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# Your guide to Help to Buy



Help to Buy Agent for the East and South East

## What is Help to Buy?

If you want to purchase a home of your own, but can't afford to buy on the open market. Help to Buy could be your way onto the property ladder. The Government has created the Help to Buy scheme to help you take your first steps into home ownership.



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## Help to Buy Options

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Visit [www.helptobuyese.org.uk](http://www.helptobuyese.org.uk)  
for more information.



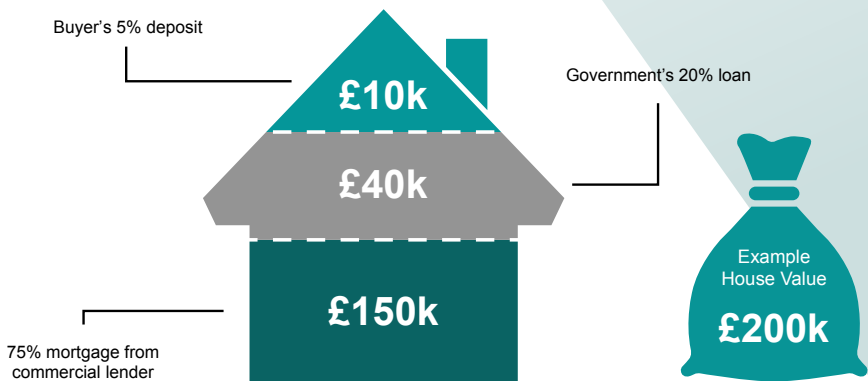
## Equity Loan

### How does it work?

The Government lends you up to 20% of the cost of your new-build home, so that you'll only need a 5% cash deposit and 75% mortgage to make up the rest.

The equity loan is interest free for the first five years. After that, you will pay a fee of 1.75%, rising annually by the increase (if any) of the Retail Price Index (RPI) + 1%.

The loan is paid back either at the end of the mortgage term, or when the property is sold.



### Example:

If you purchased a home valued	£200,000
You would take out a mortgage for <b>75%</b>	£150,000
You would pay a <b>5%</b> cash deposit	£10,000
The Government would provide an equity loan for the remaining <b>20%</b>	£40,000
	<b>£200,000</b>

### Am I eligible?

- The scheme is open to both first time buyers and existing home owners.
- There is no maximum household income.
- You can purchase a property with a maximum value of £600,000.
- You will need a minimum 5% deposit to qualify.

## Shared Ownership

### How does it work?

If outright purchase is not an option for you, this scheme offers an alternative to renting. You can buy an initial share in a new home that you can afford, helping you into home ownership in manageable stages.

This scheme has previously been known as “Part Buy, Part Rent”, and both new-build and re-sale (older) properties are available.

The Housing Association or Registered Provider will offer initial shares of between 25% – 75% of the full purchase price. You pay a subsidised rent on the remaining share that the Housing Association or Registered Provider still own. The combined monthly cost of mortgage and rent will normally be substantially less than if you were purchasing the property outright.

In the future you can simply sell your share for its value at the time or alternatively you can purchase further shares in your home.

With most properties you are eventually able to own the property outright if you wish to, although there are some restrictions on rural schemes.

### Am I eligible?

- Your annual household income can be no more than £60,000.
- You should be unable to purchase a home suitable for your needs without assistance.
- You cannot be a current home owner (or be named on the deeds of another property).
- You must not have any outstanding credit issues (i.e. unsatisfied defaults or county court judgments).



## OPSO – Older People’s Shared Ownership

### How does it work?

This scheme gives retired people lower living costs, than if they owned a home on the open market. It is available solely to the over 55’s.

In the same way as standard Shared Ownership, you buy an initial share that you can afford, helping you get into home ownership in manageable stages. However, the main difference is the maximum share you can ever own through OPSO is 75%.

The Housing Association or Registered Provider will offer initial shares of between 25% – 75% of the full purchase price. You pay a subsidised rent on the remaining share that the Housing Association or Registered Provider still own.

In the future you can simply sell your share for its value at the time or alternatively you can purchase further shares in your home.

If you choose to buy the maximum 75%, you will pay no rent on the remaining 25%.

Some OPSO developments offer sheltered Shared Ownership schemes (sometimes known as **Extra Care** or **Key Care**) which

are designed to provide residents with the ability to live independently in self-contained, modern homes, but with access to care and support services tailored to their individual needs.

### Am I eligible?

If you are applying for a standard **OPSO** scheme:

- You must be aged over 55
- Your annual household income can be no more than £60,000.
- You should be unable to purchase a home suitable for your needs without assistance.
- You cannot be a current home owner (or be named on the deeds of another property).
- You must not have any outstanding credit issues (i.e. unsatisfied defaults or county court judgments).

