

Statutory Document No. 2022/0169



Housing (Miscellaneous Provisions) Act 2011

SHARED EQUITY PURCHASE ASSISTANCE (FIRST HOME FIXED) (AMENDMENT) SCHEME 2022

Approved by Tynwald: 19 July 2022
Coming into Operation: in accordance with paragraph 2

The Department of Infrastructure makes the following Scheme, with the concurrence of Treasury, under sections 4(1) and 7 of the Housing (Miscellaneous Provisions) Act 2011.

1 Title

This Scheme is the Shared Equity Purchase Assistance (First Home Fixed) (Amendment) Scheme 2022.

2 Commencement

If approved by Tynwald, this Scheme comes into operation 14 days after the day it is approved in Tynwald¹.

3 Amendment of the Shared Equity Purchase Assistance (First Home Fixed) Scheme 2014

- (1) The Shared Equity Purchase Assistance (First Home Fixed) Scheme 2014² is amended as follows.
- (2) In paragraph 5(1)(a) (assistance), for “20%” substitute **5%**.
- (3) In paragraph (14)(1)(a) (failure to comply with conditions of assistance), for “at the prevailing market rate” substitute **calculated by reference to the relevant amount**.
- (4) In paragraph 15 (interest) —
 - (a) in sub-paragraph (1), for “second anniversary” substitute **first anniversary**; and
 - (b) in sub-paragraph (2)(a), for “the relevant rate + 5%” substitute **the relevant rate + 3%**.

¹ Tynwald approval is required by section 7(6) of the Housing (Miscellaneous Provisions) Act 2011.

² SD 2014/0211, as amended by SD 2015/0167 and SD 2017/0105.

- (5) In paragraph 16 (order of priority for repayment) –
- (a) in sub-paragraph (1)(c), after “repayment” insert “of the outstanding loan in sub-paragraph (b)”; and
 - (b) in sub-paragraph (1A) –
 - (i) for “new” substitute “recalculated”; and
 - (ii) omit “the value of the balance of the equity share”; and
 - (c) for sub-paragraph (2) substitute –

“(2) The original loan amount will rank as a second charge on the property in favour of the Department, any charge in favour of a commercial mortgagee having priority.”
- (6) In paragraph 17 (purchasing equity share) –
- (a) for “at the prevailing market rate” substitute “calculated by reference to the relevant amount”; and
 - (b) in sub-paragraph (a)(ii), for “greater than £5000” substitute “greater than £1000”; and
 - (c) in sub-paragraph (b), for “in the current financial year” substitute “in the previous 6 months”.
- (7) In paragraph 22 (revocation and savings) insert –
- “(3) The amendments to this Scheme made by the Shared Equity Purchase Assistance (First Home Fixed) (Amendment) Scheme 2022 (“the Amendment Scheme”) do not affect the continued operation of the Scheme in relation to assistance provided under it before the Amendment Scheme came into operation, and this Scheme continues to have effect for those purposes as if such amendments had not been made, with the exception of paragraph 17 (purchasing equity share) which applies to all assisted persons.”
- (8) For the table in the Schedule substitute –

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<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>	<i>Column 4</i>
Eligible persons	Maximum annual income	Approved dwelling type	Maximum purchase price (discounted)
Single persons	£33,000	2 bedroom flat; 2 bedroom house	Up to £150,000 Up to £175,000
Couples – no children	£44,000	2 bedroom flat; 2 bedroom house	Up to £150,000 Up to £175,000
Single or couple with 1 or more children	£55,000	2 bedroom house; 3 bedroom house	Up to £175,000 Up to £185,000

”

MADE 19 MAY 2022

T M CROOKALL
Minister for Infrastructure

*EXPLANATORY NOTE**(This note is not part of the Scheme)*

This Scheme amends the Shared Equity Purchase Assistance (First Home Fixed) Scheme 2014 providing:

- that the Department may assist a person by providing not less than 5% and not more than 30% of the purchase price of an approved dwelling;
- that the interest on the original loan amount will be due and payable on the first anniversary; and that such interest is charged on each anniversary at whichever is the lesser of the Bank of England rate + 3% or a rate of 1% per annum increasing by 1% on each anniversary;
- that an assisted person may buy out a part of the Department's equity share once every 6 months, providing that such part is greater than £1000;
- that the original loan amount will rank as a second charge on the property in favour of the Department;
- that the eligibility criteria in relation to income thresholds and maximum purchase prices for approved dwellings are adjusted, to reflect percentage increases since the original scheme in median earnings and median sale prices of homes;
- that flats must have two bedrooms to be eligible to be an approved dwelling under the Scheme;
- that previously assisted persons under this Scheme will be eligible for the improved capabilities in purchasing the equity share;
- a saving provision for assistance under the Scheme prior to the amendments being brought into operation; and
- clarification in respect of certain terms.