

# First Time Buyer Offset

Buy your first home  
with a 5% deposit

**With our First Time Buyer Offset mortgage you can buy your first home with only a 5% deposit and help from family members who use their savings as additional security for the mortgage.**

An Offset mortgage reduces the balance on which interest is charged by 'offsetting' any savings that are linked to your mortgage. So your family will be helping you to pay less interest, which means that your mortgage balance will reduce faster.

## How it works:

- You need a cash deposit of at least 5% of the purchase price.
- Your family members will need savings of up to 20% of the purchase price.
- Your deposit and your family savings must equal 25% of the purchase price.

## For example, if you have a 5% cash deposit:

<b>Purchase price</b>	£200,000	
<b>Your cash deposit</b>	£10,000	If you have a larger deposit than this, the family offset savings required will be less.
<b>Total mortgage balance</b>	£190,000	Your monthly payments are calculated on the total mortgage balance (purchase price less your deposit).
<b>Family offset savings</b>	£40,000	No access until the mortgage LTV represents 75% of the property value.
<b>Mortgage balance that interest is charged upon</b>	£150,000	This is your total mortgage balance less the amount of the family offset savings.

## Why First Time Buyer Offset:

- You benefit from lower mortgage rates, similar to those for customers with larger deposits.
- You only need a 5% deposit which means that you could buy your first home sooner.
- By offsetting savings against your mortgage, you will reduce your mortgage balance faster. This could mean that you have a larger deposit available for your next step up the property ladder.
- Your family members do not receive interest on the savings whilst offsetting your mortgage. This is tax efficient for the family as a whole.

## How to apply

You can book an appointment with a qualified mortgage adviser at your local branch. They will tell you if you are eligible for a mortgage and will explain how it works.

Call **01635 555777**

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