

# Help to Buy Remortgages

## England and Wales



If your customer used a government Help to Buy Equity loan to purchase their property we have a range of products to help them remortgage. Our product range up to 85% LTV includes:

### £ for £ remortgages

Remortgage to repay the existing mortgage. The Help to Buy Equity Loan is unchanged.

### Staircasing (remortgage and capital raise)\*

Remortgage to repay the existing mortgage and capital raise to partially repay the Help to Buy Equity Loan, this is known as staircasing.

### Repayment of Help to Buy Equity Loan

Remortgage to repay all of the Help to Buy Equity Loan by using our Core Residential mortgage product range.

We also offer Forces Help to Buy and Help to Buy Scotland. See our [Online Criteria Guide](#) for full details of our criteria.

## How does the Help to Buy scheme operate?

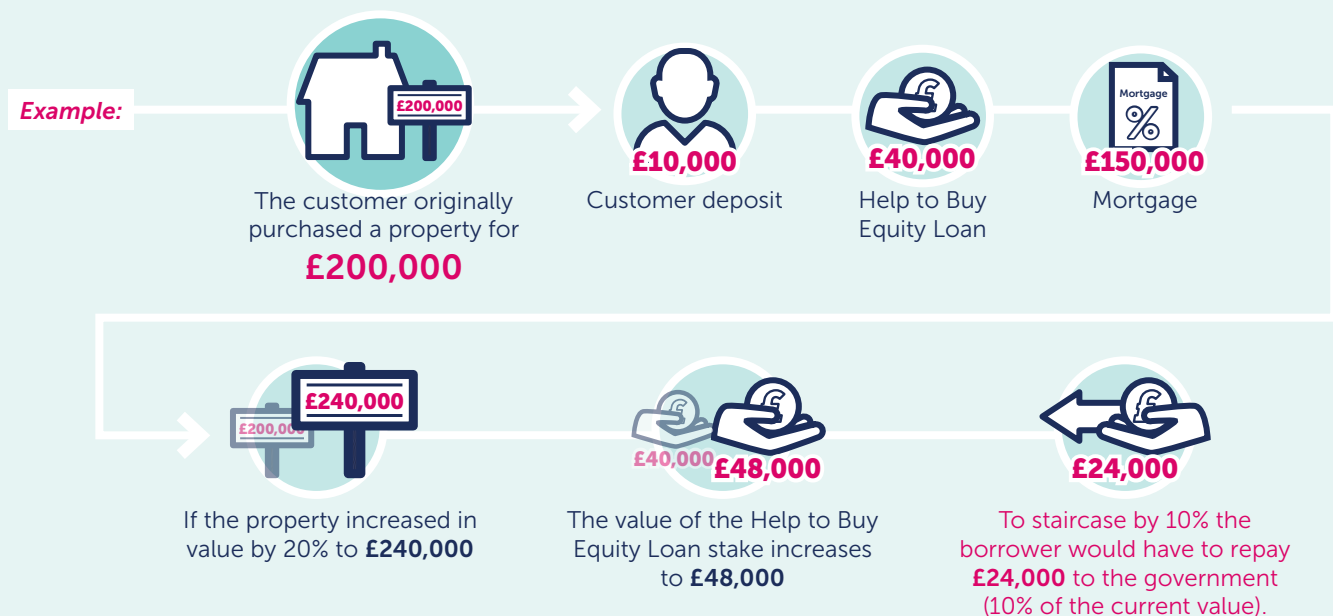
► The Help to Buy schemes work differently depending on the region in which your customer lives so they should visit the relevant post sale Help to Buy website for full details.

- England: <https://www.myfirsthome.org.uk>
- Wales: <https://gov.wales/help-buy-wales/repaying-shared-equity-loan>

Scheme Overview	England	London	Wales
Maximum purchase price	£600,000	£600,000	£300,000
Maximum Equity Loan percentage	20%	40%	20%
Maximum Equity Loan value	£120,000	£240,000	£60,000
Minimum Staircasing percentage	10%	10%	10%
Staircasing amounts	10%*	10%, 20% or 30%*	Between 10%-15%
Government Minimum Equity Stake after Staircasing	10%*	10%*	5%

\*Homes England may consider other staircasing amounts, the customer should contact them directly to discuss their options.

► Customers are able to staircase within the limits of the relevant Help to Buy scheme to repay the Help to Buy Equity Loan.



