

## **First Step for H.O.L.D (Home ownership for people with long-term disabilities)**

### **Purpose of the Scheme:**

To assist people with long-term disabilities in housing need onto the housing ladder by offering a contribution towards the deposit in the form of an equity loan. The scheme is currently being offered in partnership with My Safe Home and Advance Housing.

### **The H.O.L.D Scheme**

HOLD uses shared ownership to enable disabled individuals with a range of different impairments to part buy (together with a Housing Association) a home of their own. The buyer can purchase a home from the open market or a Housing Association development. They'll purchase a share (typically 25% - 75%) using an interest only mortgage (they can borrow up to £100,000), the Housing Association buys the remaining share and charges them rent (paid for by Housing Benefit). They're free to remain in their home for as long as they wish, with the mortgage being repaid when the property's sold.

The mortgage itself is paid through Support for Mortgage Interest (SMI) with an additional top up payment being made from their other benefits. To ensure that they have sufficient income to make these payments this model is only open to buyers on High or Middle Rate Care Disability Living Allowance (DLA) or Personal Independence Payments (PIP).

### **The Equity Loan:**

The Council will offer up 5% towards the deposit of a new home, up to a maximum of £20,000. The applicant **must** provide a minimum of a 5% deposit themselves.

There is no interest payment on the equity loan.

The applicant must be qualify for a H.O.L.D mortgage, eligibility for which is as follows:

- Have a local residency connection to West Berkshire of at least 2 years
- 18-80 years old with clean credit history and no outstanding debts
- In receipt of Disability Living Allowance High or Middle Rate Care (under 60s) or Attendance Allowance (over 60s) or Personal Independence Payments (PIP) together with other qualifying benefits
- Unable to work in conventional employment (under 60s only)
- Ideally looking to live on their own, but they can share with caution!
- In possession of a suitable Care & Support package confirmed by their Social Worker
- Able to put down a deposit and pay fees associated with buying their new home

The Council's contribution is assessed as a % of the equity of the property. Unlike the Council's First Step Next Step scheme which requires repayment after 10 years, it is anticipated that the First Step H.O.L.D loan will only be repaid upon sale of the property. Upon sale or repayment, the amount to be repaid will be the % of the current value of the property.

For example, if the Council provides a £10,000 equity loan and the purchase price is £100,000, the Council would have a 10% stake in the home. If the value of the property at the time of sale was £150,000, the amount to be repaid to the Council would be 10% of that value i.e. £15,000.

The loan will be secured against the property as a second charge.

**Property Restrictions:**

- The property to be purchased must be suitable for the needs of the household, with up to one additional bedroom
- The property to be purchased must be within the district of West Berkshire
- Studio flats are not eligible for the Equity Loan Deposit Scheme
- The property must be used as the applicants only or principle home
- The equity deposit loan cannot be used for buy-to-let purchases
- The home you purchase must be built and available for occupation subject to the normal completion of the purchase process
- The maximum purchase price of the property must not exceed:
  - £180,000 for a 1 bed
  - £ 230,000 for a 2 bed
  - £250,000 for a 3 bed
  - £280,000 for a 4 bed

**Other information:**

- The Council is making £100,000 of funding available to support this scheme
- It is anticipated that a minimum of 6 households can be assisted with this funding
- It is anticipated that Advance Housing will make a bid to the HCA for grant funding to support their purchase shares
- The Council reserves the right to review and amend criteria for the scheme
- The offer of a First Step H.O.L.D Loan may be made subject to you finding a suitable property within a certain time period
- The Council will review the scheme on a monthly basis to monitor progress with a full scheme review at 6 and 12 months

