

Information for Help to Buy: Equity Loan customers during Coronavirus (COVID-19)

Buying a home is exciting, daunting and at times quite stressful. We appreciate that this is a worrying time while you wait for approval for Help to Buy or the keys to your new home.

We're giving you and your homebuilder more time. You now have until 31 May to get the keys to your new home. There will be no more extensions, so ask your homebuilder and conveyancer to make sure you can complete on time.

There are many questions about what COVID-19 means for Help to Buy: Equity Loan customers and we aim to answer some of these below.

If you have a question that your homebuilder or conveyancer cannot answer, please get in touch with your Help to Buy agent. Calls and emails may take longer to respond to in the current circumstances.

Frequently asked questions

Section 1 – Extending the current equity loan scheme

Are you extending the current Help to Buy scheme?

Help to Buy will end on 31 March 2021, but homebuyers using the current scheme will have more time to complete their purchase. We are extending legal completion to 31 May 2021 due to delays caused by coronavirus. This allows an extra 2 months for homebuilders to complete the build and for homebuyers to legally complete and get the keys to their home.

There will be no more extensions, so we are asking homebuilders to continue to build at pace. Please check with your homebuilder and conveyancer that you're able to meet these dates. A new Help to Buy: Equity Loan scheme open to first-time buyers only will be available from 1 April 2021 to 31 March 2023. [Find out more about Help to Buy 2021-2023.](#)

Can I apply for the current scheme before it ends in March 2021?

Applications for the 2013-2021 scheme closed on 15 December 2020.

What happens if I can't complete my purchase on time?

If your build is severely delayed and you cannot meet the legal completion by 31 May 2021, your homebuilder must unconditionally release you from the contract. Contact your conveyancer for advice.

If I don't complete buying my home on time I will lose money, what should I do?

Your homebuilder must refund your reservation fee if you do not go ahead with buying the home. If you have already received an Authority to Proceed from us, your homebuilder may be entitled to make certain deductions from your reservation fee, but they must tell you about these first. If you exchanged contracts the homebuilder must also return your deposit. There are no other fees to apply for a Help to Buy: Equity Loan but you may still have to pay for independent legal or financial advice you have received.

I made an "Early Bird" reservation with my homebuilder in March 2020, but did not make a full reservation until July 2020 – do I qualify for the extension?

'Early bird' schemes are provided by the homebuilder and are not part of the Help to Buy: Equity Loan scheme. The legal completion date for your home purchase will be taken from the date you fully reserved with Help to Buy: Equity Loan. This is when your application for an equity loan began.

I cancelled my home purchase after the first lockdown, can I reserve the same home now that there is a new extension?

We acted as swiftly as possible to extend Help to Buy when we entered into this third national lockdown. This extension to 31 May 2020 will help people with homes already reserved that have been delayed due to coronavirus. We have been as flexible as we could be in these changing and uncertain times, and have tried to help as many homebuyers as we can.

What is the last date we can reserve a new home under the Help to Buy: Equity Loan (2013-2021) scheme?

The final date for homebuilders to take reservations under Help to Buy: Equity Loan (2013-2021) scheme was Tuesday 15 December 2020. This was to allow enough time for sales to legally complete before the scheme ends. It would have been irresponsible to allow sales to go ahead any later as homebuyers will not be eligible for funding if they do not legally complete on time.

When does the Help to Buy: Equity Loan scheme change?

The Help to Buy: Equity Loan (2021-2023) scheme for first-time buyers only starts on 1 April 2021 and it ends 31 March 2023.

When can I apply for Help to Buy: Equity Loan (2021-2023)?

First-time homebuyers who are eligible for Help to Buy: Equity Loan (2021-2023) can apply from 16 December 2020. You will be able to reserve your

home with a registered homebuilder and complete a Property Information Form needed by your Help to Buy agent to start your application.

Who do I need to get in touch with to discuss my Help to Buy application?

Your Help to Buy agent can help you to progress your application to get an equity loan. Your homebuilder can answer questions about when your home will be ready to move into.

Section 2 – Authority to Proceed

Will my Help to Buy: Equity Loan Authority to Proceed still be valid?

Some mortgage lenders have committed to keeping existing mortgage offers open for 3 months. If your repayment mortgage lender has agreed to this, your Authority to Proceed will be extended up to the expiry date of your existing mortgage offer. This is in line with current guidelines.

My Authority to Proceed is based on a valuation carried out before the lockdown started. What happens if the value of the home I'm buying has fallen?

The Government will continue to honour Help to Buy: Equity Loans agreed with homebuyers before the lockdown. We won't need a revaluation if your main mortgage lender is happy to proceed.

Section 3 – Valuations

Will you accept desktop valuations instead of onsite valuations during COVID-19?

Yes. If your repayment mortgage lender is using a desktop valuation to support its mortgage offer, that is acceptable for Help to Buy: Equity Loan.

I want to repay my Help to Buy: Equity Loan, can a surveyor come to my home to do a valuation report?

Surveyors are free to visit properties to carry out surveys. Surveyors should follow the latest government guidance and all public health guidance on social distancing.

I need a survey for my remortgage and there is a long wait for a surveyor visit, what can I do?

We are prepared to accept a desktop valuation, if you are able to demonstrate exceptional circumstances. Each application for a desktop valuation will be considered at our discretion on a case by case basis. This means you can get a Royal Institution of Chartered Surveyors (RICS) surveyor to provide a desktop valuation. You'll need to meet certain requirements for the desktop valuation.

What are the requirements for a desktop valuation?

