



Homes
England

Making homes happen

Help to Buy 'Apply' alpha team User research playback

21 May 2020



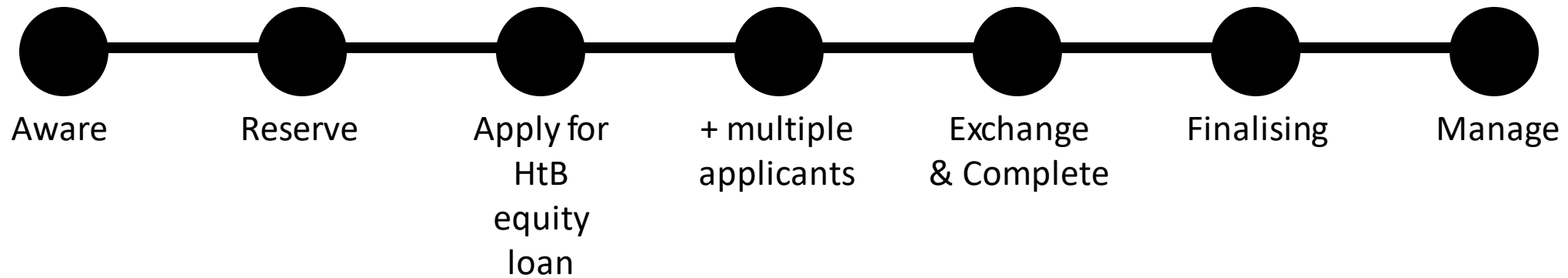
User testing so far

Session	Date	No. of participants	What we tested
1	13 March	5	Step by step, Apply, Pay your equity loan
2	25 & 26 March	9	Pay back loan
3	8 & 9 April	8	Joint application journey
4	22 April	5	Guidance pages, miniservice, second applicant journey
5	30 April	5	Guidance, miniservice
6	14 May	5	Guidance, applicant 1 journey

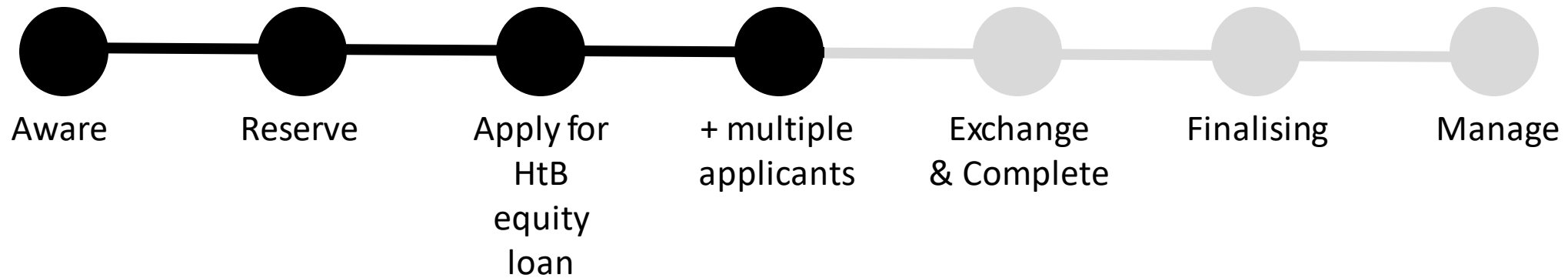
Key learnings from session 6

- Paying in 10% tranches is key part for people to understand
- How do we ensure that joint applicants fully understand their responsibilities?
- People understood the repayment process more than before

End to end journey



Focus for Apply alpha team



Session 7 recruitment

All participants should be in the initial stages of buying their first home.

They have started checking property sites, understanding what they can afford through initial conversations with mortgage brokers/financial advisors.

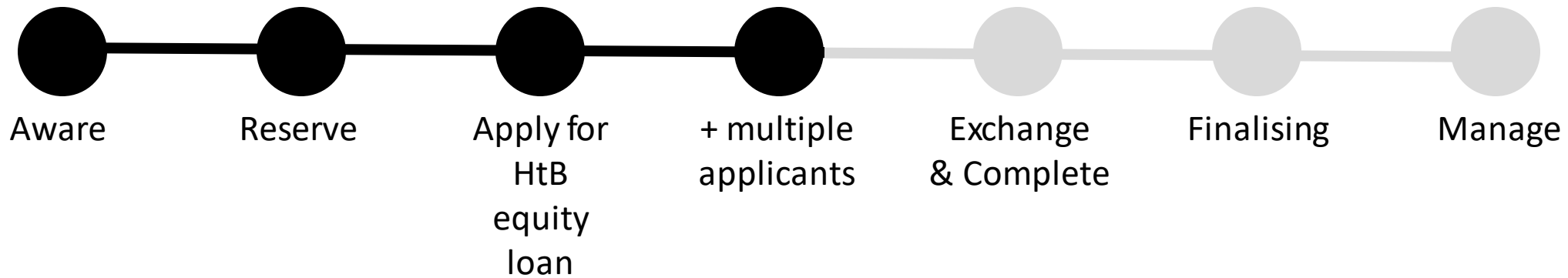
A range across:

- Gender
- Age group (18 - 24, 25 -34 and 35 - 44)
- Socioeconomic grades B, C1, C2, D
- Ethnicity
- Digital skills - one out of every 5 participants should have low confidence in using online services and a low level of digital skills.
- Access needs – one out of every 5 participants should have a cognitive disability such as Dyslexia or Dyscalculia.
- Locations across England - 1 out of every 5 participants should be London-based.

