



GET TO KNOW HOMEBUY DIRECT

If you are struggling to raise a deposit for the home of your dreams, then why not allow ISIS Waterside Regeneration to help? With a view to helping potential buyers take that first step on to the property market, ISIS has signed up to HomeBuy Direct - a low-cost home ownership package which makes it easier for you to purchase a house

1. What is HomeBuy Direct?

HomeBuy Direct is funded by the Homes and Communities Agency – a government body whose role is to create opportunity for people to live in high quality, affordable places

- The scheme is specifically aimed at consumers who are desperate to own their own home but who are struggling to raise a deposit as HomeBuy Direct provides the deposit
- Unlike other shared ownership schemes if you purchase through HomeBuy Direct you still have 100% title of your home and you can sell it on open market without restriction.

2. How does it work?

- HomeBuy Direct enables eligible buyers to purchase a new property with an affordable mortgage with help from Homes and Communities and ISIS
- The HCA and the house builder will provide equal equity share loans to make up the cost of your home, up to 30% of the full purchase price
- Buyers must fund 70% of the purchase price through a combination of mortgage and savings - usually borrowing 65% with a 5% deposit.
- The rest of the purchase price will be paid for with equity loans from Homes and Communities and ISIS For the first five years after purchase, there is nothing to pay on the amount that Homes and Communities and ISIS have contributed to the mortgage.
- Once a buyer has reserved their property, they will need to instruct a solicitor to act on their behalf. Once contracts have been issued, exchange takes place within 28 days, at which point a deposit of 5% (less the reservation fee) may be payable depending upon the amount of mortgage offered by the lender. When contracts have exchanged ISIS will let you know agree a date for completion. The buyer is then free to move in.
- After five years, buyers will pay a fee of 1.75% per annum on the outstanding amount of the equity loans.

This fee will subsequently increase each year by the Retail price index (RPI) plus 1%



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3. Who is eligible?

HomeBuy Direct is aimed at people who cannot afford to buy a home on the open market and who earn less than £60,000 a year. You will be eligible for the scheme if:

- You are a first time buyer
- You want to move from social rented accommodation and buy your own home
- You are returning to the market. E.g. after a relationship breakdown
- You're in full time employment
- You're in private rented accommodation
- You're running out of room at home and need more bedrooms for your expanding family
- You've a household income of up to £60,000 per annum.

4. What are the qualifying criteria?

- Applicants must be able to demonstrate that they are unable to buy a home suitable for their needs within a reasonable travelling distance of their work place
- They must be able to demonstrate access to sufficient funds to pay, if required, a deposit, legal fees, stamp duty and other costs of moving
- They must also be able to prove they can keep up with their mortgage repayments in the long run
- They must have a good credit history and will be required to take out a first mortgage with a qualifying lender
- Typically, they will be employed on a permanent contract. If self-employed, they must be able to provide accounts for the past three years
- Applicants must not already be home owners or named on an existing mortgage. If an applicant has had their name on a mortgage, they must provide evidence to show that it has been removed

5. What type of home can I buy?

You can buy from a selection of homes within the Islington Wharf development.

6. What happens if I sell my home?

When you sell your home, you will need to repay all equity loans from a share of the sale proceeds. For example, if you received equity loans for 30% of the purchase price of your home, you must repay 30% of the proceeds of the sale.



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7. What happens if I want to sell my house but property values have fallen?

- When you sell your house, HomeBuy Direct loan documents commit you to repay a percentage of the market value which will be equal to the percentage contribution of assistance received
- If the market value of your property falls below the level at which it was bought, you will repay less than the original amount you have received towards the original purchase
- The sale of your home must be approved by a HomeBuy Direct agent. If you have complied with the terms of the HomeBuy Direct mortgage deeds, you will not be required to provide for any shortfall in the equity loan.

8. What if I want to start repayments on my equity loan before the five year period is up?

- After you have owned the property for one year, you can choose to make part repayments of the HomeBuy Direct assistance at the prevailing market value
- The minimum additional repayment is 10% of the market value.

9. How do I get started?

Register your interest for buying at Islington Wharf by calling 08701 622 522 then you need to apply for the HomeBuy Direct scheme online at www.plumlife.co.uk or telephone 0161 447 5050

Alternatively email enquiries@plumlife.co.uk