



Backed by
HM Government
North West

A guide to buying your Help to Buy home



Who are we?

We are the Help to Buy Agent for Cumbria, Lancashire, Greater Manchester, Merseyside and Cheshire.

As one of the Government's Help to Buy Agents, we process all the Help to Buy Equity Loan applications across the North West region. We are a one-stop shop for anyone seeking an affordable home, offering advice and guidance to first-time buyers and second steppers.

We know that buying your first home is very exciting, but we understand it can be stressful too. We're sure you have lots of questions and will want to understand every part of the process so we have put together a quick guide to buying your Help to Buy home.

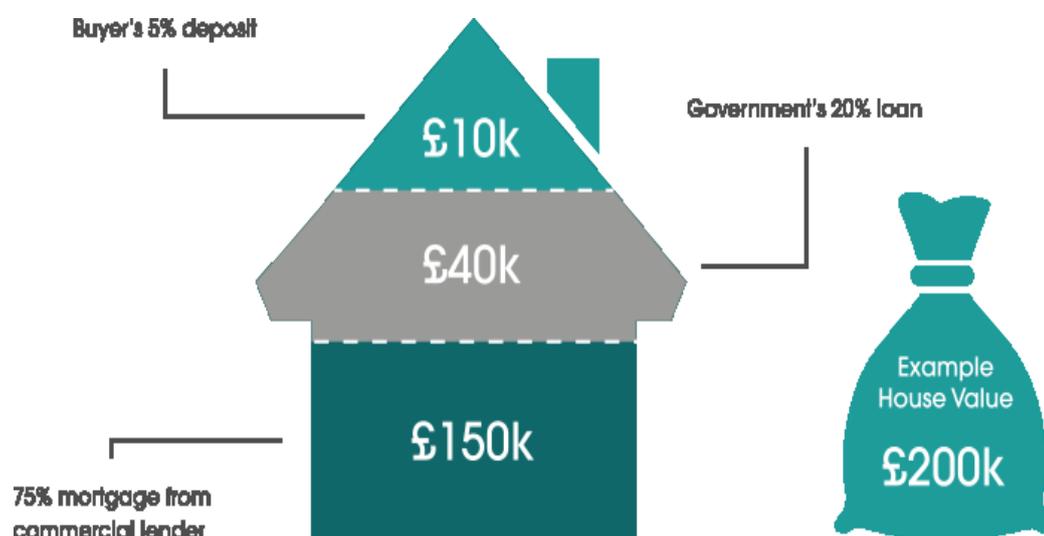
This document does not replace the Help to Buy Buyer's Guide which can be downloaded from our website: www.helptobuynw.org.uk



What is the Help to Buy Equity Loan Scheme?

With a Help to Buy: Equity Loan the Government lends you up to 20% of the cost of your newly built 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. The interest will then be charged on the equity loan amount at 1.75% and will increase by RPI + 1% on a yearly basis.



The loan is to be repaid when the mortgage ends or after 25 years, whichever is first. You can choose to repay the loan before that time, or when you sell the property and the amount you repay is based on the property value **at that point in time**.

If the home in the example above sold for £210,000, you would receive £168,000 (80%, from your mortgage and the cash deposit) meaning you would have to pay back £42,000 (20% of the property value). You would then need to pay off your mortgage with your share of the money.

For more information (including advice on fees and paying back your loan) please download our Help to Buy Buyers' Guide.

Step 1 – Find a Property

The first thing to do is search on our website to find a property that meets your needs – new properties are added daily so keep checking back if you don't find what you're looking for right away. You will then need to view the property, either make an appointment with the Sales Advisor or pop along to the show home.

As well as your online search, keep your eyes peeled for new developments offering Help to Buy being built in your area. Visit show homes and sign up for house builder newsletters as these always contain their newest developments.

The Developer will notify you if the Help to Buy: Equity Loan Scheme is available on their site. The property must be new build and cost no more than £600,000.



Step 2 – Reserve your property & Apply online

Once you have chosen your Help to Buy home, the Sales Advisor will guide you through signing the reservation agreement. You will need to pay a reservation fee at this point so please bear this in mind; this should be no more than £500.

You will also need to fill out the Property Information Form which can be completed online here:

www.helptobuynw.org.uk/help-to-buy-equity-loan/apply-online/

The completed Property Information Form, Direct Debit Form and Reservation Form must then be sent into us:

Email: info@helptobuynw.org.uk

Address: Help To Buy North West, Rialto Buildings, 90-94 Upper Parliament Street, Liverpool, L8 7SY

Step 3 – Mortgage & Legal Advice

To be eligible for the Equity Loan Scheme you must be able to obtain a mortgage and raise a minimum 5% deposit to buy your home. We recommend speaking to an Independent Financial Advisor (IFA), bank or building society to make sure the scheme is affordable and sustainable for you. We have a list of recommended **Help to Buy: Equity Loan IFA's** on our website you can use.

