

First-time buyers' loan and Purchase Subsidy

First-time home buyers have been having a hard time getting a foot on the property ladder in recent years. Despite low interest rates and schemes like the National Mortgage Guarantee (NHG), the financial burden is sometimes too high. Fortunately, the government can help in some cases. In this folder, the Homeownership Guarantee Fund (WEW), which provides the NHG, lists the various options.



NATIONALE HYPOTHEEK GARANTIE

Voor aankoop en verbetering van uw woning

First-time buyers' loan

Are you a first-time buyer and do you already have a home in mind? Your lender or mortgage advisor can calculate your monthly costs for you. If your payments seem too high in relation to your income, you may be eligible for a first-time buyers' loan. This loan is provided by the Housing Stimulation Fund Dutch municipalities (SVn) and is an additional loan on top of your normal mortgage. You can apply for the first-time buyers' loan from your municipality.

How does the first-time buyers' loan work?

The first-time buyers' loan bridges the gap between the total purchase price of your home and the maximum amount – based on your income – that you can borrow from the bank. The general terms and conditions of NHG apply here too. The first-time buyers' loan has a fixed rate period of fifteen years and a maximum term of thirty years. You do not pay interest or redemption for the first three years. You only start paying interest and redemption payments when your income has risen sufficiently. If your income does not rise sufficiently, you may request the SVn to review your situation and your monthly payments will reflect your current income. Reviews are performed after the 3rd, 6th, 10th and 15th year. Once you start to make full monthly repayments on the first-time buyers' loan, no further reviews will take place. If the fourth (and last) review in the 15th year shows that your income is not sufficient, the monthly payments established at that time are fixed for the remaining term. Redemption ultimately takes place after the home is sold or after 30 years.



General terms and conditions

Your home is financed through a combination of a first mortgage and an additional second mortgage: the first-time buyers' loan.

The following terms and conditions apply:

- You may take out your first mortgage with the bank of your choice. This must have a fixed rate period of at least ten years.
- You take out your second mortgage, the first-time buyers' loan, with SVn. This must have a fixed rate period of fifteen years.
- Both mortgages must fulfil the terms and conditions of NHG. Therefore the total sum may not be higher than the acquisition costs of the home, i.e. the purchase price of the home plus a fixed supplement of twelve percent for an existing structure or eight percent for a new construction. Improvement costs or additional work can also be included in the financing but do not always count towards determining the amount of the first-time buyers' loan.

Municipalities offering first-time buyers' loan

Not all municipalities offer a first-time buyers' loan and each participating municipality set its own terms and conditions, such as a maximum income limit. For a list of the participating municipalities, the terms and conditions for a first-time buyers' loan and the application procedure, visit www.svn.nl.

www.nhg.nl

Purchase subsidy (Contribution Own Home)

Do you have a low income and you want to buy a home? If so, you may be eligible for a purchase subsidy. You can apply to SenterNovem for a purchase subsidy. The purchase subsidy provides a tax-free monthly contribution to the mortgage costs. The amount of the subsidy depends on your income (and that of your partner), the purchase price and the mortgage sum.

Your income is assessed on the basis of your gross annual income plus that of a fiscal partner. The income is subject to the conditions and norms of NHG. For more information about the assessed income, visit www.nhg.nl.

General terms and conditions

In order to be eligible for a purchase subsidy, you must fulfil the following conditions:

- Your mortgage must satisfy the terms and conditions of NHG.
- You must be at least 18.
- You have not been the owner-occupier of a home for three years prior to the application for a purchase subsidy.
- As the owner, you will occupy the home yourself (alone or with others).
- Your capital does not exceed € 20,661 (or € 41,322 if you have a fiscal partner).
- The purchase price must not exceed € 167,300.
- Your mortgage must not exceed € 180,684.
- Your mortgage must have a fixed rate period of at least ten years.

There are also additional terms and conditions, e.g. all other payment obligations must have been paid by the date of purchase. For other terms and conditions, visit www.senternovem.nl.

An application for a purchase subsidy is completed within two weeks with a provisional decision, a copy of which is sent to the lender. The lender needs the cash value of the purchase subsidy to apply for the NHG.

More information?

For more information about the first-time buyers' loan, visit www.svn.nl.

Opening hours: 9.00 a.m. – 5.00 p.m.

T: +31 (0)33 253 94 36

E: info@svn.nl

For more information about the purchase subsidy, visit www.senternovem.nl.

Opening hours: 9.00 a.m. – 12.00 p.m.

T: +31 (0)70 373 59 15

E: koopsubsidie@senternovem.nl

Do you have questions about NHG?

Don't hesitate to contact:

Homeownership Guarantee Fund (WEW)

PO Box 309

2700 AH Zoetermeer

0900 11 22 393 (€ 0.35 p/m)

www.nhg.nl

This pamphlet is part of a series of NHG consumer pamphlets. Visit www.nhg.nl and look under the heading 'Consumer pamphlets' for more information.