

First Time Buyer Family Deposit

The Loughborough
Building Society



Trying to get onto the
property ladder but
struggling to save a deposit?

Talk to **The**  **borough**

A first time buyer (FTB) Family Deposit mortgage from The Loughborough could mean you can get onto the property ladder with a little help from your family.

How does the mortgage work?

The principle behind The Loughborough FTB Family Deposit mortgage is simple. With the help of parents, a step-parent or grandparents you could apply for a mortgage even if you don't have a deposit.

The mortgage comes with a range of options that mean family members with a variety of circumstances could make it possible for you to get onto the property ladder.

The diagrams we've provided show three examples of how the Family Deposit mortgage could work for you and your family and you'll find more details in the questions and answers that follow. You can also find the answers to other questions you may have on our website.

Who can apply for a FTB Family Deposit mortgage?

The Family Deposit mortgage is available to 18+ year old UK residents throughout England and Wales who are First Time Buyers (FTB) and have sufficient income to afford the mortgage repayments.

How much could I borrow?

We will lend up to 100% of the value of the property, subject to a maximum of £300,000 (£90,000 minimum). We will assess your application and the actual amount you can borrow will depend on your income after the deduction of household expenses and other financial commitments.



What security is needed?

If your application meets our criteria and your family member(s) agree to support you by providing security in one of the following ways, we will provide a mortgage on the property to be purchased.

1. Security through savings: this allows the family member(s) to use their savings to help the buyer without having to 'give' the money to them. The family member(s) deposit cash in a specifically designed savings account with the Society. The cash deposited must be for an amount equal to 20% of the value of the property to be purchased.
2. Security through property: this allows the family member(s) to help even if they don't have spare cash but do have equity in their home. The family member agrees to some of the equity in their residential property being used as security. They would do this by giving what is called 'a legal charge', for an amount of equity equal to 20% of the value of the property to be purchased, which means the Society would have specific legal rights over the family member's residential property.

3. Or, a combination of options 1 and 2 is available. The minimum amount of each security option is £5,000.

The security noted in the examples above can be used to make up any shortfall (loss) that arises if the property is sold.

What is collateral security?

Collateral security is where the Society registers a legal charge over your family member's residential property. The amount of the charge will be limited to the value of the security being provided and will be prepared and registered by the borrower's solicitor.

What is cash security?

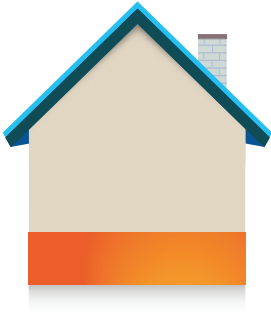
Cash security is where your family member deposits cash in an Assisted Purchase Deposit Guarantee Account. The account must be in the names(s) of the family member(s) who have provided the guarantee. The cash security agreement will be prepared and registered by the borrower's solicitor.

Can a combination of Cash security and Collateral security be used?

Yes. If a family member wishes to provide both types of security, they can, subject to a minimum amount of £5,000 for each of the security options. For example, if the total deposit security required is £40,000 a £5,000 cash security and £35,000 collateral security is acceptable.

Can more than one set of parents provide support?

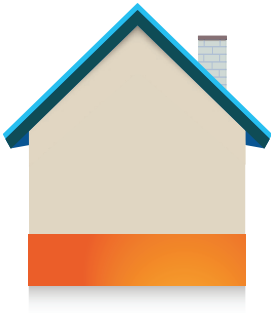
This may be possible and our mortgage advice team can discuss this option with you. All family members providing support would need to agree how the deposit security is split between them and they would all be required to take separate independent legal advice.



Property valued at £200,000

FTB Family Deposit mortgage for £200,000
(100%) of property value

**20% of property value (£40,000) deposited
as security in a Savings account**



Property valued at £200,000

FTB Family Deposit mortgage for £200,000
(100%) of property value

**20% of property value (£40,000) secured
against equity in the family members
residential property**



Property valued at £200,000

FTB Family Deposit mortgage for £200,000
(100%) of property value

**20% of property value (£40,000) covered by
£20,000 secured against equity in the family
members residential property and £20,000
deposited in a Savings account**

Who owns the property?

Like any other mortgage the property is owned by the borrower. Family members providing support have no rights to the property.

What sort of property is acceptable?

The property must be in England or Wales and there are some properties we won't consider, for example ex local authority flats, studio flats that don't have a separate bedroom and bathroom and flats in London.

Does this sound like something you want to know more about?

If the answer is yes, talk to The Loughborough. We'll take you through the mortgage options in detail and ensure everyone involved understands what this sort of commitment would mean for them.

YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE

Telephone

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www.theloughborough.co.uk

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Building Society

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