If applying for an **Extra Care** OPSO development, you must have a **minimum number of hours care requirement per week** and a **connection to the local area**. Minimum care requirement will vary between developments.

## **HOLD – Home Ownership for people with Long-Term Disabilities**

### **How does it work?**

This scheme gives people with long-term disabilities an opportunity to purchase a Shared Ownership home and live independently.

In the same way as standard Shared Ownership, you buy an initial share that you can afford, helping you get into home ownership in manageable stages. However, the main difference is that if none of our available Shared Ownership properties meet your needs, you may be able to buy a property on the open market.\*

The Housing Association or Registered Provider will offer initial shares of between 25%-75% of the full purchase price. You pay a subsidised rent on the remaining share that the Housing Association or Registered Provider still own.

In the future you can simply sell your share for its value at the time or alternatively you can purchase further shares in your home.

### **Am I eligible?**

- You must have a long-term disability to apply for this scheme.
- Your annual household income can be no more than £60,000.
- You should be unable to purchase a home suitable for your needs without assistance.
- You cannot be a current home owner (or be named on the deeds of another property).
- You must not have any outstanding credit issues (i.e. unsatisfied defaults or county court judgments).

\* For information on which Help to Buy Agents currently have HOLD funding available for open market purchases please contact the Government's Homes and Communities Agency  
[www.homesandcommunities.co.uk](http://www.homesandcommunities.co.uk)

## Rent to Buy

### How does it work?

This is a great option if you are unable to purchase a home at the moment due to not having enough money saved up for a deposit.

The Housing Association or Registered Provider will offer homes to rent for around 20% less than the typical open market rent values, with the option to purchase shares in your rented home in the future using the Shared Ownership scheme.

An Assured Shorthold Tenancy with an initial commitment of six months is normally offered, giving you the opportunity to save money for a future deposit.

### Am I eligible?

- Your annual household income can be no more than £60,000.
- You should be unable to purchase a home suitable for your needs without assistance.
- You cannot be a current home owner (or be named on the deeds of another property).
- You must not have any outstanding credit issues (i.e. unsatisfied defaults or county court judgments).

## Intermediate Rent

### How does it work?

This is a great option if you are not looking to buy a home just yet, but want to be able to start saving for a deposit to buy in the future.

The Housing Association or Registered Provider will offer homes to rent for around 20% less than the typical open market rent values.

An Assured Shorthold Tenancy with an initial commitment of six months is normally offered, giving you the opportunity to save money for a future deposit.

Intermediate Rent properties are currently not available to purchase in the future, they are for rent only.

### Am I eligible?

- Your annual household income can be no more than £60,000.
- You should be unable to purchase a home suitable for your needs without assistance.
- You cannot be a current home owner (or be named on the deeds of another property).
- You must not have any outstanding credit issues (i.e. unsatisfied defaults or county court judgments).

## Mortgage Guarantee

### How does it work?

This is a great option if you can afford to repay a mortgage but don't have a large deposit.

Participating lenders have access to a government guarantee on mortgages, which means you can purchase an existing or new build home, or re-mortgage, with a deposit as little as 5%.

The scheme enables participating mortgage lenders to purchase a guarantee on mortgages where a buyer has a deposit of between 5%-20%.

It is still a traditional mortgage, but the government guarantees part of the loan to the participating lenders. The agreement is between the government and the lender.

You will still be fully responsible for your mortgage payments, so if you have a 5% deposit, you will need to take out and pay back a 95% mortgage.

### Am I eligible?

- You will plan to live in the house yourself (with a residential mortgage) and will not rent it out.
- The property will be in the UK with have a maximum value of £600,000.
- You must take out a repayment mortgage, rather than interest only.
- You cannot be a current home owner (or be named on the deeds of another property).
- The mortgage cannot be for Shared Ownership.

### This scheme is not administered by Help to Buy Agents

You will need to contact a participating lender to apply, or ask for more information. The following lenders are currently participating in the scheme:

Aldermore	Bank of Ireland	Bank of Scotland (Northern Ireland)
Barclays	Halifax	HSBC
Lloyds	Nat West	Post Office Mortgages
RBS	Santander	Virgin Money



### What is a Help to Buy Agent?

Help to Buy Agents were previously known as Homebuy Agents. They are housing associations appointed by the Homes & Communities Agency as a one stop shop and point of contact for people looking for affordable homes to buy or rent in their area. **bpha** is the Help to Buy Agent for the East and South East of England, covering Buckinghamshire, Bedfordshire, Hertfordshire, Essex, Cambridgeshire, Norfolk, Suffolk, Surrey, West Sussex, East Sussex and Kent. If you live outside of these areas, you can find details of the Help to Buy Agent for your area at [www.helptobuy.org.uk](http://www.helptobuy.org.uk)

### What if I am a current home owner?

If you already own a home (including Shared Ownership), you are not eligible for **Shared Ownership**, **Rent to Buy** or **Intermediate Rent** schemes, unless you have sold your home prior to applying.

