NFI Online

Equity Share Loan Keying Guide

This guide will assist entering information correctly to support full accurate submissions for Equity Share Loan purchase cases.

New Build Properties

If the purchase is for a New Build property, please ensure that the Loan to Value (LTV) doesn't exceed our New Build LTV restrictions.

Current LTV restrictions on New Build are:

- New Build houses – restricted to 90% LTV
- New Build flats – restricted to 75% LTV

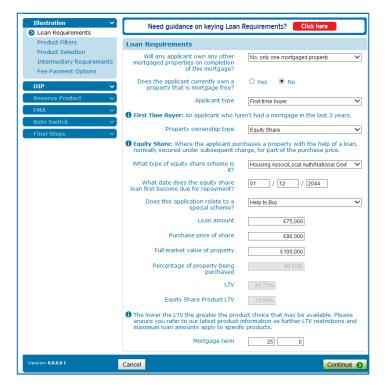LTV is worked out using the loan amount requested against the full open market value.
Example: Loan = £71,000
                    Full property value = £120,000
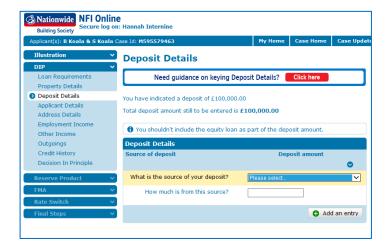   LTV = 59.17%

Illustration

1 Choose 'Equity Share' in the Property ownership type.

2 Select the relevant Equity Share loan scheme.

3 Enter the date the equity share loan becomes due for repayment. This date would not be less than the mortgage term that has been selected.

4 Select 'Help to Buy' from the drop menu for Help to Buy schemes when answering the question 'Does this application relate to a special scheme?'

5 In this example, the client needs to borrow £75,000 – this is entered in the 'loan amount' field.

6 The value of their share is £80,000 – this is entered in the 'purchase price of share' field.

7 The full market value of the property is £100,000 – this is entered in the 'full market value of property' field.
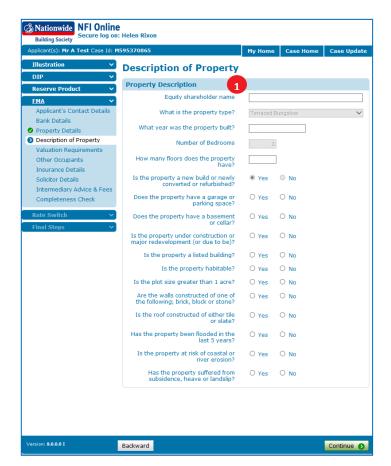
DIP

The details required on the Loan Requirements page of the DIP module are the same as for the Illustration (above).

We need a minimum of 5% deposit from the client's own resources e.g. savings or a gift. In addition to this 5% your client can use further deposit monies from other acceptable sources, where applicable. This should be entered separately.

FMA

1 Enter the Equity shareholder name.

Please note: What you enter here will be displayed on the offer.

For Help to Buy cases, the Equity shareholder name should be:

England: Homes and Communities Agency

Scotland: The Scottish Ministers

Wales: Help to Buy (Wales) Limited

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