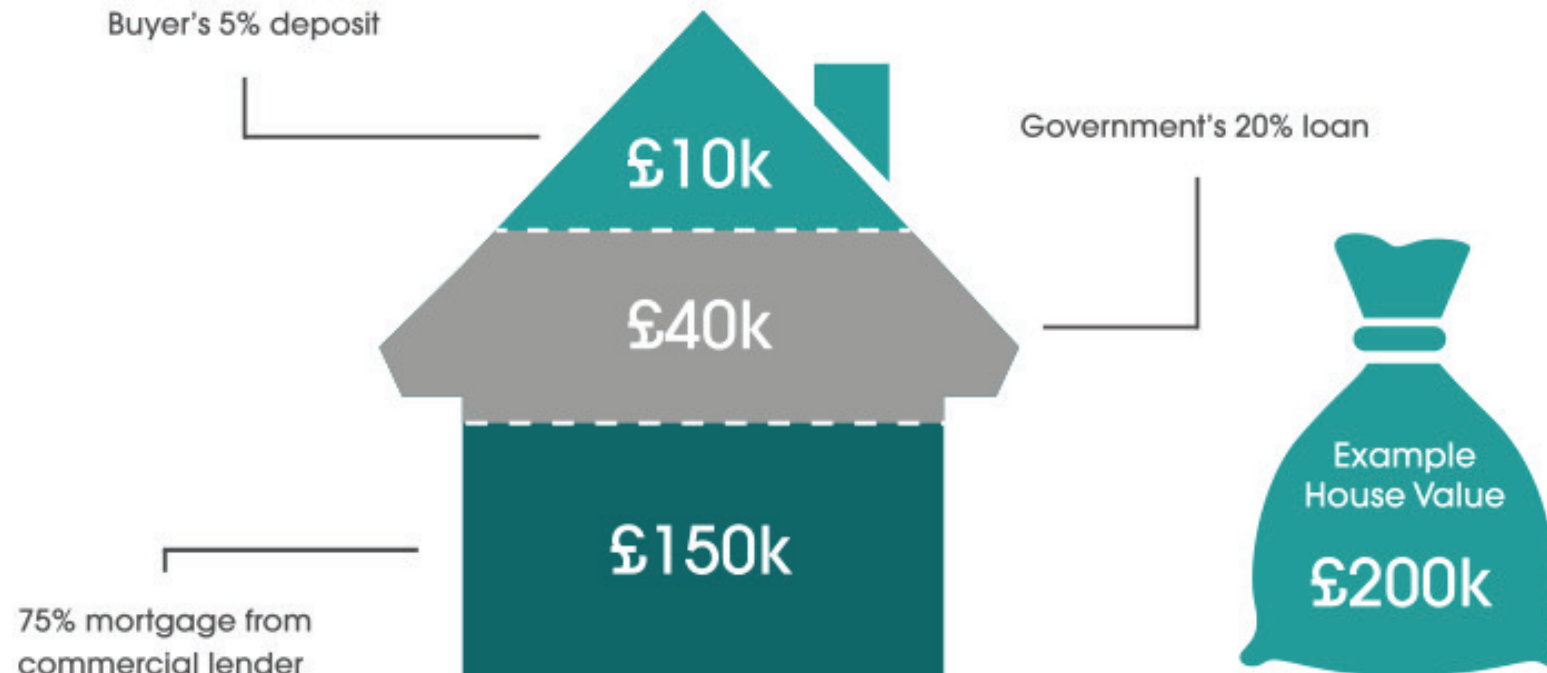


## How does it work?

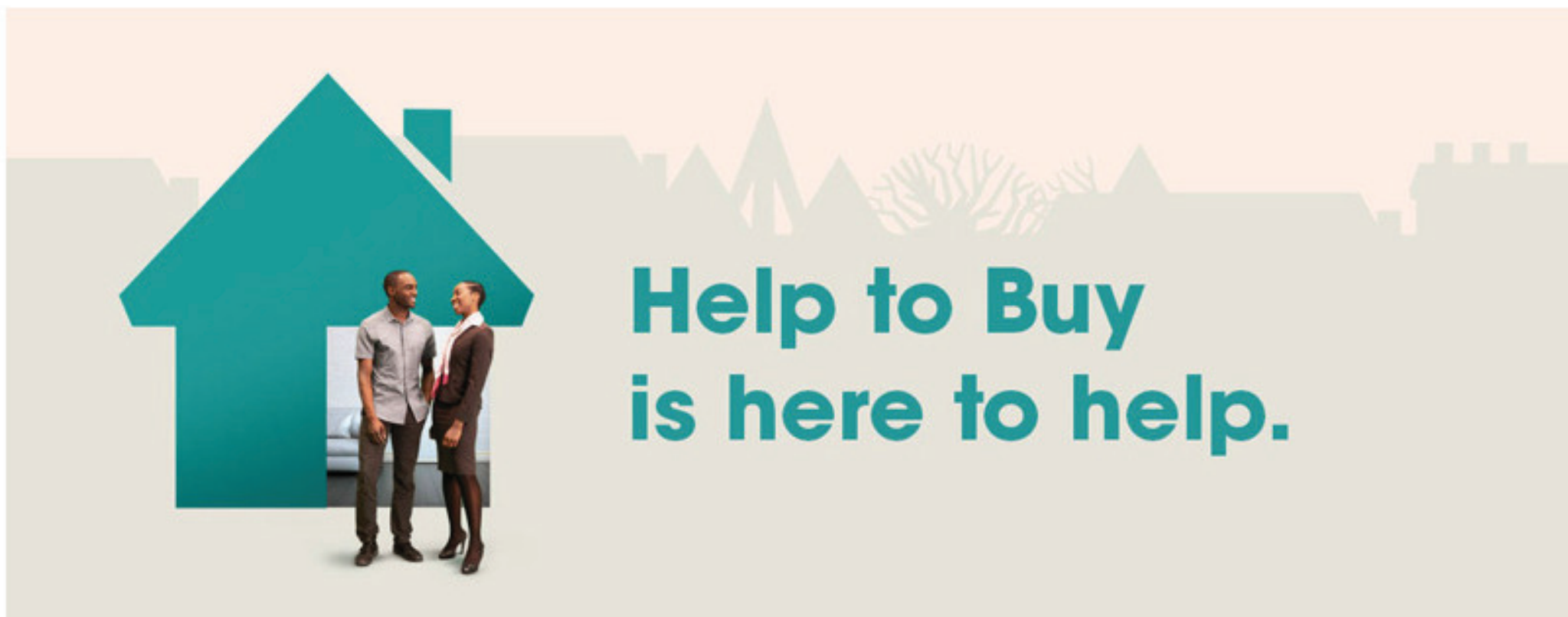
With a Help to Buy: equity loan the Government lends you up to 20% of the cost of your new-build home, so you'll only need a 5% cash deposit and a 75% mortgage to make up the rest.

You won't be charged loan fees on the 20% loan for the first five years of owning your home.

Example: for a home with a £200,000 price tag



If the home in the example above sold for £210,000, you'd get £168,000 (80%, from your mortgage and the cash deposit) and you'd pay back £42,000 on the loan (20%). You'd need to pay off your mortgage with your share of the money.



# Help to Buy is here to help.

## Who is eligible?

Equity loans are available to first time buyers as well as homeowners looking to move. The home you want to buy must be newly built with a price tag of up to £600,000.

You won't be able to sublet this home or enter a part exchange deal on your old home. You must not own any other property at the time you buy your new home with a Help to Buy equity loan.

This scheme is available in England only. The [Scottish Government](#), [Welsh Government](#) and [Northern Ireland Housing Executive](#) run similar schemes - check out their websites.

## Scheme 2 – Mortgage Guarantee

### How does it work?

A mortgage supported by the Help to Buy: mortgage guarantee scheme works in exactly the same way as any other mortgage except that under the scheme the Government offers lenders the option to purchase a guarantee on mortgage loans.

Because of this support, lenders taking part are able to offer home buyers more high-loan-to-value mortgages (80-95%).

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

Example: for a home with a £200,000 price tag



# Who is eligible?

A mortgage under the Help to Buy: mortgage guarantee scheme works like any other mortgage. Your lender will check that you can afford the mortgage and that you do not have a history of payment difficulties.

To qualify for a mortgage supported by Help to Buy: mortgage guarantee:

- the property you are purchasing could be an existing or new-build home in the UK, priced up to £600,000
- you mustn't own any other property anywhere in the world at the time you buy your home supported by the Help to Buy: mortgage guarantee scheme
- your mortgage must be a repayment one, not interest only. Offset and guarantor mortgages are also excluded from the scheme
- you can't let out the property to somebody else
- your mortgage can be taken out by an individual or individuals but not by a company
- you cannot use the mortgage guarantee scheme with any other Government scheme such as Help to Buy: equity loan or shared ownership. Your deposit for the property can't come from a government scheme either
- you don't have to pay any additional fee to Government to get a Help to Buy supported mortgage

The Help to Buy: mortgage guarantee scheme will run for three years until **31 December 2016**.