



# How To Buy a Home with No Deposit If You Are Serving in The Military.

Embracing a military career comes with its perks, yet the constant relocation and reliance on military accommodation can pose its challenges. As property prices continue to soar without a hint of relief in sight, the dream of owning a home can feel increasingly out of reach.

We understand the fatigue and exasperation that can stem from the constant upheaval. What's more, the inability to secure a deposit for purchasing a property can amplify these frustrations.

But here's where Forces Help to Buy can help you.

In this guide:

- **Understanding Forces Help to Buy**
- **Eligibility For Foreign Nationals Serving in The UK Armed Forces**
- **What Is the Repayment Amount?**
- **What Happens If I Leave the Forces?**



# A GUIDE TO FORCES HELP TO BUY

- **What Should I Do Next?**
- **How Much Can I Borrow?**
- **What Should Be Your Next Steps?**
- **The Legal Bit.**

## Understanding Forces Help to Buy

The Forces Help to Buy initiative, supported by the government, offers substantial financial aid. This program provides an advance payment equivalent to either 50% of your salary or up to £25,000, depending on whichever amount is lower.

This financial boost can be allocated to various aspects of your property purchase, covering elements such as the deposit, conveyancing, surveyor fees, land registration, and even estate agents' charges.

Eligibility depends on multiple factors. To be eligible, you should have completed:

- Completed more than 2 years of service and have successfully completed phase 2 training within the Army & RAF.
- For Navy personnel, acceptance onto trained strength.

**You must also have at least 6 months remaining in your service commitment at the time of application. This point applies to Army, Navy & RAF.**

This scheme is specifically designed for the purchase of primary residences. It's important to emphasise that the Forces Help to Buy scheme cannot be used for purchasing second homes or properties intended for buy-to-let purposes.

Your marital status and parental status do not serve as prerequisites for accessing the scheme. If you meet the above criteria, you are eligible to access the scheme.

The Forces Help to Buy scheme covers both newly constructed properties and those which have been lived in before.

## Eligibility For Foreign Nationals Serving in The UK Armed Forces

Foreign nationals serving within the UK Armed Forces can still participate in the Forces Help to Buy scheme if they meet the previously outlined criteria. However, there are additional conditions to fulfil in order to access the scheme.



## A GUIDE TO FORCES HELP TO BUY

Specifically, most lenders usually require a minimum residency duration of 3 years in the UK and possession of indefinite leave to remain. This status ensures a certain level of stability in your residency.

It's important to note that having a statement indicating *that "the holder is not subject to any condition or limitation on the period of permitted stay in the United Kingdom whilst serving as a regular in HM forces until the date of discharge"* does not imply indefinite leave to remain.

This is known as conditional leave to remain and is not equivalent to indefinite status. If you end your service, the condition is lifted, and you have 30 days to leave the UK.

While obtaining a mortgage is still possible, it becomes more challenging. A strong credit score and a history of responsible financial behaviour become crucial factors in this context.

### What Is the Repayment Amount?

The loan will be deducted directly from your salary, and it comes with a 0% interest rate. To calculate your monthly repayments, use the following formula:

**Divide the borrowed amount by 120 to get the monthly payment.**

Additionally, there is a nominal insurance fee to safeguard the loan, typically costing less than £10 per month as a general estimate. The exact insurance cost varies based on the borrowed amount.

### What Happens If I Leave the Forces?

If you decide to leave the armed forces after using the Forces Help to Buy scheme, any entitled resettlement grant or terminal benefits will typically have any remaining outstanding balance from the scheme deducted from them.

If there is still an outstanding balance after this deduction, you will be required to make payments until the loan is completely repaid.

### What Should I Do Next?

Firstly, it is advisable to review your credit score. This report provides insights into your credit history over the past six years. If you haven't checked your credit score before, you can take advantage of a 30-day free trial for new customers through this link: [Free Credit Report](#)

Lenders require accurate contact information and specific proofs of address. This information helps them evaluate you as an applicant and establish your current residence, which is crucial for communication purposes.



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Considering you are seeking substantial loan amounts from lenders who assess your financial background, it is essential to highlight the significance of a strong financial history.

Instances such as missed payments on other accounts can have adverse effects. Such instances suggest challenges in managing your finances responsibly, potentially undermining the success of your mortgage application.

### How Much Can I Borrow?

It's crucial to maintain realistic expectations regarding what you can both afford and borrow. This approach enables you to understand the associated expenses and the purchasing power of your funds.

While online calculators can serve as useful tools for guidance, they provide only approximate estimates and not definitive figures.

### What Should Be Your Next Steps?

Download your credit report - link for this is above.

Then, either:

Give our friendly team a call on 01572 503051

Drop us an email [info@forcespropertydirect.co.uk](mailto:info@forcespropertydirect.co.uk)

Take the free & confidential Financial Health Check on our website [www.forcespropertydirect.co.uk](http://www.forcespropertydirect.co.uk)

### The Legal Bit

**Your home may be repossessed if you do not keep up repayments on your mortgage.**

This helpful guide has been prepared for Forces Property Direct by Charlie Bridges Mortgages & Protection Ltd.

There may be a fee for mortgage advice. The actual amount you pay will depend upon your circumstances. The fee is up to 1% but a typical fee is £500.

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