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FORCES HELP TO BUY *Policy information current as at 04 December 2017*

The Forces Help To Buy Scheme (FHTB) was launched on 1 April 2014 as a three year pilot scheme, and has now been extended to the end of 2018.

FHTB enables Service personnel to borrow by way of an advance, up to half their annual salary (up to a maximum of £25,000) and is intended to assist towards the balance of the purchase price (taking into account, for example, deposit, legal, surveyors, land registration and estate agent fees) when buying a property for which a mortgage lender is willing to advance a mortgage. Whilst this handout provides an overview of the FHTB scheme, any personnel looking to utilise FHTB should familiarise themselves fully with JSP 464 Part 1 Chapter 12 where full details of the eligibility and qualifying criteria can be found.

Most mainstream mortgage providers are supporting Service Personnel by offering mortgage products in conjunction with FHTB. There are some exceptions, so it is always best to check BEFORE applying for a mortgage. You can do this by looking on their websites, asking in their branches or by phoning them. Alternatively, if you are planning to use a mortgage broker make sure you disclose the use of FHTB at the outset and that they subsequently inform potential mortgage providers.

General

The FHTB scheme is designed for first-time buyers or those needing to move to another property, either because they are assigned elsewhere or as a result of certain extenuating family or medical circumstances. A property for which FHTB has been claimed must be intended for the Service person's own immediate occupation, or that of their immediate family. An exception to this applies to those in overseas postings at the time of application and purchase. It is not intended for the purchase of 'buy-to-let' properties or any other second property, but under certain circumstances can be used to extend or modify an existing property.

FHTB is not related to other Government funded Help to Buy schemes but can be used in conjunction with the DCLG Help to Buy Schemes (Equity Loan and Shared Ownership), Help to Buy (Scotland) and Help to Buy (Wales).

Entitlement

Applicants who meet all of the applicable eligibility and qualifying criteria within JSP 464 will be permitted an interest free FHTB advance recoverable from pay and, if necessary, terminal benefits. The amount of the FHTB approved will be limited to

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either 50% of gross basic pay including all forms of Recruitment and Retention pay, but not allowances; or £25,000, whichever is lower.

The FHTB advance may be capped when used if an applicant sells an existing property to purchase a new one, depending on the amount of any capital realised from the sale of the previous property.

Existing LSAP recipients applying for a FHTB advance will be subject to a cap depending upon the outstanding balance of the previous LSAP loan. For LSAP policy, refer to JSP 752, Chapter 2, Section 4.

Ensure you speak to a financial adviser, and let the mortgage lender know you plan to use this before you apply for a mortgage as it must be calculated as part of your affordability and borrowing capacity!!

Letting, Sale and Remortgage of Properties

Full details of changes affecting properties purchased using FHTB are available within Section VII of JSP 464 Part 1 Chapter 12

Entitlement to Service Accommodation

Personnel assigned with their immediate family to an area within 50 miles of a property which they have purchased or extended with the aid of a FHTB advance (whether designated as a RWA or SPR) are disqualified from occupation of SFA / SSFA or SLA, except in certain circumstances.

Applying for Forces Help to Buy

Service Personnel are to apply for Forces Help To Buy (FHTB) on JPA through the Self Service Application for FHTB. Full instruction on completion is on line in the JPA Self Service User Guide - Applying for Pre-Approval for FHTB.

In exceptional circumstances only, where the individual has no permanent access to JPA, the JPA Form E035 may be used – and forwarded to DBS Mil Pers FHTB Section at least 6 weeks before the expected purchase completion date.

Repayment of the FHTB will be determined by a variety of circumstances.

Relevant Authorities

Defence Business Services Military Personnel FHTB Section Centurion Building, Grange Road Gosport, Hants PO13 9XA	Tel: Internal – 94560 3600 Option 4 External – 0141 224 3600 Fax: Internal – 93844 2828/ 2506 External: 02392 70 2828/2506
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Joint Service Housing Advice Office
Civ: 01252 787574 | Mil: 94222 7574
RC-AWS-JSHAO-0Mailbox@mod.gov.uk

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