

## The First Home Fund – revised in light of Covid 19

The First Home Fund has been introduced by the Scottish Government to assist first time buyers to take their first step onto the property ladder. Funding has been increased from £150 Million to £200 Million in light of the Covid 19 pandemic. It is estimated up to an additional 2,000 homebuyers will benefit from the increased funding.

The Fund allows a first time buyer to apply for up to £25,000 or 49% of the purchase price or valuation (whichever is the lower) to purchase new or existing properties. Unlike some other schemes, there is no limit on the purchase price of the property and it is open to single and joint purchasers. If you are purchasing with a partner, you can submit a joint application, but the maximum contribution will still be £25,000. You can also benefit from the Fund if you are a first time buyer but are purchasing with a partner who has already owned a property. However, your partner must have sold their existing property prior to you purchasing if using the scheme.

Points worthy of note are:-

- In order to take part the first time buyer must have a 5% deposit and their capital repayment mortgage must be at least 25% of the purchase price.
- On the sale of the property the percentage of equity held by the Scottish Government is repaid to them.
- Under the scheme you must reside in the property and importantly, you cannot lease it out at any point.
- You cannot apply to use the scheme if missives have already been conducted for the purchase of the property. An offer must however have been accepted prior to the application being made.
- The award letter is for 3 months, and missives must be concluded within these three months.
- There is an arrangement fee of £550 payable to the scheme administrator, but it is refunded if the application is not successful.

- More information can be [found here](#).

If you would like more information on the Fund and to enquire as to your eligibility, please contact us on 01224 564636 or email – [property@raeburns.co.uk](mailto:property@raeburns.co.uk) and we would be happy to assist

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