

# News story: £10 billion new funding for Help to Buy Equity Loan

The government will invest a further £10 billion in the Help to Buy Equity Loan, due to the popularity of the scheme across the country.

More than 130,000 completions have already taken place by people using the equity loan, which helps people buy a new build home with only a 5% deposit.

The new funding means that the [Help to Buy Equity Loan](#) could help around 135,000 more people to buy homes by 2021. This would bring the total number of households across England that would be supported through the scheme since it began in 2013 to around 360,000.

Some 81% of home purchases using the [equity loan scheme](#) have been made by first-time buyers, helping the total number of first-time buyers to increase by 70% between 2010 and 2016.

The new funding expands the government's commitment to help people make their dream of owning a home a reality. The Chancellor has been clear that support for buyers must be matched with support for building so that, over the longer term, housing becomes more affordable. This means land must be made available in the right places to build the homes we need. The government will therefore consult [at Budget](#) on an ambitious package of planning reforms, building on the [Housing White Paper](#).

These commitments build on the package of further measures announced by the Secretary of State for Communities and Local Government.

## **Further Information**

The Equity Loan scheme launched in April 2013 and funding has been committed until 2021. It works by the government providing an equity loan of up to 20% which is repaid when the home is sold, or after 25 years, whichever comes first.

Potential homeowners using the programme are subject to the normal affordability assessments undertaken by mortgage lenders. No interest or repayments are due during the first 5 years of the loan.

The Help to Buy: Equity Loan can be used to purchase a new build property up to the value of £600,000, with a maximum equity loan of £120,000 (20%). In London, applicants are able to claim an equity loan up to 40% of the purchase price.

The housing announcements follows the most recent Help to Buy statistics which showed that [over 320,000 completions have taken place using one or more of the Help to Buy schemes](#), including over 275,000 first-time buyer households. Over 1 million Help to Buy: ISAs have now been opened by first-

time buyers, offering government bonuses of up to £3,000 towards the cost of a first home.

Since 2010, the government has delivered over 300,000 affordable homes, and more than double the amount of council housing has been built in the seven years since 2010 than in the 13 years before it.