

Helping a family member to purchase a property

Family or guarantor mortgages offer a way for families to help family members with a property purchase. Borrowers who are unable to demonstrate affordability on their own, perhaps due to their age and credit history, or because their current income or assets are insufficient, could receive support from a family member.

The client's requirements	A recently qualified accountant approached us as she was having difficulty securing a mortgage to buy her first home in her preferred area.
Their financial situation	The client's annual income was just under £40,000 and she had saved almost £70,000 towards a deposit and associated costs, including a contribution of £35,000 from her parents. She was seeking to purchase a property valued at £315,000 by borrowing £252,000.
Our assessment and solution	<p>Although earning a good salary, this was insufficient to support the level of borrowing required to purchase the property. The LTV was relatively high at 80%.</p> <p>With a guarantee of support from her parents, we were able to approve the loan based on our assessment of her parent's income, assets and liabilities. This allowed the client to search for the right property and, knowing the finance was available, to make an offer in confidence.</p>
The outcome	A mortgage of £252,000 was approved on a Capital & Interest basis over 30 years on lifetime tracker rate with no Early Repayment Charge.



Clare Ansell
Banking Director

"A family or guarantor mortgage can be a great way to help family members to climb the property ladder when they wouldn't otherwise be able to demonstrate affordability. Help may come from a parent, grandparent or sibling in the form of a guarantee or pledged contribution."

All borrowing is subject to status and is available to persons of 18 or over. Security might be required for borrowing in the form of a charge or standard security over land, or other forms of security over your investments or other assets. YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON A MORTGAGE OR ANY OTHER DEBT SECURED ON IT.

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