Session 7 topics

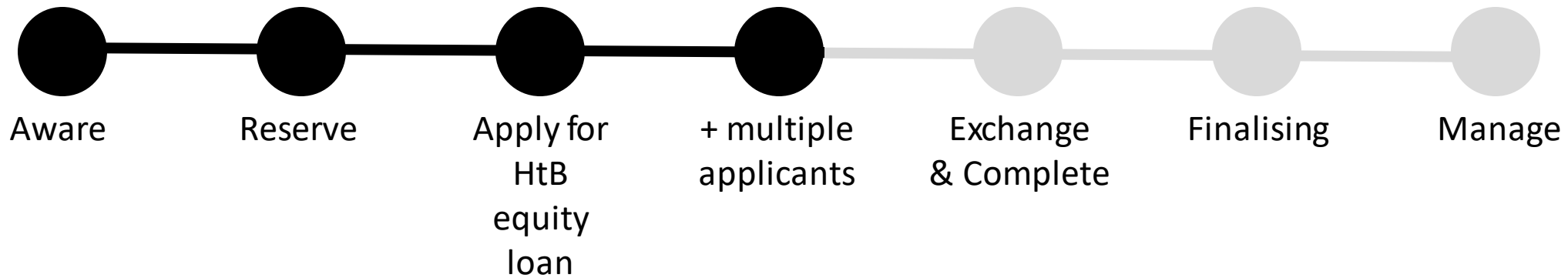
- People's own homebuying journeys
- Understanding of the Help to Buy proposition and what it means for each participant
- Guidance pages
- Applicant 2 (of joint application) online application journey

Assumptions that we were testing 1/5



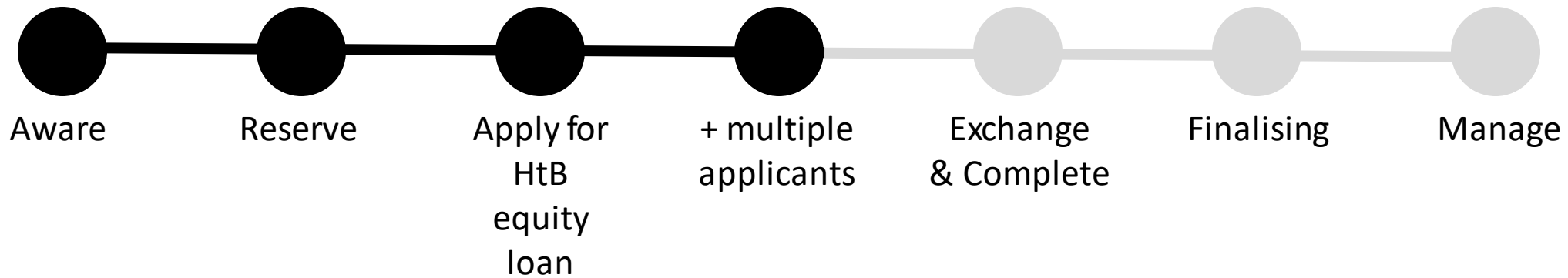
Users are able to confirm how the loan works and how repayments are made prior to applying for a HtB equity loan.

Assumptions that we were testing 2/5



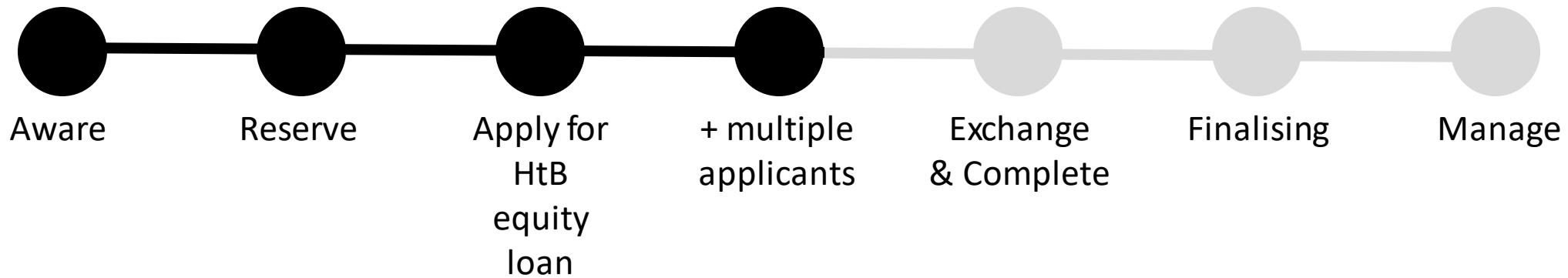
**Users understand why the reference number isn't in the email
(and that it's not a mistake that it's not included)**