To buy a home, you also need to appoint a solicitor to act on your behalf. They will handle the conveyancing side of things for you, from requesting permission to exchange/complete to registering the property in your name.

They will also check contract documents and carry out legal searches. These searches provide vital information on what may happen in the area surrounding your home such as other developments, sewer and road adoptions or any major works. There will be a cost to this and your solicitor will clarify the costs associated with this work with you. We also have a list of recommended **Help to Buy: Equity Loan Solicitors** on our website that you can use.



Step 4 – Authority to Proceed (ATP)

Once we receive all your documents (**Step 2**) your application will be processed within **4 working days**.

We will run an eligibility assessment to ensure you meet the requirements of the scheme. If you are not eligible we will write to you explaining why and provide some resolutions.

The criteria we look at include but are not restricted to:

- Minimum of a 5% deposit
- Mortgage loan of no more than 4.5x your gross household income
- You do not own any other properties, including holiday homes
- Any debt you have is no more than 45% of your income

If approved we will send you the following documents:

Authority to Proceed (ATP) – This letter is confirmation you have been accepted onto the scheme and will give you a breakdown of the property details, figures, and what the next steps are. Your mortgage lender or IFA may ask you for a copy of this.

Personal Worked Example (PWE) – This gives you an example of how your interest will be charged in year 6 and going forward based on the current RPI rate.

We will also send a copy of these to the Developer and your Solicitor too!



Step 5 – Authority to Exchange (ATE)

Once you have been accepted onto the scheme you have 3 months from the date of your ATP to exchange, subject to legal and mortgage arrangements being in place.

When you are due to exchange your solicitor will request permission and send us the relevant forms.

If all forms are correct we will process them within **3 working days** and send out an Authority to Exchange (ATE) to your Solicitor and the Developer. This gives you permission to exchange.

At this point the balance of the deposit is usually paid and the whole transaction becomes legally binding.



Step 6 – Confirmation to Developer (CTD)

Once you have exchanged, you then have 6 months to complete. Legal completion is when your lender releases the funds to pay for your home, at your solicitor's request.

You can arrange the most convenient date for this to take place after physical completion of the property. If your new home is already built when you make your reservation, completion will be as soon as possible after the exchange of contracts. In either case your Solicitor will arrange for the funds to be transferred to your house builder and in return they will provide the title deeds of your home.

When you are due to complete your solicitor will request permission and send us the relevant forms.

If all forms are correct we will process them within **2 working days** and send out a Confirmation to Developer (CTD) to your Solicitor, the Developer and the Developers Solicitor. This is permission to complete.

On the day of completion a Sales Advisor will meet you at the property to give you the keys, a handover pack, take meter readings and answer any questions you may have.



Step 7 – Post Completion

Once you have completed on your property, your solicitor will ask you to sign an Equity Charge document to agree with the scheme's terms and conditions. They will then register the property in your name.

And that's it! Congratulations, you are now the proud owner of your new home!

So what else do you need to know...?

Once you own your home we will pass your case to the Mortgage Administrator, Target Group, and that is the end of our involvement. Target deal with any change requests and repayment queries you might have. Their details and more information can be found here:

www.myfirsthome.org.uk

Target will charge a £1 per month administration fee which will start as soon as you own your home.

Remember your equity loan interest payments begin 6 years after completion, so make sure this is something you plan for.

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I want to...

Find out more

You can find out more information about the key transactions by clicking on the options below.

 Remortgage "I'm looking to change my mortgage product or lender"	 Redeem "Pay off my equity loan or sell my home"	 Staircase "Increase the share I own in my home"
 Conduct Home Improvements "Do I need to contact you for permission before I carry out any works to my home?"	 Sublet "I'm looking to sublet my property"	 Move Away from Base "I'm moving away from the military base, what happens then?"
 Transfer of Equity (Change of Ownership) "I'm looking to change ownership of the property (removal of parties only)"	 View Information Pack "I'm looking for information about post sales transactions and available support to home owners?"	 Understand Charges "I'm looking for the Tariff of Charges"

If you would like any further information or advice about the scheme visit our website: www.helptobuynw.org.uk

Or contact the team on:

Email: info@helptobuynw.org.uk

Tel: 0300 790 0570