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- ▶ Capital raising can only be to repay the Help to Buy Equity Loan and must not exceed the amount required to staircase \*. Any amount of debt consolidation is not acceptable.
- ▶ Your customer cannot remortgage and capital raise if the value of the property has gone down. However, they would still be able to staircase from their own resources.
- ▶ Monthly interest fees are payable on the Help to Buy Equity Loan after five years. This amount must be included as an ongoing monthly commitment on the application and can be calculated using our [Residential Affordability Calculator](#).
- ▶ If your customer is staircasing we need to know what percentage of the Help to Buy Equity Loan they are repaying.

The percentage of the Help to Buy Equity loan being repaid is calculated as:

$$\frac{\text{Percentage being staircased}}{\text{Current equity loan percentage}} \times 100$$

→ This is the amount to be used in the Residential Affordability Calculator

**Example:** For a Help to Buy London case, if the original Help to Buy Equity Loan was 25% of the purchase price and the customer is staircasing 10% they would be reducing the Help to Buy Equity Loan by 40%, which is the figure to be used in the calculator.

$$\frac{10\%}{25\%} \times 100 = 40\%$$

- ▶ If the customer is remortgaging to repay the Help to Buy Equity Loan in part or in full they will need to have the property valued by an independent surveyor (RICS). This valuation will be used to calculate the current value of the equity loan and the amount required to repay it in part or full. Precise Mortgages will also obtain a valuation of the property and lending will be based on this.
- ▶ When submitting applications for Help to Buy remortgages it is the responsibility of the Intermediary to ensure that the application is eligible and compliant with the rules of the appropriate Help to Buy scheme before the submission is made.

\*Capital raising for home improvements is only available in exceptional circumstances. You should contact the relevant Help to Buy agency for details.

## How does the process work?



1

### Check

Before an application is submitted your customer should check how the Help to Buy scheme works in their area.

Your customer may wish to contact the post sale Help to Buy agent to understand their responsibilities to conform with the scheme. Information regarding requirements can be found on the relevant post sale Help to Buy website.



2

### Before submission

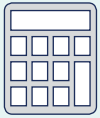
A DIP can be obtained for any Help to Buy remortgage. When capital raising to staircase, an estimated capital raising amount can be used.

However, **before** submitting a full mortgage application for capital raising the customer must have confirmed the exact amount required to staircase by contacting the Help to Buy agent.

To do this the customer is required to have the property valued by an independent surveyor, the criteria for this valuation can be found on the relevant post sale website.

The Help to Buy agent will then confirm in writing the amount required to staircase in a redemption letter. This will then be the maximum amount of capital raising Precise Mortgages can consider.

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3

## How to use the Precise Mortgages Residential Affordability calculator

Use our [Residential affordability calculator](#) to work out the Help to Buy Equity Loan interest fee if you do not already have this information. The PDF print out must be uploaded to the application as part of the submission.

Knowing the Help to Buy Equity Loan interest fee payment that will remain following the remortgage, will allow us to make a more accurate affordability assessment.



4

## Online application

Log into our online mortgages system and complete an application. You will need to enter the Help to Buy Equity Loan interest fee payment as an ongoing commitment in this section of the application:



Lender	Outstanding Balance	Monthly payment	To be repaid?	Delete
Help to Buy	£10000	£18.23	x	

Buttons: Add +, Delete Selected

The lender should be detailed as Help to Buy.



5

## Documentation

Once the case has been fully submitted to us it is important that you upload all the required documents at the earliest opportunity. In addition to our standard requirements we also require the following to determine the current Help to Buy Loan payments:

### When capital raising:

- ▶ A copy of the original Authority to Proceed (or documents confirming the original Help to Buy Equity Loan amount)
- ▶ Redemption letter issued by the Help to Buy Agent

### £ for £ one of:

- ▶ A copy of the original Authority to Proceed
- ▶ Equity Loan Annual Statement



6

## Valuation

As the Help to Buy agent needs to provide their approval of the remortgage, we need to be sure that this has been obtained before we proceed. We will not instruct our valuation until you have confirmed that the customer is happy to go ahead following our initial assessment. You should contact our processing team to confirm this by either calling 0330 1596001 or email [new.build@precisemortgages.co.uk](mailto:new.build@precisemortgages.co.uk).

Get in touch

Contact your local BDM  
0800 116 4385  
[precisemortgages.co.uk](http://precisemortgages.co.uk)