Assumptions that we were testing 3/5



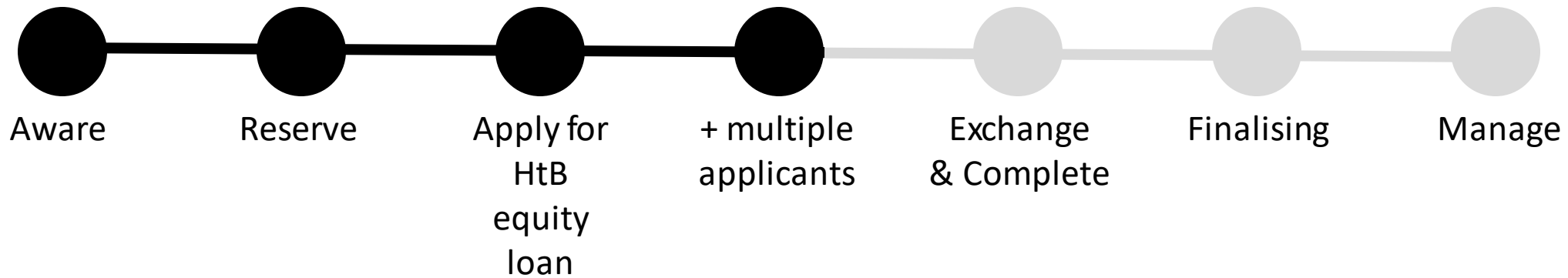
Users understand what happens if they say the first applicant has entered details wrong

Assumptions that we were testing 4/5



Customer won't use IFAs/ Mortgage Advisor to help them to apply for an EL

Assumptions that we were testing 5/5



Users are comfortable with the first applicant putting **all the information in, with the second applicant only verifying to confirm the details**

Who we tested with



P1

38, lives in Leeds with partner. Self-employed actor. Rents privately.



P2

38, lives in Midlands, works in finance. Rents privately.



P3

23, lives in Leeds. Long distance lorry driver. Lives with parents.



P4

33, lives in London, works in construction industry. Lives with parents.



P5

26, lives in Manchester, works in business consulting. Rents privately.

Who we tested with



P1

38, lives in Leeds with partner. Self-employed actor. Rents privately.



P2

38, lives in Midlands, works in finance. Rents privately.



P3

23, lives in Leeds. Long distance lorry driver. Lives with parents.



P4

33, lives in London, works in construction industry. Lives with parents.



P5

26, lives in Manchester, works in business consulting. Rents privately.

I am aware that the traditional mortgage route might be slightly more difficult because I'm self-employed.. I've heard of Help to Buy - to me that is an umbrella term that covers many options for how you could get a house but that may be a misconception.

Who we tested with



P1

38, lives in Leeds with partner. Self-employed actor. Rents privately.



P2

38, lives in Midlands, works in finance. Rents privately.



P3

23, lives in Leeds. Long distance lorry driver. Lives with parents.



P4

33, lives in London, works in construction industry. Lives with parents.



P5

26, lives in Manchester, works in business consulting. Rents privately.

I work in the finance sector, I've always wanted to buy my own property due to finance problem I was having I have lived in rented accommodations. I decided it was about time I should buy a property and see how it goes, so I'm always on the look out.

Who we tested with



P1

38, lives in Leeds with partner. Self-employed actor. Rents privately.



P2

38, lives in Midlands, works in finance. Rents privately.



P3

23, lives in Leeds. Long distance lorry driver. Lives with parents.



P4

33, lives in London, works in construction industry. Lives with parents.



P5

26, lives in Manchester, works in business consulting. Rents privately.

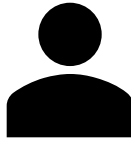
I still live at home at the moment. I'm 23. Me and my girlfriend flit between our parents houses while we're looking for somewhere to buy. I'm a long distance trucker so I can be away for weeks, even months at a time across Europe. Hopefully we'll get our own place within the next year. . We've taken out a HtB ISA. I'm not too understanding of what it is. I just got told, you need to do it, so I went and did it. We're looking round what mortgages we could be entitled to and we're looking at what areas we want to live in. Leeds is getting very expensive now, with HS2 going ahead now.

Who we tested with



P1

38, lives in Leeds with partner. Self-employed actor. Rents privately.



P2

38, lives in Midlands, works in finance. Rents privately.



P3

23, lives in Leeds. Long distance lorry driver. Lives with parents.



P4

33, lives in London, works in construction industry. Lives with parents.



P5

26, lives in Manchester, works in business consulting. Rents privately.

I work as a project manager in London, construction, managing building works. At the moment I'm living with family but I want to get my own place if I can. I've been looking into different options - maybe shared ownership. I'm still finding it a bit confusing, when I talk to other people, they have different views about it. There are always different types of schemes, there are so many. It is like trying to figure out what is right for me, what kind of mortgage I could get and what deposit. So that is where I am, but I am looking actively every day.

Who we tested with



P1

38, lives in Leeds with partner. Self-employed actor. Rents privately.



P2

38, lives in Midlands, works in finance. Rents privately.



P3

23, lives in Leeds. Long distance lorry driver. Lives with parents.



P4

33, lives in London, works in construction industry. Lives with parents.



P5

26, lives in Manchester, works in business consulting. Rents privately.

I have got a deposit amount and am looking at the options out there. At the moment the market seems to be going towards a bit of a downside, obviously with what is happening. It is unfortunate for a lot of people, but for some people looking to get on to the market, it has some advantages. The market not the situation.

Prototype – Guidance pages

[Home](#) > [Housing and local services](#) > [Affordable home ownership schemes](#) > [Help to Buy equity loan](#)

Find out about a Help to Buy: Equity Loan

- [Overview of an equity loan](#)
- [Who can apply](#)
- [How it works](#)
- [What you cannot do](#)
- [Paying back an equity loan](#)
- [How to apply](#)

Overview of an equity loan

With a Help to Buy: Equity Loan you can get help from the government to buy your first home.