A desktop valuation can be carried out without a surveyor visiting your home if it meets these requirements:

- The surveyor must be approved by the Royal Institution of Chartered Surveyors (RICS). You can find an approved surveyor on [the RICS website](#)
- The surveyor must be independent of the estate agent looking after the sale of the property (if applicable). The surveyor must not be related or known to you, to avoid any conflict of interest
- The survey must be provided on headed paper of the surveying company or approved surveyor (if they're a sole trader), signed by the RICS surveyor, and addressed to Homes England. It needs to be in PDF or another non-editable document format
- The surveyor must list at least 3 comparable properties and sale prices. These properties must be like-for-like in terms of type, size, age and within a two-mile radius of the property being valued, as per RICS guidance

How long will the desktop valuation be valid for?

Desktop valuation reports are valid for 3 months from the date of the report.

Section 4 – Reservations

I've reserved a new home off-plan on a development site, will it be ready on time?

Most homebuilders have returned to work on sites, but not all are taking the same approach. Contact your homebuilder to find out about their situation.

I've reserved a home and have the go-ahead for a Help to Buy: Equity Loan, but I've lost my job due to COVID-19. Can I pull out of the purchase?

Depending on your situation, homebuilders have the option to partly refund the reservation fee of up to £500 if you need to cancel. They'll follow the reservation terms and conditions and can charge for any reasonable costs they may have incurred.

Contact your homebuilder to understand your options. If you've already agreed a repayment mortgage with a lender, you need to contact them to explain your change in circumstances and to discuss next steps.

Section 5 – Completions

Can I still move, during a lockdown?

Yes. At the moment, the housing market remains open. Everyone should continue to play their part in reducing the spread of the virus by following the current guidance. Here is the [government's advice on moving during COVID-19](#).

Can the home building industry continue to work?

Yes, home building can continue in line with sector guidance. The Home Builders Federation has also published a Charter for working safely during COVID-19.

My Authority to Proceed with a Help to Buy: Equity Loan has expired, and I'm worried I'm going to lose my home. What can I do?

Get in touch with your Help to Buy agent urgently and ask for an extension on your Authority to Proceed. This will allow your home purchase to continue. You should check that your repayment mortgage offer will remain valid if a new completion date is agreed.

I've exchanged contracts on a new home and have a Help to Buy: Equity Loan agreed, will I be able to complete my purchase?

Yes. As long as you have a valid repayment mortgage offer on the date of completion and are able to legally complete your purchase by the agreed date.

If you've exchanged contracts and are concerned about your completion date and you need to extend your repayment mortgage offer, please contact your lender.

I am in my home, but I have a snagging issue that I want the homebuilder to fix. Are they able to come to my home?

The first thing to do is speak to your homebuilder. Where possible the homebuilder should investigate remotely using video or photo evidence. If this is not possible, when the inspector visits your home, you must follow the government guidance to minimise contact and remain 2 metres apart at all times.

Section 6 – Equity loan interest payment holidays

I'm struggling to pay my equity loan interest payments as I'm not working due to COVID-19, are you offering payment holidays?

Payments holidays on equity loans are available until 31 March 2021. If you have not applied for a payment holiday on your equity loan, get in touch to understand if you are eligible.

As soon as you can afford to repay your equity loan, please get in touch to let us know.

You can apply if you:

- Have contracted COVID-19
- Need to care for a family member who has COVID-19
- Are a permanent, temporary, full-time employee or contractor and had your working hours reduced either temporarily or permanently
- Are a business owner or self-employed and your business has been affected

If you have already had a payment holiday, you may be able to apply for a further 3 months.

If you have already had 2 periods that equal a total of 6 months you will not be eligible to apply for another payment holiday.

[Apply now using this online form to see if you're eligible.](#)

Interest will continue to be added to your equity loan and any payments you do not make during the payment holiday period must be paid when you settle your equity loan.

If you are experiencing financial difficulties, please contact our equity loan administrator customer service to understand your payment options.

Payment holidays may not be the best option. It is important you understand your options before you make a decision.

What happens at the end of my payment holiday?

As soon as you can afford to begin repaying at the normal rate, please get in touch to let us know. Otherwise, your equity loan payments will automatically return to the normal monthly amount when the agreed payment holiday period ends.

The important thing to remember is that the amount you owe will increase by the interest amount that has not been paid during your payment holiday. Also, during your payment holiday, interest will continue to be added to your account at the same rate as is in your loan agreement. A repayment plan will need to be set up to settle the outstanding amount at the end of your payment break.

Section 7 – Remortgaging

I am in the middle of remortgaging and this involves a legal Deed of

Postponement, will you accept an electronic signature on this phase of lockdown?

Currently the Land Registry needs a 'wet signature' on deeds, so we've put in place a manual process to do this. However, given the current situation it's taking longer than usual, but rest assured that we're still completing all legal requirements for deeds. If you're concerned about whether your lender will need a wet signature for mortgage documentation you should contact them directly.

Section 8 – Stamp duty

Does the announcement about stamp duty exemption apply to Help to Buy customers?

Yes, if you are buying a home up to the value of £500,000 and legally complete your purchase between 8 July 2020 and 31 March 2021, you do not have to pay stamp duty.

The information on my Authority to Proceed or Authority to Exchange still includes details of stamp duty. Do I need to get this changed?

We don't want to slow down your purchase and have decided not to reissue or amend paperwork. Your homebuilder and conveyancer will be able to make any changes that are needed.

My homebuilder agreed to pay my stamp duty as an incentive to buy, what should I do?

This is an agreement between you and your homebuilder. Please speak to your homebuilder and solicitor about the options available to you.

When do you normally pay stamp duty?

Stamp Duty is payable on legal completion. Help to Buy: Equity Loan homebuyers who have exchanged contracts and are waiting to complete can benefit from the announcement about stamp duty exemption.