



# Help To Buy

SCOTTISH GOVERNMENT HELPTO BUY (SCOTLAND) LOANS



**PERELLA**  
HOMES

where passion meets experience



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# OWN YOUR DREAM PERELLA HOME WITH AS LITTLE AS A 5% DEPOSIT

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We are happy to provide homebuyers with a little peace of mind, with the help of the Scottish Government's Help to Buy (Scotland) scheme, you could soon be able to buy your dream Perella home.

Help to Buy (Scotland) is an initiative for homebuyers who need help with deposit funds, enabling them to obtain a mortgage of between 80% and 85% with as little as 5% deposit, plus the option to purchase additional equity. For example, if you originally purchase an 85% stake in your new Perella home, you can increase it to 90%, 95% or even 100% at any time.

If you've been admiring the interest rates available on 80% to 85% mortgages, but thought you would never be able to secure one due to insufficient deposit funds, a Help to Buy (Scotland) loan from the Scottish Government could provide the assistance you need.



# Key Features

- Help to Buy (Scotland) is a Scottish Government initiative designed to help more homebuyers move.
- Loans are not just available to first time buyers, the scheme is also open to those selling a home to move up the property ladder.
- The property purchased with Help to Buy (Scotland) must be your only residence.
- It applies to new build properties in Scotland only, and the maximum purchase price of homes supported by the scheme will progressively reduce each financial year as follows: £230,000 in 2016/17, £200,000 in 2017/18 and £175,000 in 2018/19.
- Only house builders registered with the Scottish Government for Help to Buy (Scotland) can offer access to Help to Buy (Scotland) loans.
- All you would need to secure your new home is a minimum deposit of at least 5% of the purchase price (through selected lenders).
- The Scottish Government may lend you between 10% and 15% of the purchase price of the property.
- The loan is interest free.
- You will need to fund the remaining percentage, by way of a mortgage and your own funds.
- Your mortgage will be secured as a first charge on the property in the usual way and will rank ahead of the Scottish Government's charge in relation to the equity loan provided by them. You will own the property outright.
- Help to Buy (Scotland) loans are subject to the Scottish Government's specific terms, conditions and qualifying criteria.
- The Scottish Government requires that all applicants for Help to Buy (Scotland) must speak with an Independent Financial Advisor: Perella Homes can put you in contact with a suitable adviser who will help you to discover whether you would qualify for a Help to Buy (Scotland) loan and take you through the application process.
- Help to Buy (Scotland) cannot be used in conjunction with part exchange and the availability of any other offer or promotion is subject to lender's criteria and Perella Home's discretion.

## EXAMPLE

A Help to Buy (Scotland) loan allows you to own 100% of your home from day one with just a 5% deposit. Here is an example to show you how Help to Buy (Scotland) works using a 5% deposit:

### 2 bedroom semi-detached home available at £100,000

Mortgage (arranged by homebuyer) .....	£80,000
Deposit (paid by homebuyer) .....	£5,000
Government Equity loan .....	£15,000
<b>Total purchase price .....</b>	<b>£100,000</b>

The Scottish Government could provide you with a loan of up to 15% (£15,000) of the purchase price; you would only need to fund the balance (£85,000). The Help to Buy (Scotland) loan will be secured by a second charge over the property.

**0% APR TYPICAL** YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON A MORTGAGE OR ANY OTHER DEBT SECURED ON IT.

# Q & A

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**Q: What is Help to Buy (Scotland)?**

**A:** It is an initiative where buyers may qualify for an equity loan from the Scottish Government of up to 15% of the full purchase price. Note that the maximum property purchase price will progressively reduce each financial year as follows: £230,000 in 2016/17, £200,000 in 2017/18 and £175,000 in 2018/19.

**Q: Will I require a deposit?**

**A:** Yes, you will be required to fund a minimum deposit of at least 5%, based on the full purchase price.

**Q: What happens to my equity when the property is sold?**

**A:** When the property is sold you will get back the percentage of equity you own. If, for example, you have been lent 15% of the purchase price by the Scottish Government, you will receive 85% of the sale price. Should the property increase or decrease in value, any profit or loss will be reflected in the 85% you receive and the Scottish Government's 15%.

**Q: Who provides the contribution for Help to Buy (Scotland)?**

**A:** The loan is provided by the Scottish Government and administered by their nominated Administering Agent. The contribution is secured by a second charge on your property.

**Q: Is the scheme just for first-time buyers?**

**A:** Help to Buy (Scotland) is available for both first-time buyers and existing homeowners who are moving to a new home.

**Q: Can I use Help to Buy (Scotland) for a buy-to-let property?**

**A:** The scheme is only available on properties that will be occupied by the person or persons who have taken out the mortgage (owner occupier).

**Q: Can I buy a home off plan?**

**A:** Yes, you are able to reserve a new home off plan at any time, provided it is no more than 9 months away from completion. The maximum purchase price for the year in which the transaction will complete will apply, after the sentence ending in 'completion'.

**Q: Who pays for repairs and on-going maintenance to my home?**

**A:** It is your responsibility to repair and maintain your home. Perella Homes come with a 10 year NHBC warranty that will cover certain defects for up to 10 years after the home is built. Ask a Sales Advisor for more information.

**Q: Will I require other funds?**

**A:** Yes, you will require to fund a reservation fee and other relevant costs associated with purchasing a home such as Stamp Duty Land Tax (Land and Buildings Transaction Tax from 1st April 2015) and legal fees.

For more information on Help to Buy (Scotland) visit [www.perellahomes.com](http://www.perellahomes.com) to download the Help to Buy (Scotland) Buyers' Guide. Alternatively, if you're interested in talking to someone about Help to Buy (Scotland) please contact one of our Sales Advisors who will be able to put you in touch with an independent mortgage advisor.



[www.perellahomes.com](http://www.perellahomes.com)

YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON A MORTGAGE OR ANY OTHER DEBT SECURED ON IT. PERELLA HOMES LTD. Registered Office: 113d St, Johns Road, Edinburgh, EH12 7SB. Security over your home is required. Help to Buy (Scotland) cannot be used in conjunction with part exchange. Availability of other incentives/offers subject to lenders criteria and PERELLA HOMES discretion. Your mortgage lender's deposit requirements will vary, but you should usually expect to contribute a deposit of at least 5% of the purchase price. Available on selected properties, and subject to the Government's specific terms, conditions and qualifying criteria. CHECK THAT THIS MORTGAGE WILL MEET YOUR NEEDS IF YOU WANT TO MOVE OR SELL YOUR HOME OR YOU WANT YOUR FAMILY TO INHERIT IT. IF YOU ARE IN ANY DOUBT SEEK INDEPENDENT ADVICE. All images are for illustrative purposes only.