▶ Meet the right medical categories

For more information, visit <https://www.gov.uk/guidance/forces-help-to-buy>

### How can Precise Mortgages help?

As a specialist lender, Precise Mortgages is always looking to develop products and criteria which meet the needs of customers underserved by high street lenders.

To help your customer secure the mortgage they need, we allow funds from the Forces Help to Buy scheme to be used in conjunction with our standard Residential and Help to Buy Mortgage ranges.

We will require proof of a customer's Forces Help to Buy offer in the form of a PIN (Personal Information Note) document which can be applied for on the Joint Personnel Administration (JPA) system.



**Liza Champion**  
Head of Key Accounts

 07957 679869

 [liza.campion@precisemortgages.co.uk](mailto:liza.campion@precisemortgages.co.uk)

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### What product options are available?

Our Residential and Help to Buy Mortgage ranges could be ideal for members of the armed forces looking to purchase a property, even if they have a less than perfect credit profile.

#### **Our Residential Mortgages range features:**

- ▶ Up to 85% LTV
- ▶ Full 15% deposit from Forces Help to Buy scheme (on 85% LTV product) accepted
- ▶ 5 year fixed rate products to help customer affordability
- ▶ Customers with less than perfect profiles considered (CCJs, defaults and DMPs)

#### **Our Help to Buy Mortgages range features:**

- ▶ Full 5% Help to Buy deposit from Forces Help to Buy accepted
- ▶ Active and recently satisfied DMPs allowed
- ▶ CCJs and defaults considered
- ▶ Dedicated Priority Processing Team – committed to assessing cases within 48 hours and offering within 21 days. For more information, call the team on 0330 024 0349.



### Tips when submitting an application

- 1** Make sure to include the Forces Help to Buy, and where applicable the Help to Buy commitment, in the unsecured loan section when you carry out the DIP.

The Forces Help to Buy loan figure can be found on the PIN. To calculate the monthly commitment for Precise Mortgages, multiply the Help to Buy equity loan by 1.75% (this is the initial rate customers are charged once the interest free period has finished), divide by 12 and add into the unsecured loan section on the DIP. For more information about Help to Buy, visit <https://www.helptobuy.gov.uk/>.

- 2** When submitting a case, select Residential for a standard Forces Help to Buy application. If the application is for a Forces Help to Buy combined with a traditional Help to Buy product, select Help to Buy.

To find out more about how we can help your customer, visit [www.precisemortgages.co.uk](http://www.precisemortgages.co.uk), speak with your Business Development Manager or call our dedicated support team on 0800 116 4385.



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