



# Family Springboard Mortgage

## 2021 Help & Support Guide

# Family Springboard Mortgage

## What is it?

The Family Springboard Mortgage allows your client's family or friends to help them secure a mortgage, and earn interest at the same time. It is available for both first-time buyers and home movers. Options are available for clients with a minimum deposit of 0%.

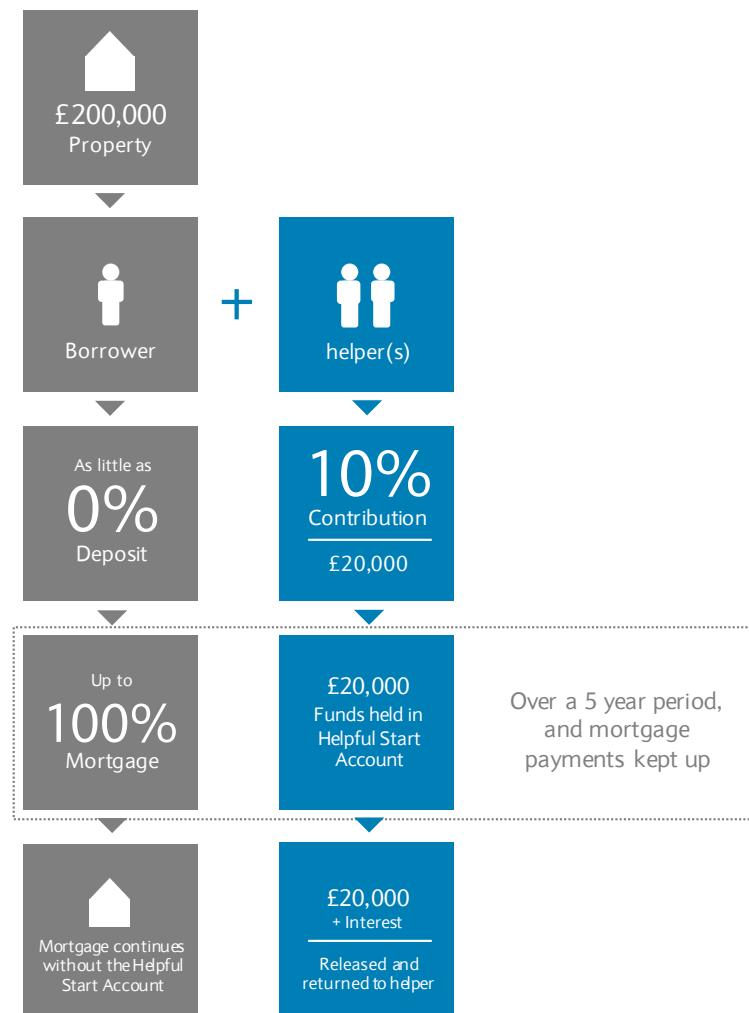
## How does it work?

A Family Springboard Mortgage is built of two elements; the *borrower* and the *helper(s)*.

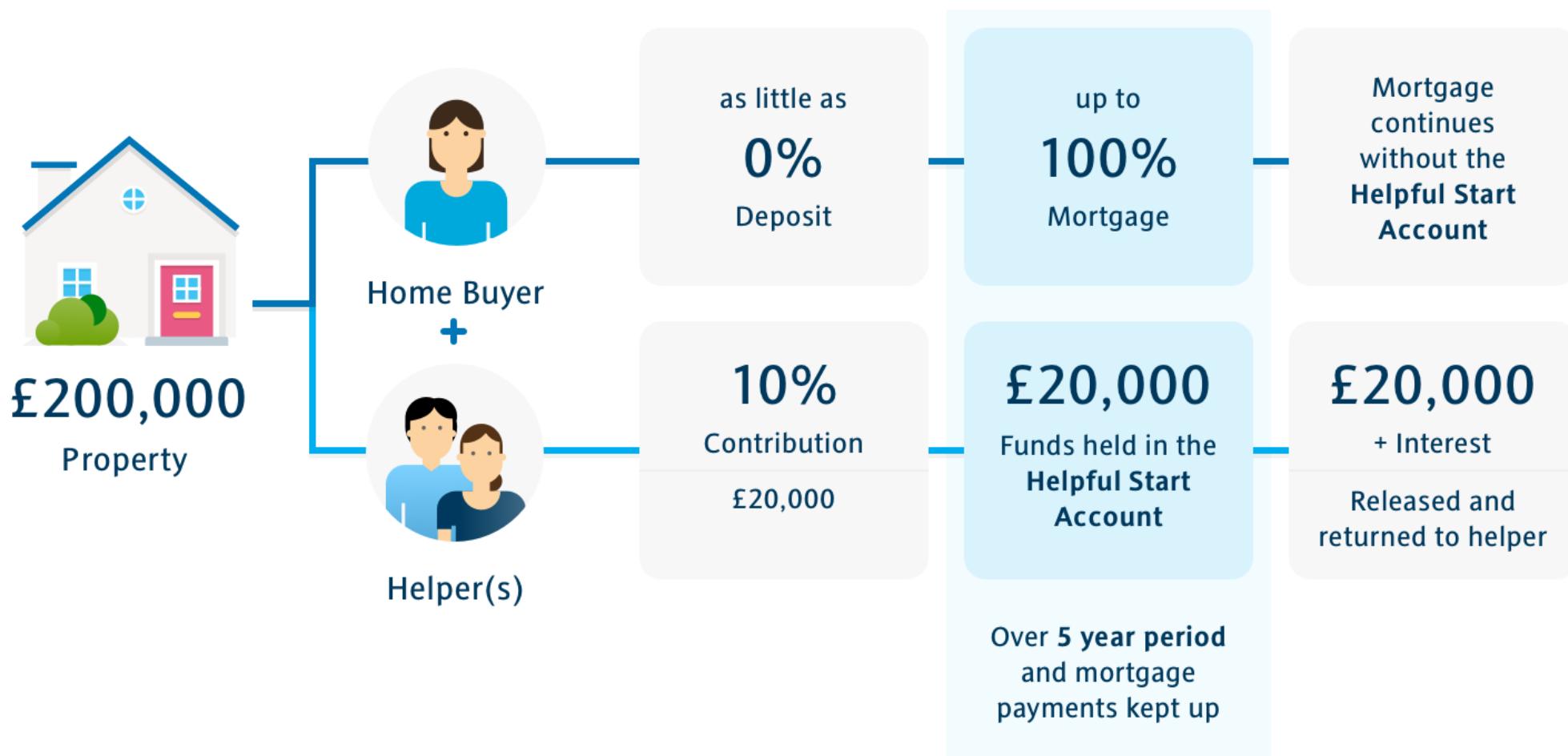
The *borrower* takes out a Family Springboard Mortgage, while the helper opens a Helpful Start Account linked to that mortgage. The *helper(s)* then puts 10% of the purchase price into the Helpful Start Account.