What is an equity loan

An equity loan is not like a normal loan, where you get money in the bank. It allows borrowing against a property's market value (what it is worth).

With an equity loan, the amount:

- you borrow is based on a percentage of what the property is worth (its market value)
- you owe goes up and down with the market value of the property

Property you can buy

With an equity loan, the home you buy must be:

- a new build. This is a newly built home that has not been lived in before
- from a registered Help to Buy house builder

Homebuyers can use an equity loan to buy a home in England (there are different schemes for [Wales](#) and [Scotland](#)).

→ [Next](#)
[Who can apply](#)

Related content

[Return to an equity loan application](#)

[Find a home you can buy with an equity loan](#)

[Home](#) > [Housing and local services](#) > [Affordable home ownership schemes](#) > [Help to Buy equity loan](#)

Find out about a Help to Buy: Equity Loan

- [Overview of an equity loan](#)
- Who can apply
- [How it works](#)
- [What you cannot do](#)
- [Paying back the loan](#)
- [How to apply](#)

Who can apply

You must be:

- a first-time buyer
- aged 18 years-old or over

If you're buying with someone else, they must also be a first-time buyer.

A first-time buyer is someone who has never owned a residential property or land anywhere in the world.

You cannot apply if you are married to someone who owns or has owned a residential property or land anywhere in the world.

You must live in the home you buy with an equity loan. It needs to be your only place of residence.

← [Previous](#)
[Overview](#)

→ [Next](#)
[How it works](#)

Related content

[Return to an equity loan application](#)

[Find a home you can buy with an equity loan](#)

Find out about a Help to Buy: Equity Loan

- [Overview of an equity loan](#)
- [Who can apply](#)
- [How it works](#)
- [What you cannot do](#)
- [Paying back the equity loan](#)
- [How to apply](#)

How it works

An equity loan is used together with your mortgage and deposit to make up the property price.

What you can get with an equity loan depends on the region where the property is located.

To buy a home with an equity loan, you need:

- a deposit of at least 5% of the property price
- a mortgage of at least 25% of the property price

England (except London)

When buying a property in England:

- your mortgage and deposit together must add up to at least 80% of the property price
- you can get an equity loan between 5% and 20%

London

When buying a property in London:

- your mortgage and deposit together must add up to at least 60% of the property price
- you can get an equity loan between 5% and 40%

Examples

England (except London)		
London boroughs		
This example shows the minimum deposit percentage amount and maximum equity loan percentage amounts to buy a home in England, outside of London. This is based on a property price of £200,000.		
	Percentage	Amount
Deposit	5%	£10,000
Mortgage	75%	£150,000
Equity loan	20%	£40,000
Property price	100%	£200,000

Property price limits

There is a price limit on the home that you buy. The limit is different for each region in the UK. These limits are shown below:

Region	Full property price limit
East	£407,400
East Midlands	£261,900
London	£600,000
North East	£186,100
North West	£224,400
South East	£437,600
South West	£349,000
West Midlands	£255,600
Yorkshire and The Humber	£228,100

If you have a Help to Buy ISA

If you have a Help to Buy ISA, you can use it to buy any property worth up to £250,000 (or up to £450,000 in London). You must be an existing holder to use a Help to Buy ISA because it closed in November 2019 and is no longer accepting new applications.

[← Previous](#)
[Who can apply](#)

[→ Next](#)
[What you cannot do](#)

would like it to be more clear
that the ISA piece is only
relevant to those already with
a HTB ISA
P1



This interest rate is charged from the next 1 April, except if you bought your home between 1 January to 31 March. Then the interest rate increase begins from the 1 April of the following year.

▼ What could the monthly interest charges look like?

Based on an Equity Loan of £30,000

Fees and interest details	Monthly payments
Year 1 to 5	Total: £1.00
No interest payments	£0
Management fee	£1.00
Year 6	Total: £44.83
1.75% = £525 per year	£43.83
Management fee	£1.00
Year 7	Total: 46.75
1.75% + 2.5% CPI + 2% = 1.83% = £549 per year	£45.75
Management fee	£1.00
Year 8	Total: £48.75
1.83% (Previous interest rate) + 2.5% CPI + 2% = 1.91% = £573 per year	£47.75
Management fee	£1.00

The interest will keep increasing along with the CPIH plus 2% for 25 years or until your mortgage ends. After 25 years you must pay off the full amount or ask for an extension.

Year 6 starts on the next 1 April, 5 years after you buy your home. If you buy between January to March, then it starts in April from the following year.

would like an annual column
P1

table - %'s don't add up
P1

[Home](#) > [Housing and local services](#) > [Affordable home ownership schemes](#) > [Help to Buy equity loan](#)

Find out about a Help to Buy: Equity Loan

- [Overview](#)
- [Who can apply](#)
- [How it works](#)
- What you cannot do
- [What you need to pay](#)
- [How to apply](#)

What you cannot do

Own a second home

Your Help to Buy home must be the only home you own. You cannot buy or own a second home.

Rent out your home

You cannot rent out your home, unless you've written permission from Help To Buy. It can only be agreed in exceptional circumstances, for example, if you are a member of the armed forces.

