



HELP TO BUY ISA WHAT YOU NEED TO KNOW

DO I QUALIFY FOR A BONUS?

If you are holding a Help to Buy ISA Account, you **may** be eligible to claim a bonus from the Government as an addition to your savings in a Help to Buy ISA Account. The bonus would be 25% of your closing balance, subject to a minimum of £400 and a maximum of £3,000.

The Help to Buy ISA Bonus is paid to individuals, not to households, so in the case of joint buyers you may both be able to claim a bonus, provided that you each qualify as individuals and the property you are buying meets the relevant criteria.

The bonus can only be used to purchase your property and must be used on the day of completion - it is not possible to claim it after your purchase has completed.

INDIVIDUAL CRITERIA

To qualify for a Help to Buy ISA Bonus you must be a first time buyer - this is defined as someone who does not own, and has never owned, a home anywhere in the UK or the world.

Note: to claim a bonus we need you (or both of you if appropriate) to sign a "First Time Buyer Declaration".

PROPERTY CRITERIA

To qualify for a Help to Buy ISA Bonus the property that you are buying must:

- be situated in the UK, be where you intend to live and be the only home you will own - these are also criteria for qualifying to buy a shared ownership property, so won't generally be a problem
- be purchased with a mortgage - this means that if you are buying your share with cash you won't qualify for a bonus
- have a purchase price lower than £250,000 (or £450,000 in certain Inner London Boroughs as listed on the next page). The value limit is based on the full market value, however you can still qualify for the bonus if the price you are paying for your share when added to the "net present value" comes to less than the relevant figure. The net present value is a calculation based on the term of the lease and the amount of rent you pay... we can calculate this when we receive a copy of your lease, but is probably something that your mortgage broker will have already checked and advised you on.

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WHICH LONDON BOROUGHES DOES THE HIGHER LIMIT APPLY TO?

Barking and Dagenham; Barnet; Bexley; Brent; Bromley; Camden; City of London; Croydon; Ealing; Enfield; Greenwich; Hackney; Hammersmith and Fulham; Haringey; Harrow; Havering; Hillingdon; Hounslow; Islington; Kensington and Chelsea; Kingston upon Thames; Lambeth; Lewisham; Merton; Newham; Redbridge; Richmond upon Thames; Southwark; Sutton; Tower Hamlets; Waltham Forest; Wandsworth; Westminster

WHAT ACTION IS REQUIRED?

In order for us to apply for your Help to Buy ISA Bonus, you must:

- (1) Close your Help to Buy ISA Account
- (2) Provide us with a copy of your Help to Buy ISA Closing Statement. A scanned copy is acceptable but an Interim Statement is not acceptable
- (3) Send us a completed, signed and dated First Time Buyer Declaration (again, a scanned copy is acceptable).

WHEN TO CLOSE THE ACCOUNT?

You are entitled to apply for the bonus within 12 months of closing your account, so you do not have to leave it until the last possible moment before closing the account.

There can be a delay of up to 10 working days (2 weeks) before the Closing Statement is provided to you by your bank and in turn we have to give the Government Help to Buy Administrator 10 working days notice for the draw down of the bonus.

For this reason, we suggest you close the account no less than 28 days before the anticipated or actual completion date.

WHAT CAN GO WRONG?

It is your responsibility to close the account and send us the Closing Statement and First Time Buyer Declaration - it is not our responsibility to remind you for these.

If we are provided with these documents, we will apply for the bonus in readiness for completion. We will not apply for the bonus if you only send us an interim bank statement.

Should you not provide us with the necessary documents at least 10 working days before completion, you will in all probability lose the Help to Buy ISA Bonus... this will be permanently lost.

For this reason, although there are downsides to closing the account too early (loss of interest and the chance to increase the amount of your bonus), by closing the account too late you run the risk of not being able to claim the bonus at all... this would be far more costly.

Important note: The Government Help to Buy Administrator may allow us to apply for the bonus by expedited process but is not obliged to do so and you will not have a right of appeal if an expedited application is rejected.

WHAT IF MY PURCHASE FALLS THROUGH?

If your property purchase doesn't go through after you have closed your account in anticipation of claiming a bonus, you can re-open your Help to Buy ISA. Your bank will be able to help you with this and provide you with the necessary forms.

If the government bonus has already been transferred to us, it must be returned to the Help to Buy ISA Scheme Administrator before you can re-open your ISA account.

The speed with which the bonus is reinstated and the account re-opened cannot be guaranteed.

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