



Help to Buy Your Complete Guide

Help to Buy is a government scheme to make home ownership more accessible to both first time buyers and home movers. It is available to individuals with a deposit of at least 5% and buying a home up to £600,000.

The scheme involves entering into an 'equity loan' agreement with the government and broadens both the price range and type of property you can consider purchasing.



Client Road Map

for Help to Buy

Meet with your Mortgage Broker, who will do an affordability check to confirm whether you are eligible for the Help to Buy scheme and eligible for a mortgage enabling you to purchase up to the value of your required home.

- 🕒 The Help to Buy process can only begin 9 months from the completion date of any new build project.
- 📄 Earnings, monthly outgoings and proof of funds
- 📝 It is advisable for clients to work with a mortgage broker who specialises in Help to Buy mortgages. Your Sales Consultant would be happy to introduce you to our recommended broker.

On receiving the reservation agreement, your Mortgage Broker will help to submit your Help to Buy application.

- 🕒 Once submitted, this takes 4 working days to be approved.
- 📄 These will already have been submitted (your earnings, proof of funds, photo ID, proof of address and the names of all applicants).
- 📝 If any details are incorrect in your application, the process will have to start again – and will take another 4 working days to be approved.

Your Mortgage Broker will **arrange** your mortgage valuation and offer, in anticipation of your exchange.

You can now **complete** on the purchase of your new home

- 📝 After the exchange of contracts and, once the building has completed, the developer will serve notice to complete. Your broker and lawyer will then work to ensure that the HTB mortgage and other mortgage is drawn down so that it is paid over to the developer for completion to occur. Then you will be able to pick up the keys to your new home.

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Discuss your new home requirements with your Sales Consultant.

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Secure your home by completing a reservation agreement with your consultant and paying the nonrefundable GBP500 deposit (which is then deducted from the 5% deposit paid upon exchange).

- 🕒 Your reservation agreement and deposit must be submitted to secure your home.
- 📄 Photo ID and proof of address for all applicants. These either need to be viewed in person or officially certified by a solicitor or other notable person.
- 📝 This step can only be done once your mortgage broker has completed the affordability check.
- 📝 The reservation agreement includes details of the unit's purchase price, estimated service charge and ground rent and length of the lease.

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Our Client Services team will be in touch upon receiving your reservation agreement and will **provide** details for our suggested Help to Buy Solicitor.

- 📝 Alongside your Consultant, Client Services will support you through the purchasing process. They will provide you with construction updates on your project and remind you of key deadlines you should be aware of.
- 📝 Your Solicitor will work directly with the Developer's Solicitor to exchange contracts for your home later in the process.

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Exchange on your home by paying 5% of the property price (minus the GBP500 deposit).

- 🕒 On average this takes 28 days from reservation (provided you have submitted all required documents in a timely manner).

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Help to Buy Terminology

Term	Meaning
Authority to Proceed	This is the letter you will receive confirming you are eligible for Help to Buy and can proceed to purchase. This letter provides a financial breakdown of the terms of sale.
Completion	This means that the sales process is now finished and that your home is now legally yours. You can collect your keys on this day and move in.
Conveyancer	This is the term used for either a solicitor or licenced professional who deals with the legal side of buying a property on your behalf.
Developer	The Company that builds the homes that are for sale through Help to Buy
Early Repayment Charge	A charge to your lender if you pay back part, or all, of your mortgage earlier than the agreed term.
Equity	The amount of money either put into buying a property, or the deposit placed on a property, which may increase if the property rises in value. It is also known as capital.
Equity Loan	The loan you receive from the Government to help you purchase your property. The amount you pay back on this loan is linked to the value of your property. The equity loan is registered as a second charge against your property.
Exchange (of contracts)	The point at which you are legally bound to buy your property, although you cannot take possession until you have reached Completion
First Charge	The principle loan or mortgage on a property
Freehold	As a Freeholder you own the proprety and the land on which it stands.
Homes and Communities Agency (HCA)	The Government agency that oversees Help to Buy. They produce all the standard documents that we issue to you and also control all funding for the scheme.
Leaseholder and freeholder	<p>You, as the leaseholder, are commonly known interchangeably as the 'lessee' or 'tenant'. When you buy a leasehold property you are purchasing a lease which is essentially a contract permitting occupation of a flat upon specific terms.</p> <p>The freeholder is known as the 'lessor' or 'landlord'. They own the block in which the flat is situated. They will also have the power to impose certain rules which will appear in the lease. For example, they may require permission be asked for prior to any alternation to the property being made.</p>


A - Z

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Term	Meaning
National Help to Buy Agent	The National Help to Buy agent is responsible for collecting the fees on the equity loan.
Personal Worked Example (PWE)	Your Personal Worked Example is an estimate of what fees you will need to pay on your equity loan after the first five years.
Property Information Form (PIF)	This is the form you must fill out in order to apply for a Help to Buy equity loan. It provides us with all the details of your purchase and must be sent to us with the house builder's reservation form and the Mortgage Administrator's Direct Debit Form.
RPI	Retail price index is a measure of inflation published monthly by the Office for National Statistics. It measures the change in the cost of a representative sample of retail goods and services.
Second Charge	In addition to your First Charge, the equity loan you receive will be secured through a second charge registered on your property title at Land Registry. This means your property cannot be sold in the future unless the Agency's equity loan percentage is repaid. You must agree to the legal charge being secured on your home before your purchase can be completed.
Service charge and ground rent	<p>Service charges are typically paid if you live in a flat or house that has communal areas. Your lease will outline what services you'll receive and what you'll have to pay for. The service charge you pay is your share of the cost of running, maintaining and improving your block and estate, as well as any planned repairs / major works. This may be collected at the same time as your rent or separately. You only pay for works or services provided to your block or estate.</p> <p>Ground rent is a regular payment made by a holder of a leasehold property to the freeholder, as required under the lease.</p>

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