Renting a room in your home to a tenant is allowed, as long as you continue to live in the home.

Make alterations

You must pay back the loan before you make any major changes to your home. You can only make alterations if you have written permission from Help to Buy. This is only provided in exceptional circumstances, such as for medical reasons.

If you have permission and the alterations increase what the property is worth, this increase is not included in the property's value when it is time to sell the property. If alterations made without written permission increase the property's value, the repayments are based on a percentage of the property's value, as usual.

Related content

[Return to an equity loan application](#)

[Find a home you can buy with an equity loan](#)

would hope it only refers to major structural works that need planning permission P1

← [Previous](#)
[How it works](#)

→ [Next](#)
[What you need to pay](#)

Find out about a Help to Buy: Equity Loan

- [Overview of an equity loan](#)
- [Who can apply](#)
- [How it works](#)
- [What you cannot do](#)
- [What you need to pay](#)
- [How to apply](#)

What you need to pay

Paying back the equity loan

You can make a repayment in full or in part.

You must pay back in portions of at least 10% of the property valuation. The repayment amount you make depends on how much your home is worth at the time.

You must have the money available to repay your equity loan. To prepare for this, you can:

- use savings
- re-mortgage your home
- sell your home

At the latest, you must repay the equity loan at whichever comes first:

- when you sell your home
- when repaying your mortgage in full
- within 25 years

Monthly management fee

You'll be charged a monthly £1 management fee, which is paid by direct debit from the start of owning your home until the loan is repaid.

Interest fees

You do not have to pay interest for the first 5 years. Then from the fifth anniversary of owning your home (exactly 5 years to the date you bought your home), you'll be charged an interest fee of 1.75%.

This fee then increases in line with the inflation rate, set by the Consumer Price Index including owner occupiers' housing costs (CPIH). There is also an additional 2%, which is added together with the inflation rate.

This interest rate is charged from the next 1 April, except if you bought your home between 1 January to 31 March. Then the interest rate increase begins from the 1 April of the following year.

[What could the monthly interest charges look like](#)

Repayment administration fee

You will need to apply for a repayment quote to make a repayment. This includes a £200 administration fee each time you apply.

[Find out how to manage and pay your loan](#) once you own a home with an equity loan.

Example of repayment

This example shows how much you would repay if the property's market value changes.

It is based on:

- a property bought for £200,000
- an original equity loan value of £40,000
- an equity loan of 20%

A 20% equity loan can be repaid in up to 2 repayments. The first repayment must be a minimum of 10%.

First repayment	Second and final repayment	
The home must be revalued to know what your repayment amount is.		
First repayment		
	Market value rises by 5%	Market value falls by 5%
Property value	£210,000	£190,000
Equity loan value (20%)	£42,000	£38,000
First repayment of 10% (must be at least 10%)	£21,000	£19,000

[Previous](#)
[What you cannot do](#)

[Next](#)
[How to apply](#)

Related content

[Return to an equity loan application](#)
[How to repay back your loan](#)
[Find a home you can buy with an equity loan](#)

"an additional 2%" - confusing
- is my interest rate 3.75?
P1

doesn't say when you have to
repay
P1

I think it would still be nice if there was a scenario, just to break it down. This is how it works, just an example, for a single and then a joint. You've got all these different amounts and stuff like that. I'd still like to get a picture of how it all works.
P4

This is a bit confusing - The minimum repayment you make is 10% of the property's value. Does that mean you have to make 10% of the property value? I think if you expanded a bit more on what you mean by first repayment amount'.
P5



Find out about a Help to Buy: Equity Loan

- [Overview](#)
- [Who can apply](#)
- [How it works](#)
- [What you cannot do](#)
- [What you need to pay](#)
- How to apply

How to apply

Follow these steps to buy a home with an equity loan.

Find out:

- 1 Read the guidance**
[Check you meet the conditions](#) and that you [understand how it works](#).
- 2 Find out what mortgage amount you can get**
It's recommended to see an [independent financial adviser \(IFA\)](#).
You need to be approved for an equity loan first, before applying for a mortgage.
- 3 Work out your property price**
Work out the [amount of equity loan you might get](#), if approved.
- 4 Find a home**
Find a new build home with a registered [Help to Buy house builder](#).

Reserve and apply:

- 5 Reserve the property**
You'll need the property details for the application form. Some house builders ask for a reservation fee of up to £500, which is refundable.
- 6 Find a conveyancing solicitor**
Your solicitor details are needed for the application form.
- 7 Apply**
[Apply online for a Help to Buy: Equity Loan](#). A decision will usually take around a week. A Help to Buy agent will get in touch with you to let you know if your application has been approved.

After you have been approved:

- 8 Apply for a mortgage**
Your mortgage, deposit and the equity loan must add up to the exact property price.
- 9 Exchange and completion**
Your solicitor will advise you, check the details and organise the money to be paid to the house builder and for the details to be registered with the Land Registry. Your name will be on the property deeds.

