



## Helping You Onto The Property Ladder

The Help to Buy scheme is designed to help first time buyers get onto the property ladder. It allows buyers to purchase a newly-built home up to the price of £600,000. This limit changes regionally, so be sure to check the maximum eligible property value in your area. With this scheme, you will be able to borrow 20% (40% in London) of the purchase price from the government without needing to worry about interest rates for the first five years. This means you may only need as little as 5% for the deposit.



## How Does The HTB Equity Loan Work?

So, let's say that you want to purchase a home that costs £400,000. You would save £20,000 which is your 5% deposit. You then borrow £80,000 in the 20% equity loan from the government and the other £300,000 is borrowed with your mortgage. That covers the remaining 75%.

<https://www.helptobuyagent3.org.uk/help-to-buy-schemes/equity-loan/>



## What About Interest Rates?

Interest rates on the Help To Buy loan won't come into effect until the sixth year. At this point, you'll start to pay a 1.75% rate. This rises each year according to inflation at 1%. Interest is also added for the Retail Price Index. Be aware you'll still pay interest on your mortgage loan during this time.



## When Does The Scheme End?

The government has confirmed that the scheme finishes in March 2023, although the deadline for HTB applications is 31st October 2022. However, it's important to note that from 1st April 2021 it will only be available to first-time buyers and regional price caps will apply.



## How Do I Find Out More?

At The Mortgage Store, we provide honest, expert advice so you can be confident of making the right choice. Speak to an adviser on [0345 4507885](tel:03454507885) or visit [the-mortgagestore.co.uk/help-to-buy](https://www.the-mortgagestore.co.uk/help-to-buy)

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