

# Specialist Schemes

*There are a wide range of specialist schemes available at present, from the newly launched First Homes scheme to the widely known Help to Buy schemes. It can be overwhelming as to which scheme is most appropriate for your needs, if any.*

*By working with our mortgage advisers, you can discuss which scheme could be right for you and even if you need one at all. We work across the whole of the market to source the most competitive deal for you.*

## Help to Buy Mortgage Guarantee Scheme

The Help to Buy Mortgage Guarantee Scheme is a Government backed scheme, available until the 31st December 2022 (although this is subject to change), with the aim to increase the supply of 5% deposit mortgages for eligible applicants by supporting lenders to offer these products through a government backed guarantee on new 91-95% mortgages. The Mortgage Guarantee Scheme offers lenders the option to purchase a guarantee where a borrower has a deposit of 5%.

The Mortgage Guarantee Scheme isn't just for First Time Buyers, as long as the property will be; the main residential property (not a second home or Buy to Let), valued at under £600,000, subject to a repayment mortgage & being purchased by an individual (rather than an incorporated company) it should be eligible for this scheme. As with all mortgages, each lender has their own lending criteria and your mortgage adviser will explore with you if you'd be eligible for this type of mortgage.

The Help To Buy Equity Loan scheme, currently running until March 2023, works by allowing you to have a government backed loan, of up to 20% of the purchase price of a new build property. This is then used towards the deposit for a new home in return for which the government take a matching stake in your home, which has to be repaid at a later date. As it's an equity share, the value of this stake could rise or fall over time in line with house prices as it's expressed as a percentage of the value, not a set monetary amount.

The Help to Buy Equity Loan scheme is exclusively for first time buyers who are purchasing a new build home from a development which is participating in the Help to Buy Equity Loan Scheme.

Not all lenders will offer a mortgage when using this scheme, so working with our mortgage advisers will allow you to find the most competitive offer from a lender that's participating.

## Help to Buy Equity Loan

## Forces Help to Buy

Although similarly named to the Government Help to Buy schemes, the Forces Help to Buy scheme is aimed solely towards helping service people in the armed forces become property owners.

The scheme was launched in April 2014 and is currently running until 31st December 2022.

The Forces Help to Buy scheme enables eligible service people to borrow up to 50% of their salary, interest free, to buy a property.

Whilst you can apply for the scheme yourself, through the Joint Personnel Administration system, it can be incredibly helpful to talk your options through with our advisers before doing so to ensure you apply only for the funding that you need & choose the most competitive mortgage product for your needs.

Lincolnshire is home to a number of armed forces bases so our advisers are well versed in the Forces Help to Buy scheme.

Buying a property with the help of a Shared Ownership Scheme could be a way of getting onto the property ladder for a lower initial outlay.

In brief, you buy part of the home and rent the other part, with most schemes allowing you to buy the remaining share at a later date. As you increase your share of ownership, the rent on the remaining share decreases.

It could be you buy a 25% share, renting 75%, on day one, then buying another 25% share after a few years to become 50/50, or you might actually buy 50% at the start.

Properties being offered for sale under a shared ownership scheme are usually done so through a local Housing Association, who will set the rules around what share can be purchased and at what point

## Shared Ownership Scheme

## Right to Buy

Someone looking to buy a property under the Right to Buy scheme will be an existing Council Tenant, that would like to buy their Council Home. The home would be valued in a similar manner to any property but a 'discount' applied to that figure in order to give the tenant a reduced purchase price. The discount increases with the duration of tenancy but is usually capped – just under £84,060 outside of London at present.

You have to be a tenant for a minimum of 3 years to exercise the Right to Buy option and at that stage would qualify for a 35% discount of the value of the house (50% For a flat). Beyond 5 years, the discount increases by 1% per year, (2% on a flat) to a maximum discount of 70%.

Once purchased, you can sell the property at any time but the discount has to be repaid in full if sold in the first year. This reduces by 20% annually, such that it can be sold without repayment of any discount after 5 years.

The First Homes scheme, introduced in May 2021, falls under Section 106 'Low Cost Housing Scheme', a Government initiative with the aim of incorporating more affordable housing into new developments.

The First Homes scheme has been designed to help local First Time Buyers and key workers onto the property ladder by offering new homes at a discount of at least 30% compared to the property value. Although there are a number of strict criteria for this scheme, it could be a viable route onto the property ladder for people who want to stay local to their area. Potentially helping avoid people being 'priced out' of an area.

As we are in the early stages of this project, there are only a small number of developments participating, they are however in the East Midlands area. It is proposed that at least 10,000 new homes a year will be delivered through this scheme in the coming years.

## First Homes

If you'd like to discuss any of these Specialist Schemes with our advisers, book a call on 01522 540777 or email us at [mail@whitemortgagesltd.co.uk](mailto:mail@whitemortgagesltd.co.uk).

More details of the services that we offer can be found on our [website](#) and on our social media channels.