[← Previous](#)
[What you need to pay](#)

Related content

[Return to an equity loan application](#)
[Find a home you can buy with an equity loan](#)



Apply comes quite 'scarily late' in the journey - there's no 'what if you're not approved'
P1



End thoughts after guidance

- I would like to know if there's an expected payment date – P1
- It doesn't have any info about the residents who are non-owners – P5
- I got the sense it was quite pressure - use of 'by the latest' means that you can push it right to the end, but we'd prefer you not to – P1
- I never understood the equity loan when told about it before – P5

Prototype – Applicant 2 journey



Gmail

Compose


Inbox (1)


Starred


Sent Mail

Drafts (1)

More

 Chandler


 Monica Geller
I know

 Joey Tribbiani
How you doing

GOV.UK Notify

Inbox

Subject: Complete your Help to Buy application



Dear Frankie Shaw,

Sam Trenshaj has named you as the second applicant for a joint Help to Buy Equity Loan.

You need to verify the details that have been entered by your joint applicant.

You will need to get the reference number that Sam Trenshaj has on their submission receipt in order to finish the application. This number hasn't been included for security.

[Continue to the application](#)

Help to Buy team

If you have been sent this by mistake, please [contact](#) the Help to Buy team to let them know.

#MakingHomesHappen

Apply for a Help to Buy: Equity Loan

You could get help to buy your first home with a Help to Buy: Equity loan from the government.

Who can apply

You need to [meet the conditions to apply for an equity loan](#).

Homebuyers based in England can apply for this scheme. There are different schemes for homebuyers in [Scotland](#) and [Wales](#).

When to apply

You must reserve a home and pay a reservation fee with a house builder or agent before you can apply for an equity loan.

What you need

To complete your application, you'll need:

- proof of ID (passport, driving licence)
- new build property address or plot details
- annual salary income details
- monthly outgoings (loans, hire purchases, student loans, credit card balances)
- solicitor details

How it works

An equity loan is based on a percentage of the property's market value.

When it comes to repaying an equity loan, the repayments you make are based on what the home is worth.

This means the equity loan percentage you owe can go up and down. [Find out more about an equity loan](#) to understand how it works.

How to apply

Complete the online form to apply for an equity loan.

[Start now >](#)

[Return to an application](#) you've already started.

If you cannot apply online

You can contact a Help to Buy agent in your region who can help you with making your application.

Help to Buy agent in your region

The north of England: 0300 790 0570

The south of England: 0800 456 1188

The Midlands and London: 03333 214 044

Related content

[Return to an equity loan application](#)

[Help to Buy equity loans](#)

[Pay your equity loan](#)

[Council housing](#)

[Housing association homes](#)

[Right to Acquire: buying your housing association home](#)

[Right to Buy: buying your council home](#)

I thought because i'd come through an email, that's something i'd need to action P1

It says, 'return to an application you have already started', in my case I have already started the application so I can go back to the application and fill out the rest..I would return to the application and put the reference number I get from Sam and continue. P2



Enter the submission reference from the 1st applicant

The submission reference is on the confirmation email sent to the 1st applicant. It is also on the submission confirmation page of the application.

[Continue](#)

Related content

[Check your eligibility for a Help to Buy equity loan](#)

[GOV.UK Prototype Kit v9.5.0](#) [Clear user data](#)

[CLEAR ALL SESSION DATA](#)

OGL All content is available under the [Open Government Licence v3.0](#), except where otherwise stated



© Crown copyright

[↑ Back](#)

Before you start

Do you meet the conditions to apply for an equity loan?

You must meet the conditions to apply for an equity loan. Select all that apply.

☐

I'm a first-time home buyer
I don't own, or have not previously owned, a residential property or land anywhere in the world

☐

I'm not married to a person who owns, or has previously owned a residential property or land anywhere in the world

☐

I'm 18 years-old or over

[Continue](#)[GOV.UK Prototype Kit v9.5.0](#) [Clear user data](#)[CLEAR ALL SESSION DATA](#)

OGL All content is available under the [Open Government Licence v3.0](#), except where otherwise stated



© Crown copyright

[↑ Back](#)

Prove your identity to continue

You need to verify your identity in order to apply for a Help to Buy: Equity Loan. This check will not affect your credit score.

Registering with GOV.UK Verify usually takes about 15 minutes. It works best if you have:

- a UK address
- a valid passport or photocard driving licence

A certified identity provider will check your identity when you register with GOV.UK Verify. They've all met security standards set by government.

[Use GOV.UK Verify](#)

► [What should I do if I cannot use GOV.UK Verify to prove my identity?](#)

[GOV.UK Prototype Kit v9.5.0](#) [Clear user data](#)

[CLEAR ALL SESSION DATA](#)

OGL All content is available under the [Open Government Licence v3.0](#), except where otherwise stated



© Crown copyright



Sign in with GOV.UK Verify

- ☐ This is my first time using GOV.UK Verify
- ☐ I've already signed up for Verify
This includes if you've got part way through creating an identity account

[Continue](#)

[◀ Back](#)



Who do you have an identity account with?

If you don't have an identity account, you can [set one up now](#).



Select
Experian



Select Post
Office

secureidentity

Select
SecureIdentity



Select
Digidentity



Select
Barclays

[◀ Back](#)



Enter your verify details

Email

Password

[Sign in](#)

Your details

These are your details from the prove your identity check.

