

BRACKNELL FOREST COUNCIL'S MORTGAGE SCHEME

From May 2010, Bracknell Forest Council will provide mortgages as an additional source of support to enable applicants who wish to purchase low cost home ownership properties in the borough to do so.

What is a mortgage?

A mortgage is simply a loan, obtained by using property as security. Very few people can afford to buy homes outright and thus at some stage of their lives will require a mortgage. Taking on such a large commitment is probably the most important financial decision that a person is ever likely to make.

What type of mortgage will the council provide?

The council will provide a capital and interest repayment mortgage and the mortgage will be secured as a **first legal charge** over the property. The loan is secured against the home so if for any reason the customer cannot repay it, the council can sell the property to get back the money that it has loaned.

Will I need to pay a deposit?

A deposit of at least 5% of the shared equity value of the property will be required this means that the maximum amount you can borrow from the council is 95% of its value.

What is the maximum term for the council mortgage?

The maximum term for the council mortgage is 25 years.



What rate of interest will I pay?

The rate of interest is variable so payments can increase as well as decrease over the lifetime of the mortgage. The rate charged by the council must be the higher of:

- The Standard National Rate (SNR) which is set by the government.
- The Local Average Rate is based on the council's underlying average long-term borrowing rate and is recalculated every 6 months.

With effect from 1st April 2010 the Standard National Rate is 3.13%.

Am I eligible to apply for a council mortgage?

Applicants will need to complete a mortgage application form and will be subject to an affordability assessment to decide whether their application for a mortgage has been successful. The provision of council mortgages is subject to the council having sufficient funds available at the time of applying.

As long as you meet the following eligibility criteria you can apply for a council mortgage but you will be subject to an affordability assessment that will determine whether you can have a mortgage offer:

- You must be over the age of 18
- UK Citizen and not subject to any immigration controls
- Live in the borough as a resident
- Have a live application on Bracknell Forest's housing register
- Work full time or at least 16 hours a week with a minimum income of £20,000 per year or a joint maximum income of £60,000 per year
- Have a good credit history
- Be a first time buyer

What about independent financial advice?

Bracknell Forest Council recommends that all customers take independent financial advice prior to agreeing to the conditions of the loan.

Which department do I contact if I have any queries?

If applicants have any queries on the council's mortgage scheme, they should speak to a member of the Housing Options Team who are available on Monday to Friday 8.30 am – 5.00 pm on 01344 351352 or 01344 351198 or 01344 351197. Or you can get more information by going online to:

www.bracknell-forest.gov.uk/councilmortgages.

How do I make a complaint?

If you wish to make a complaint please contact the council at the following address:

Housing Options Team
Environment, Culture and Communities
Bracknell Forest Council
Time Square
Market Street
Bracknell
Berkshire
RG12 1JD

If the Council cannot settle your complaint the council may be entitled to refer it to the Local Government Ombudsman.

Copies of this leaflet may be obtained in large print, Braille, on audio tape or in other languages. To obtain a copy in an alternative format, please telephone 01344 352000.