



Prospect Mortgage Services
expert advice - professional service

What you need to know...

Affordable Housing



Offering Independent Mortgage Advice

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Help to Buy 1 Equity Loan Scheme

A Help to Buy equity loan is the Government backed initiative where the government helps you to buy a brand new home by means of an equity loan of up to 20% of the cost of a newly built home, so you **only need to provide a 5% deposit** and a **75% mortgage** to make up the rest.

Now all types of buyers could benefit from this shared equity scheme, whether you're a first time buyer or an existing home owner wanting to move into a new house.

With the initiative available on properties in England up to the value of £600,000 the distant dream of home ownership can become a reality. Plus you could also qualify for some of the best mortgage rates on the market through selected lenders.

The Help to Buy Equity Loan Scheme is run by Government-appointed Help to Buy agents. They can guide you through your purchase, from providing general information about the scheme to dealing with your application. Prospect Mortgage Services has been appointed as a Help to Buy agent.



Don't miss the chance to buy a brand new property with the Help to Buy Scheme.

How it Works

- Help to Buy is available to all homebuyers, not just first time buyers
- You retain 100% home ownership
- You only need a minimum of a 5% deposit to qualify for the scheme
- The Government will lend you up to 20% of the value of your property through an equity loan which is interest free for the first 5 years
- The loan can be repaid at anytime or when you sell your home or in 25 years - whichever is sooner
- You will only need to secure a maximum of a 75% mortgage
- Currently only available on new build homes
- There is a maximum home purchase price of £600,000

Example of a purchase with a Help-to-Buy scheme

Property purchase price			£195,000
Cash deposit	@	5%	£9,750
Equity loan	@	20%	£39,000
Your mortgage	@	75%	£146,250



Help to Buy 2 Mortgage Guarantee – Open Market

In October 2013, Help to Buy was extended to make it possible to purchase **any** property under £600,000, be it a new build or pre-owned home, with as little as a 5% deposit.

The process is simple. For applicants using the scheme there is little difference to submitting an application for a standard mortgage. The scheme is intended to increase the availability of mortgages at competitive interest rates for buyers who have a minimum of 5% deposit. The government make this possible by guaranteeing repayment of the mortgage to the lender.

The administration regarding this is dealt with behind the scenes by participating lenders. As such, there is no additional paperwork to complete or second charges for the buyer to worry about.



How it Works

- Available to both existing home owners and first-time buyers
- Buyers need a minimum of a 5% deposit
- Available on all previously owned and new build properties up to the value of £600,000
- Must be your only property
- Available for properties in the UK
- Borrowing can only be done with a participating mortgage lender

Help to Buy ISA (Instant Savings Account)

Buyers saving for their **first home** can save money for a deposit into a Help to Buy ISA (HTB ISA).

The government will then **boost buyer's savings by 25%**. So, for every £200 saved a buyer can receive a government bonus of £50. The maximum government bonus is £3,000.

Open: HTB ISA are available from a range of banks and building societies. Accounts are **available to each first time buyer**, not each household. This means that two applicants planning to purchase a property together could receive a government bonus of up to £6,000 towards their first home.

Save: Buyers can **save up to a maximum of £200 a month** into their HTB ISA. To kick-start an account, in the first month, a buyer can deposit a lump sum of up to £1,200. The minimum government bonus is £400, meaning that a buyer needs to have saved at least £1,600 into a HTB ISA before they can claim a bonus. The maximum government bonus is £3,000 – to receive this amount a buyer will have needed to have saved £12,000.

Receive bonus: Your solicitor or conveyancer will apply for the government bonus. Once they receive the government bonus, it will be added to the money you are putting towards your first home.



Shared Ownership



Shared ownership is a great way to get on the property ladder. These schemes are provided through housing associations. Buyers can purchase a share of a home (between 25% and 75% of the home's value) and pay rent on the remaining share. Buyers will need to take out a mortgage to pay for their share of the home and the deposit amount is based on the share of the property the buyer is purchasing. As a buyer's finances improve they can buy more shares in their home after they become the

owner. This is known as staircasing and, as the percentage of share that a buyer owns increases the rent paid will reduce.

Example of a shared ownership purchase

Full property value		£150,000
Share purchased value	50%	£75,000
Deposit available	From 5%	£3,500
Mortgage		£71,500
Rent is paid to the Housing Association on the 50% of the property not purchased		

About Prospect Mortgage Services

At Prospect Mortgage Services our sole aim is to deliver high quality, independent mortgage advice to our clients. Our experienced and qualified mortgage specialists will take the time to get to know your circumstances, objectives and preferences. Using purpose built software and in-depth industry experience we will do our utmost to find the most appropriate mortgage for you.



Making the right choice

There are so many lenders, all offering dozens of different products and options from which to choose. Being unbiased independent mortgage advisers we are confident that we **will** be of help to you. As we are a truly independent organisation, we genuinely survey the entire marketplace before making any recommendations to you. Once you understand the proposed deal and you are happy to proceed we will submit your application after which we work just as hard to keep you informed and up to date with the progress of your mortgage and house purchase.

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