Name	Frankie Shaw
Date of birth	19 May 1984
Address	15 High Street Birmingham BM19 34Q

[Continue](#)[Save and come back later](#)

[GOV.UK Prototype Kit v9.5.0](#) [Clear user data](#)

[CLEAR ALL SESSION DATA](#)

OGL All content is available under the [Open Government Licence v3.0](#), except where otherwise stated



© Crown copyright

[↑ Back](#)

Check the information the first applicant entered about you

Your details

Your email	frankie.shaw@example.com	Change
Your phone number	07509 282340	Change

Your income

Annual salary (gross)	£27,000 per year	Change
Other income	None	Change

Your outgoings

Total salary deductions	£240 per month	Change
Total credit card and loan balance	£550 total	Change
Other outgoings	None	Change

Your home ownership information

Home ownership	You have never owned a home. You are not married to someone who has owned a home.	Change
----------------	--------------------------------------------------------------------------------------	------------------------

Are these details correct?

- ☐ Yes, they're correct
- ☐ No, they're not correct

[Continue](#)

not enough context about what is included in their information
P1

raises point about coercive control and it means that one applicant is in control of finances
P1

[← Back](#)

Check the information the first applicant entered about you

[Change the information which is incorrect](#)

Your details

Your email	frankie.shaw@example.com	Change
Your phone number	07509 282340	Change

Your income

Annual salary (gross)	£27,000 per year	Change
Other income	None	Change

Your outgoings

Total salary deductions	£240 per month	Change
Total credit card and loan balance	£550 total	Change
Other outgoings	None	Change

Your home ownership information

Home ownership	You have never owned a home. Your are not married to someone who has owned a home.	Change
----------------	---------------------------------------------------------------------------------------	------------------------

Are these details correct?

- ☐ Yes, they're correct
- ☐ No, they're not correct

[Continue](#)



[↑ Back](#)

Your contact details

We'll use these details if we need to contact you.

Email

frankie.shaw@example.com [Change](#)

Telephone number

[Save and continue](#)[Save and come back later](#)

[GOV.UK Prototype Kit v9.5.0](#) [Clear user data](#)

[CLEAR ALL SESSION DATA](#)

OGL All content is available under the [Open Government Licence v3.0](#), except where otherwise stated



© Crown copyright

[← Back](#)

Check Sam's information

Contact

Email	sam.trenshaj@example.com	Change
Phone number	07509 282340	Change

Income

Annual salary (gross)	£27,000 per year	Change
Other income	None	Change

Outgoings

Total salary deductions	£240 per month	Change
Total credit card and loan balance	£550 total	Change
Other outgoing	None	Change

Sam Trenshaj's identity and home ownership information

Name	Sam Trenshaj	Change
Date of birth	24 August 1982	
Address	15 High Street Birmingham BM19 34Q	
Home ownership	Sam has never owned a home. Sam is not married to someone who has owned a home.	Change

To the best of your knowledge, are these details correct?

- ☐ Yes, they're correct
- ☐ No, they're not correct

[Continue](#)

not sure if you should have the ability to change them - this 2nd person may alter data.
P1



has this been automatically populated or is this what they've put in? - talking about equity loan figure P1

[Back](#)

Check property and purchase information

Purchase details

Deposit	£10,000	Change
Mortgage	£148,400	Change
Equity Loan	20% £39,600	Change
Property price	£198,000	Change
Mortgage term	25 years	Change

Builder details

Builder code	HTB-HHBC-9874	Change
Builder name	Happy Home Building Company	Change

New build details

Purchase completion	3 August 2021	Change
Build completion	24 August 2020	Change
Plot number	502135326	Change
Address	72 Guild Street Birmingham SE23 6FH	Change
Property type	Flat	Change
Ownership type	Leasehold	Change
Service/estate charge	£350 per year	Change

Other adult residents (not owners)

Number of adults	1	Change
Adult name	Amy Shaw	Change
Date of birth	2 May 2001	

Household information

Number of children	0	Change
Number of bedrooms	3	Change

Your conveyancing solicitor

Full name	Prita Piyala	Change
Company	Birmingham Central Solicitors	
Address	55 Central Place Birmingham B12 4AQ	Change

Your mortgage advisor

Full name	Jason Hinckle	Change
Company	Birmingham Central Estates	
Address	48 Central Place Birmingham B12 4AN	Change

Are these details correct?

- ☒ Yes, they're correct
- ☐ No, they're not correct

[Continue](#)

What does that mean, 'other adult residents? Not owners'..is that people who live with you already or..? Potentially people who are going to live in that property who are not mentioned on the deeds.? P5



[← Back](#)

Understand the equity loan you're applying for

Percentage of property price owed to Help to Buy

20%

The amount you owe goes up and down with the property's market value.

Current equity loan value you're borrowing

£39,600

This will be paid to the builder to make up the property price.

☐

I understand that the amount I'll repay changes based on what my property is worth

Save and continue

Save and come back later

Based on these details:

Your deposit:	£10,000
Mortgage:	£148,400
Equity loan:	£39,600
Property price:	£198,000



[Back](#)

Confirm you understand how to pay off the equity loan

The minimum repayment you can make is 10% of the property value.

You can raise this money by re-mortgaging, with savings, or by selling the property.

Example repayment if your property market value changes

Market value rises by 5%

Market value falls by 5%

This example shows what would happen to the amount you must repay if your property's market value goes up by 5%. Property values change from year to year and could go up by more than this.

Description	Amount
Original equity loan amount	£39,600
Equity loan amount you would owe with 5% increase: This can be paid in a maximum of 2 portions	£41,580
Minimum first repayment amount: (Half of the equity loan, ie. 10% of the property market valuation at the time you repay)	£20,790

There are other fees when you repay to consider, such as getting a property valuation and Help to Buy administration fee of £200.

