



27 September 2012

# NewBuy Guarantee scheme

## Quarterly and cumulative data for England up to 30 June 2012

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- By 30 June 2012 250 home purchases had been completed under the NewBuy Guarantee scheme. Mortgages are covered by the government guarantee from point of completion.
- By 30 June 2012 government's maximum possible cost had increased to £2.5m (rounded to 1 decimal place). Government's maximum total contingent liability is capped at £1bn. Each time a property is sold under the NewBuy Guarantee scheme government's maximum possible cost within this limit increases by 5.5% of the property's sale value.
- By 30 June 2012 government had incurred no costs. Government's costs will be incurred only when: (i) NewBuy properties have been purchased (completed), possessed, resold, attracted losses, and those losses have been claimed by the appropriate lender/s; and (ii) The total of such losses is in excess of the total of the builder's corresponding indemnity fund. This cost will not necessarily reach the full extent of government's maximum possible cost. Costs listed here are incurred as a result of payments made to lenders according to the terms of the Government Guarantee.

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# housing

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## Further information

This first official statistical release concerning the NewBuy Guarantee scheme was published on 27 September 2012. The second release will be published on 27 March 2013.

This release covers activity under the scheme from commencement on 12 March 2012 until 30 June 2012. It covers an unusually extended first quarter, including the period from launch until 31 March 2012 when no transactions were completed under the scheme.

Figures presented in this and subsequent releases will cover quarterly periods, and will be published on a six monthly basis.

NewBuy is only available in England.

These data are subject to revision and may be adjusted for future releases.

This release covers:

- 1) **Total Completions** (number of properties purchased under the scheme);
- 2) **Government's Contingent Liability** (the maximum possible cost to government as a result of government's provision of a guarantee corresponding to these completions); and
- 3) **Government's Total Costs** (the amount spent by government to date in payment of claims made by mortgage lenders against this guarantee).

Further policy information on the NewBuy Guarantee scheme can be found at:

<http://www.communities.gov.uk/housing/homeownership/newbuy>

**Figure 1: NewBuy Guarantee scheme: Quarterly and cumulative data for England up to 30 June 2012**

<b>Period</b>	<b>Completions</b>	<b>Govt Liability (Maximum Possible Cost)</b>	<b>Costs Incurred</b>
		£million (rounded to one decimal place)	£million (rounded to one decimal place)
12 March 2012 - 30 June 2012	250	2.5	0
Cumulative totals	250	2.5	0

## Background note

Official Statistics are produced to high professional standards set out in the Code of Practice for Official Statistics.

This data has been collected by Jardine Lloyd Thompson (JLT) in its role as administrator for the industry-led NewBuy Guarantee scheme. Analysts working for the Department for Communities and Local Government have worked with JLT's analysts to ensure the accuracy of these data. The next release will cover periods 1 July 2012 - 30 September 2012 and 1 October 2012 - 31 December 2012. This release will be published 27 March 2013.

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