



first ! step

making moving as easy as

1,2,3



keepmoat
HOMES

If you're struggling to get on the property ladder, we can help!

- 1. Pay just 85% now**
- 2. No interest or rent on the outstanding 15% for up to 5 years, after which interest is payable**
- 3. 100% ownership of your home**



How does the scheme work?

Of the purchase price you pay now, a 5% deposit is required and mortgage finance is arranged on the other 80%. The remaining 15% comes in the form of a loan from Keepmoat Homes secured on the property, interest free for five years, then upon the fifth year interest is payable at 3%. The payment is calculated in the first repayment year as 3% of the loan capital divided by 12. For example: If the loan is £20,000, then the monthly repayments from the 5th anniversary to the 6th anniversary will be 3% of £20,000 (£600) divided by 12 = £50 per month. This standard rate of interest will increase each year thereafter by the Retail Prices Index plus 1% of the previous interest rate.

When do I have to repay the 15% balance?

The 15% is repayable when you sell or transfer your home, or within ten years, whichever is sooner.

Can I repay the 15% early without selling?

Yes, you can either repay in part or in full at any time, subject to valuation.

How is the market value of the property determined?

The average of two independent valuations will be taken at the point of resale, transfer, early repayment or at the end of the ten year period.

Can I buy a property to rent out?

Sorry – the First Step scheme is only available for those buying a home to live in.

If I improve my property, do I have to pass 15% of the increased balance on to Keepmoat Homes?

No – the market value at the end of the period is less any improvements.

What if the market value of my property decreases?

The repayment is 15% of the market value at the point of resale, transfer, or the end of the ten year period, even if this is less than the original purchase price.

What happens if I cannot repay the 15% after 10 years?

Each individual set of circumstances will be reviewed and the loan period may be extended for up to a maximum of five years. In the case of non-repayment of the loan capital by the repayment date, interest will be added at a rate of 4% above the HSBC base rate, which is now called the Default Interest Rate.

How do I apply?

Speak to your Keepmoat Home Sales Executive who will refer you to our Keepmoat Homes mortgage advisor. If you decide to proceed with a loan, you will be asked to use a solicitor recommended by Keepmoat Homes.

Please speak to our Home Sales Executive for further details.

For more information visit

keepmoathomes.co.uk

