

Linden Homes Easy Start* (90:10) Scheme

Terms & Conditions

Our Easy Start* Scheme is designed to help you afford the home and the mortgage you want but at a price you can afford. This offer is available on selected Linden Homes properties only.

You will need to be financially qualified by our recommended Mortgage Advisors, New Homes Mortgage Helpline.

Any Easy Start* offer made to you will be based on your affordability and financial status, the assessment will commence at 90:10 equity share.

You will need to place your mortgage via New Homes Mortgage Helpline in order to be eligible for Easy Start* and you will be asked to use the services of our local nominated solicitor.

Your Questions answered:

We understand that you'll have lots of questions to ask in order to fully understand the Easy Start* scheme and be confident that it's right for you. To help you get started we've put together a list of the most frequently asked questions to help you make your decision.

Q. Who is eligible to use this scheme?

A. The scheme is only available on selected homes and developments and is subject to status and financial qualification by our approved Mortgage Advisors

Q. Can I use this scheme if I am investing in a buy to let?

A. No, however, we have other schemes available specifically for investors.

Q. Can I use my own mortgage lender and solicitor?

A. No, all reservations will be subject to a pre-qualification by New Homes Mortgage Helpline and you will also be required to use our local nominated solicitor.

Q. What is the maximum property value that the Easy Start Scheme applies to?

A. The maximum property value must not exceed a list price of £300,000.

Q. How much deposit am I required to put down to secure a mortgage?

A. Under the Easy Start scheme you are required to provide a deposit equating to 5% of the full list price. For example, when buying a house with a list price of £250,000 you would require a 5% deposit equating to £12,500 to secure a mortgage. This would leave you requiring a mortgage of £200,000 (85% of the purchase price = £212,500, less your 5% deposit of £12,500)

Q. What happens with the remaining 10% equity loan?

A. Linden Homes will defer the remainder of the balance for 3 years with no interest to pay. After the 3 year period, interest will be charged at 3% for the remaining 7 years of the 10 year term. You can either sell or repay during this time or at the end of the 10 year period with another lender to buy the remaining 10% of the purchase price. A second charge will also be held over your property during this period.

Q. What interest rate will I pay on the equity loan?

A. A fixed rate of 3% interest will be charged on the outstanding 10% equity loan until the balance is repaid in full or up until the end of the remaining 7 year period, when the loan must be repaid in full.

Q. What does the term 'second charge over the property' mean?

A. The term second charge is simply a charge held over your property by someone other than your main mortgage lender. The second charge in this case will apply to the 10% equity share in favour of Linden Homes, which is secured against the property. The lender who provides the main mortgage of the property is said to have first charge over the property until the mortgage is fully repaid. Should you fall into financial difficulty and your home is sold or repossessed, your main mortgage provider will be first in-line to take the proceeds from the sale of your property to resolve the outstanding debt. Linden Homes will then be next in line to receive payment from the proceeds of the sale to resolve the outstanding 10% owing from the original purchase price.

Q. Do I still have to pay Stamp Duty?

A. Yes – Stamp Duty is payable on the full list price of your home (not the 90% price) so if you are buying a home with a list price over £125,000 you will need to pay Stamp Duty, unless you are a first time buyer, in which case you will only pay Stamp Duty on a home with a list price over £250,000.

Q. What happens if the value of my house falls?

A. You will only pay back 10% of the property value determined at the point of transfer or sale. If the value has fallen you will still only ever pay 10% of the property value to Linden Homes.

Q. How and when do I repay the deferred payment?

A. The deferred amount must be redeemed in one transaction for the full 10%. You can repay the amount after the first 3 interest free years or at any time during the following 7 years whenever you resell or remortgage. The amount to be paid back will be 10% of the market value at time of settlement and will be subject to a final valuation

Q. Are there any other costs associated with the repayment of the equity loan?

A. You will have to pay valuation costs and Solicitor's fees on repayment of the loan. You should ask your conveyance solicitor for details.

YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON A MORTGAGE OR ANY OTHER DEBT SECURED ON IT.

* Subject to status and Easy Start Terms & Conditions. Percentage loan will be subject to financial qualification and affordability criteria, assessment will commence at 90/10 shared equity. Available on selected homes only.

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