



## LIFETIME ISA WHAT YOU NEED TO KNOW

### DO I QUALIFY FOR A BONUS?

If you hold a Lifetime ISA Account (“LISA Account”) which you intend to use for the purposes of purchasing your property, there are certain formalities which must now be followed in order to ensure drawdown of the balance you require and the payment of your Lifetime ISA Bonus (“LISA Bonus”).

You are only entitled to a LISA Bonus if the following all apply:

1. The full value of the property you are buying must be less than £450,000. For example, if you are buying a 25% share for £115,000 you won't qualify for a bonus because the full value works out at £460,000.
2. You must buy your property with a mortgage, so if you are buying your share with cash you won't qualify.
3. The LISA Account must have been open, with money in it, for at least a year before you use it.
4. You can only use a LISA Bonus towards the purchase of your first home. This means that 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.

In the case of joint buyers, if you each have LISA Accounts, you may both qualify for a LISA Bonus if the above criteria are met.

### DRAWDOWN PROCESS

In order to make sure you withdraw all of the required sum at the correct time, including your LISA Bonus, it is essential that you now contact your Lisa Account Manager (“Account Manager”) and obtain the necessary forms for the purpose of the draw down of the amount you need. Upon receipt of the forms, you must read carefully the declarations contained in order to be certain that you qualify for the LISA Bonus.

LISA Account Managers use different descriptions for their forms but generally you will receive an Investor Declaration Form (“Declaration Form”) which should be completed by you and forwarded to us immediately. Please do not delay in sending the completed Declaration Form to us.

Upon receipt, we in turn will complete our own Conveyancer's Declaration Form based on the information contained in the Investor Declaration Form that you have provided. We will then send both documents to your Account Manager claiming the required amount that you have requested.

[WWW.SDC-LEGAL.CO.UK](http://WWW.SDC-LEGAL.CO.UK)

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## HOW LONG DOES THE PROCESS TAKE?

Once we have sent the Conveyancer's Declaration Form to your Account Manager it can take up to 30 days for the payment to be received by us from your Account Manager.

It is therefore important that you contact your Account Manager and send us your completed Declaration Form without delay.

- In the event that completion falls within the 30 day period, we cannot guarantee that you will receive the claimed amount or the LISA Bonus.
- When we receive the balance you have requested, we are permitted to retain the amount for up to 90 days... completion of your purchase must take place within that time.
- Further extensions of 60 days and finally 30 days can be requested if completion has not happened as anticipated.
- In the event that the purchase does not proceed or 180 days has passed since drawdown, we will return the money to your Account Manager which will be credited to your LISA Account.

We do not accept any liability for the drawdown funds should they be delayed or not available on the day you are due to complete.

## WHAT IF COMPLETION DOES NOT TAKE PLACE IN THE REQUIRED TIMESCALE?

In the event that we are required to return the drawn down money, the procedure to reapply and then obtain the funds again must be repeated. This will include a further 30 day notice before the funds will be received.

The result of this procedure can create problems regarding completions that are either late or have been delayed during the construction process should they fall within that 30 day period.

## REQUIRED ACTION AND NEXT STEPS

- Obtain the relevant forms from your Account Manager i.e. Investor Declaration Form (or equivalent).
- Confirm to your Account Manager your "third-party authority" permitting us to speak to the Account Manager on your behalf. Please confirm to us that you have given that authority.
- Read and check carefully that you qualify for the LISA Bonus and can comply with the Account Managers requirements.
- Send the completed "Investor Declaration Form" (or equivalent) to us as soon as possible so as to avoid delay.

**Please remember:** The drawdown period can take up to 30 days before we receive the funds, so don't delay... it is your responsibility to send us the form, not ours to chase you for it.

## IMPORTANT NOTES

It is your responsibility to ensure compliance with the qualifying requirements for the bonus and the drawdown requirements of your Lifetime ISA Manager as we do not qualify you for the LISA Bonus.

If you do not qualify for the LISA Bonus, you can still use the monies in your LISA Account but you will be charged the 25% government withdrawal charge, which will be more than the bonus it paid in.

Should the money not be returned, either due to the purchase not proceeding or completion not taking place within the required timescales (max 180 days), the government withdrawal charge will apply.

Further information regarding the rules and processes relating to your LISA Account can be obtained from the government's website and your Account Manager's website.

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