

Family Equity Scheme

If you're a first-time buyer or looking to move into a new property, but don't have a large deposit, the Family Equity Scheme could be for you.

We think it's fair that people have the opportunity to own their own home, even if they have little or no deposit, so we've developed the Family Equity Scheme. It's a way for you to receive help from a family member to realise your dreams of a new home.

Rather than giving you a deposit, your family member contributes to the purchase price of the property through an interest-free loan. This is an arrangement between the mortgage borrower and family member, and not with Britannia. In return the family member acquires a proportional share in the equity of the property to be secured by way of legal charge. (By family member, we mean those related by blood, adoption, marriage, through civil partnership, legal guardianship or through living together.)

The scheme enables you to get on to the first (or next) rung of the housing ladder.

Family Equity Scheme benefits

- You obtain the benefit of a contribution towards the purchase price from a family member - making the house purchase achievable
- Your family member benefits from the reassurance of being legally protected by a second legal charge on the property and will receive independent legal advice
- Because you both have a share in the equity of the property, you will benefit from rises in value
- However, it's only fair to point out that the security provided by the second charge will reduce in line with any reduction in the value of property, or by the amount of any increase in the mortgage debt outstanding (such as in the case of arrears). Similarly, should you choose to take further borrowing from the society in the future, the security provided by the second charge may also reduce. In both of these scenarios this could potentially result in total loss.
- The Family Equity Scheme is available on all the mortgages in our core range, apart from Buy-to-Let products
- We can arrange for you and the family member to use solicitors with which we have an agreed arrangement, giving you the benefit of highly competitive legal costs and documentation developed specifically in conjunction with our solicitors. However, you and your family member are free to use solicitors of your choice

Additional features of the Scheme

- You can only apply for a mortgage for up to 75% of the value of a property
- The loan from your family member needs to be a cash deposit, perhaps from savings, a remortgage of their own property or a Britannia Home Owner Loan on the family members property
- The loan is secured by way of a legal charge on the property and is registered as a second charge behind Britannia's first charge
- Your family member must receive independent legal advice to explain the legal charge
- You have the option to repay the loan in full to your family member in the future. You may be able to do this through one of our Home Owner Loans, if you meet the lending criteria. It's only fair to point out that there may be restrictions to further borrowing, as a result of the second charge on the property
- You will legally own 100% of the property. Your family member's details will not appear on the mortgage, nor will they have any rights to account information
- If you decide to sell the property and in other specific circumstances, the equity loan from the family member will have to be repaid. The amount to be repaid will depend on the property value at the time and the amount of the mortgage balance outstanding.

How much are the legal costs?

- Should you choose to use our solicitors, standard legal costs will apply and the costs for your family member will be £150 (+ vat), plus disbursements
- If you and your family member use solicitors of your choice, they will provide details of their own costs

YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE.

Up front fees and early repayment charges may apply to our mortgage products.

It's easy to apply

Let Britannia's mortgages start working for you. Simply ask in one of our branches or call us for more information on the Family Equity Scheme and our current mortgage rates. We'll send you everything you need to know about your chosen mortgage and the Family Equity Scheme, including a key facts illustration. We'll even help you fill in the application form if you need it.

Need help deciding?

If you're still not sure whether the Family Equity Scheme is right for you, please speak to one of our mortgage advisors to discuss other options available to first time buyers. We're here to help whenever you need us.

Call us on 0800 526 350*

Click on britannia.co.uk

Visit your [local branch](#)

For your information

+ Lines open 8am - 8pm Monday - Friday and 9am - 12 noon Saturdays. Please note, calls from a landline are free, however mobile phone providers may charge. Telephone calls may be recorded and/or monitored.

* Lines open 8am - 8pm weekdays and 9am - 1pm Saturdays. Telephone calls may be recorded and/or monitored.

This fact sheet is also available in large print, Braille and on audio.
For further information please contact a member of staff.

Britannia Building Society is authorised and regulated by the Financial Services Authority.
Britannia Building Society undertakes to comply with The Banking Code. Copies of this Code are available from any of the Society's branches or by calling 0800 132 304†.

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