

## Written Submission 2.21

**Mr M Raine**

Dear Sir/Madam

### **Re Starter Home Deposit Loan Scheme**

I write further to your advert in the JEP for comments on the above proposed scheme.

My partner and I would very much welcome any scheme that could assist first time buyers in getting on the property ladder. As 'average earners' it is very difficult to raise enough money to pay lawyer's fees, let alone a deposit on any local property with prices as high as they are. We have been looking for a two bedroom property with an outdoor area for some time, and while we could afford mortgage repayments on the properties we have seen, we have been unable to raise the minimum 10% deposit required by the mortgage providers. Very expensive monthly rent (in many cases, more than monthly mortgage repayments) and a distinct lack of 100% mortgage lenders has left us renting for many years.

While the scheme would be very helpful to us, the £262,000 fresh hold for a two bedroom property seems to be rather unrealistic, with even the most basic two bedroom flats coming in well over the top of this limit, and even many one bedroom properties. I can understand the need to cap the amount lent, and 15% is very generous, however, would it not be more beneficial to cap the amount lent to £39,300 (15% of £262k) rather than restricting the property value to £262,000. This would provide us with a much wider (and more realistic) range of two bedroom properties in which we could potentially invest.

My only other concern would be whether the loan would count as a 'black mark' against us from the mortgage lenders point of view, as one of the first questions you are asked when assessing your borrowing potential is whether you have any outstanding credit cards debts or loans.

Overall, a very good initiative from the States (which I hope is backed) that my partner and I would love to be a part of!

Kind regards

Mike Raine