☐ I understand I must repay the loan in full, or in portions of 10% of the property's value, or whatever is the remaining percentage

Save and continue

Save and come back later

feels like he nearly missed the 'portions of 10%'
P3

"I'm still not sure because when I read, you must repay the loan in full and then it says here, pay in a maximum of 2 portions. So is it that I have to have pretty much half of that money ready to pay back? I'm just trying to understand how this loan bit works. Maximum 2 portions, the word portions I don't know, for me I find it a bit confusing."

P4

"I'm not clear here, so do I pay half and the other person pays another half? so that amount, is it this amount the 41..I don't get it to be honest. So I have to pay 20k over a period?..Its just not all that clear."

P4

[* Back](#)

Confirm you understand the interest payments

There is a monthly £1 management fee until the end of the loan.

If the date you complete buying your property is during 2021:

- interest will start at 1.75% on the 5th anniversary (i.e. sometime in 2026)
- interest will increase by CPIH + 2% from 1st April 2027
- the interest rate will increase each 1st April from then on

Each 1 April, the interest rate from the previous year is multiplied by CPIH + 2% and added to itself. This formula is repeated until you repay the loan.

[► What is CPIH?](#)

Examples of interest if CPIH is 3%

This example shows you what you'd pay in interest if the inflation measure (CPIH) is 3%. However the inflation measure is variable from year to year, so these figures are examples only.

It assumes you have not repaid any of your equity loan by the time you start paying interest. Your interest will be reduced in line with the percentage of the equity loan that you have repaid.

After 5 years	April 2027	April 2028	April 2029
5 years after you buy			
Period	Rate	Annual	Monthly
20 March 2026 to 31 March 2027	1.75%	£693.00	£57.75

These figures are based on you completing buying your property between 1 Jan 2021 and 31 Dec 2021. If the date you buy your property is outside this time, the date your interest will start to increase will change.

☐ I understand that my monthly payments only pay the interest and fees, not the original loan

[Save and continue](#)[Save and come back later](#)

[↑ Back](#)

Sam Trenshaj must confirm your changes

Sam Trenshaj needs to verify the information you have given about your joint application.

What your joint applicant needs to do now

- Sam Trenshaj will get an email from Help to Buy with a link to the application
- They must re-submit the application to accept the changes you've made

[Continue](#)

[GOV.UK Prototype Kit v9.5.0](#) [Clear user data](#)

[CLEAR ALL SESSION DATA](#)

OGL All content is available under the [Open Government Licence v3.0](#), except where otherwise stated



© Crown copyright

Your application has been submitted

Your reference number
HDJ2123F

We have sent you a confirmation email.

[Print or save a PDF copy](#) of this form.

What happens next

- Your joint applicant must confirm your changes.
- After both applicants have submitted their applications, you will receive a decision by email within about a week.

You can contact your Help to Buy agent if you have any questions:

Help to Buy The midlands and London

Telephone number: 03333 214 044

General enquiries: Enquiries@helptobuyagent2.org.uk

[What did you think of this service?](#) (takes 30 seconds)

[GOV.UK Prototype Kit v9.5.0](#) [Clear user data](#)

[CLEAR ALL SESSION DATA](#)

OGL All content is available under the [Open Government Licence v3.0](#), except where otherwise stated



© Crown copyright

It was quite user friendly

“It was quite user friendly, only thing is that it seems quite expensive. There is no repayment details as in the actual capital, what's happening with that? If that was explained a bit more it would make things a bit easier. The bit that discusses the equity loan repayments. It is down as interest but that is obviously only the interest on it. How do you go about paying the actual equity loan then? Do you have to have a lump sum of 20% of your capital, your property value to pay it off?”

P5

It hits you with reality

“It hits you with reality. It is quite explanatory like that. Personally I could not understand the equity loan, I never really understood it. Is this how it actually works then?

Well, its a rip off then, isnt it really?

I personally, prior to now, was actually thinking, looking into it. But personally I'd rather get a mortgage from the bank than increase my bank's mortgage by 20% or just get a cheaper house. In that case, you are always going to owe the government money. Not many people can save up to pay off 10% of their property value. By the time you have saved it up, your property will have gone up so you're going to have to keep saving up. I would think twice about it. It is not something I would consider easily now. It is definitely communicated well.”

I've completely forgotten about the other person

“Because it is joint, I think it is both of us.

But when i see, 'After you buy..' because I suppose I am sitting here, and I'm doing it by myself, like I forgot about the other party and it makes it feel like it is just me. But I don't know if there is a way to remind you that it is actually a joint application. I've completely forgotten about the other person.”

P4

I don't know who I would talk to

“I would still want to talk to somebody. The filling in the form, I can do it but i would still want to talk to somebody about the scheme. I would feel more comfortable talking to somebody about it. Or even if you had a chat or something like that, community threads.

I don't know who I would talk to.

There is no number to call up.”

P4

I'd probably moan like hell while doing it

“I'd consider it because there are no other schemes that good out there that would take such a chunk off your mortgage, but I'd probably moan like hell while doing it.”

P3

Key learnings

- People want to understand what and when they need to repay
- Language used in joint application forms needs to emphasise dual applicant responsibilities
- Highlight who can help people if they need advice

Questions?



Homes
England

Making homes happen

Thanks

