

Statement of support for First Homes from the BSA, UK Finance and UK lenders

On 4 June 2021, Robert Jenrick, Secretary of State for Housing, Communities and Local Government, announced the launch of the First Homes scheme to help local first-time buyers and key workers across England to own their own homes, with the support of UK banks and building societies.¹

First Homes are a new form of affordable housing, sold to first-time buyers at a discount of at least 30% against the market value that remains attached to the property in perpetuity. After the discount has been applied, the first sale must be at a price no higher than £250,000 (or £420,000 in Greater London). First Homes will be for first-time buyers only, and councils will be able to prioritise them for local people and for key workers. This scheme is a part of the government's commitment to deliver 1 million homes by 2024.

Mortgage finance plays a vital role in helping to bring home ownership within reach for as many people as possible. At Budget 2021 the Chancellor announced the government's support for 95% Loan to Value lending through the mortgage guarantee scheme, which can be used to support First Homes, and the Government has also been working with banks and building societies to ensure that competitive mortgages are available for First Homes from day one of the scheme.

The first 'First Homes' will be marketed over the summer of 2021, and the Government will be funding a further 1,500 homes to come to the market from the end of 2021. Today seven banks and building societies, including major high-street lenders Halifax and Nationwide Building Society, along with many local building societies and community lenders, announced that they will be offering high loan-to-value mortgages against First Homes to support the roll-out of the scheme.

Secretary of State for Housing, Robert Jenrick MP said:

"First Homes are a key part of this Government's commitment to make the dream of home ownership come true for as many families as possible. We are delighted to be working with several regional and national lenders to deliver the first of these homes across England and look forward to working with a suite of lenders for a larger pilot later this year."

David Postings, CEO of UKFinance, said:

"Key workers have kept the country running during the pandemic and we are committed to doing what we can to help them, and other local first-time buyers across England, to realise their dreams of owning their own homes. Our commitment is shared across all necessary stakeholders, as underscored by the high level of co-operation between lenders, government, local authorities and developers in helping drive the First Homes scheme forward."

¹ See [Written Ministerial Statement](#) by the Minister of State for Housing (Christopher Pincher) on 24 May 2021

Robin Fieth, Chief Executive of the Building Societies Association, said:

"Building societies have always been dedicated to bringing home ownership within reach for as many people as possible, which is why we are working with the sector to help bring forward mortgages for First Homes as soon as possible. Building societies, both large and small, are pleased to be among the first lenders to offer mortgages in support of this new product."

Further information

The following banks and building societies have announced their participation in the First Homes scheme, agreeing to provide 95% loan-to-value mortgages for First Homes:

1. Chorley Building Society
2. Darlington Building Society
3. Halifax
4. Leeds Building Society
5. Mansfield Building Society
6. Nationwide Building Society
7. Newcastle Building Society