In exceptional cases, some home owners (including Shared Owners) may be accepted if they obtain written support from their local authority demonstrating a genuine housing need. These cases are assessed on their individual merits by the Help to Buy Agent and Registered Provider.

Current home owners can apply for the Help to Buy Equity Loan scheme, but you will need to have a sale in place before you can make a reservation. Your **Help to Buy Equity Loan** home must be your main residence; you cannot use the scheme for a Buy-to-Let investment.

### What size property am I able to apply for?

The Help to Buy Equity Loan scheme does not have any restrictions on the size of property you can purchase, but it cannot have a value of more than £600,000.

With the Shared Ownership, Rent to Buy and Intermediate Rent schemes, you are allowed one more bedroom than your current needs.

### Can I buy additional shares in the future?

If you purchase a Shared Ownership property, you can increase your share at a later stage if you choose to. This is known as 'staircasing'.

With most properties you are eventually able to own the property outright if you wish to, although there are some staircasing restrictions on rural schemes.

## Frequently Asked Questions

If you purchase under the Help to Buy Equity Loan scheme, you can redeem part, or all, of your 20% loan at a later stage. The Equity Loan must be redeemed in full by the point that your mortgage term ends.

### What happens if I want to sell my property in the future?

If you purchased a **Shared Ownership** property, you simply need to contact the Housing Association or Registered Provider that dealt with the original purchase.

If you purchased a home using the **Help to Buy Equity Loan**, you can get advice about selling and redeeming your equity loan from the National Post Sales Agency on 0845 470 0121.

### Can I rent out my property?

No, Help to Buy is designed to assist you to move on to, or up, the property ladder.

You must live in the home that you purchased or rent through **Shared Ownership, Rent to Buy** or **Intermediate Rent** schemes. You cannot use the scheme for a Buy-to-Let investment.

Subletting of **Shared Ownership** homes not permitted unless you have purchased all of the remaining shares and you own the property outright.

If you have purchased a home using the **Help to Buy Equity Loan** scheme, you would have to repay the equity loan before you would be allowed to sublet.

In exceptional circumstances, i.e. if you are a serving member of the Armed Forces away on a tour of duty, subletting may be considered with written permission from your Housing Association. If you purchased your home using the **Help to Buy Equity Loan** scheme, you would also need approval from your mortgage lender.



### **Are only new-build properties available through Help to Buy?**

If you are using the **Help to Buy Equity Loan** scheme, you can only purchase a new-build property from a participating Registered House Builder.

The **Shared Ownership** scheme offers both new-build and re-sale (older) properties.

From time to time, properties that were originally sold as new-build Shared Ownership become available for re-sale when the current owners decide to move on. You would have to be able to purchase the same percentage share that was currently held by the homeowner.

You pay a subsidised rent on the remaining share that the Housing Association still own. The combined monthly cost of mortgage and rent will normally be substantially less than if you were purchasing the property outright.

In the future you can simply sell your share for its value at the time or alternatively you can purchase further shares in your home.

With most properties you are eventually able to own the property outright if you wish to, although there are some restrictions on rural schemes.

### **Are there any Help to Buy schemes for elderly people?**

Yes, there are **Older Persons Shared Ownership** schemes (OPSO) available with Help to Buy. These are schemes offered solely to the over 55's.

In the same way as standard Shared Ownership, you buy an initial share that you can afford, helping you get into home ownership in manageable stages. Your Housing Association will offer initial shares of between 25%-75% of the full purchase price. You pay a subsidised "rent" on the remaining share that the Housing Association still own.

However, through OPSO the maximum share you can buy is 75%. As you purchase more shares in the future, the less rent you will pay. If you choose to buy the maximum 75%, you will pay no rent on the remaining 25%.

Some OPSO developments offer sheltered schemes (sometimes known as Extra Care or Key Care) which are designed to provide residents with the ability to live independently in self-contained, modern homes, but with access to care and support services tailored to their individual needs.



**Registered Office bpha Limited**

Bedford Heights, Manton Lane, Bedford MK41 7BJ

Tel: 03333 214044 [info@bpha.org.uk](mailto:info@bpha.org.uk)

[www.helptobuyese.org.uk](http://www.helptobuyese.org.uk)

**We operate in the following areas:**  
Buckinghamshire, Bedfordshire, Hertfordshire, Essex, Cambridgeshire,  
Norfolk, Suffolk, Surrey, West Sussex, East Sussex and Kent