

OWN NEW RATE REDUCER SCHEME

What is the Own New Rate Reducer scheme?

The Own New Rate Reducer program aims to simplify and lower the cost of buying a newly built home. Launched in February 2024, this scheme provides home buyers with access to exceptionally low mortgage rates during the initial term of their mortgage.

For instance, Virgin Money - one of the first lenders to join Rate Reducer - announces that for a new home priced at £300,000, the introductory two-year mortgage rate of 4.79% with a £995 fee at a 65% loan-to-value (LTV) ratio can be reduced to 0.99% with a £495 fee at a 60% LTV. Continue reading to discover more about how this scheme works.

Who qualifies for the Own New Rate Reducer scheme?

The Own New Rate Reducer scheme is available to anyone purchasing a new build property, whether you are a **first time buyer, home mover, or you have owned your own property in the past.**

How Does the Own New Rate Reducer Work?

The Own New Rate Reducer scheme allows you to purchase a newly built home with a mortgage at a lower interest rate than you would get with a traditional mortgage on the open market.

Here's how the Own New scheme operates:

- **Developer Contribution:** When you choose your property, the developer agrees to contribute either 3% or 5% of the purchase price. This incentive is similar to how builders might offer discounts, upgraded fixtures and fittings, or cover your stamp duty to encourage you to buy their properties.
- **Passing the Contribution to the Lender:** The developer's contribution is transferred to your mortgage lender through the Own New program. This results in a reduction of your interest payments by the same percentage - 3% or 5% - matching the value of the incentive.
- **Reduced Monthly Payments:** Essentially, the lender applies the developer's contribution to offset the mortgage interest, which lowers your monthly payments for the initial 2 or 5 years, depending on the length of your starting term.

How Do I Obtain More Information?

Call us on 01522 88 88 84 to find out more or visit <https://ownnew.co.uk>

Kinetic New Homes Experts have **our own mortgage broker** who can help you navigate the Own New Rate Reducer scheme and answer any questions you may have.

****Please note, if you're behind on your mortgage payments, contact your lender as soon as possible, you might be at risk of losing your home.****