This means your clients could get on the property ladder or move home with a deposit of as little as 0%, where a helper(s) provides an interest-earning contribution.

After five years, the helper(s) get their money back with interest, as long as the Family Springboard Mortgage payments are kept up to date. It is available for loans up to £500,000, and is not available for new build properties.

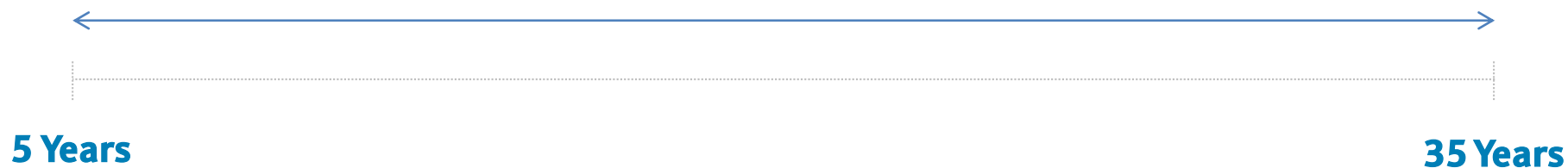


# Family Springboard Mortgage – how it works?



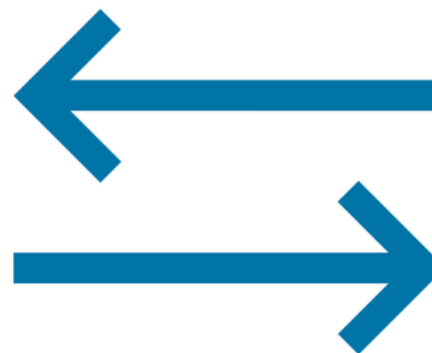
## Loan term & rate-switch

The term of a Family Springboard Mortgage can range from a minimum of 5 years to a maximum of 35 years.



## Rate-switch

At the end of the initial term, you can utilise our rate-switch tool to switch your clients to another rate – or offer them the low follow-on rate available with the Family Springboard Mortgage.



## Loan to Income (LTI)

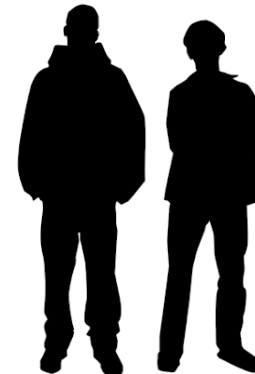
If your client(s) earns more than £50,000 either singularly or combined, they'll automatically qualify for up to 4.49x income multiples. However, if your client(s) earn less than or equal to £50,000 either singularly or combined, they'll be eligible for up to 4.0x income multiples – (subject to affordability).



# 4.49x

Client(s) earning more than £50k singularly, or combined with a partner

**More than £50k**



# 4.0x

Client(s) earning less or equal to £50k singularly, or combined with a partner

**Less than, or equal to £50k**

## Key facts

Here are the key facts you need to know about the Family Springboard Mortgage

- ✓ Deposits available from 0% - 9.9%
- ✓ 4.49x income multiples for applicants earning more than £50k
- ✓ Helper(s) receive credit interest at 1.5% over Bank of England base rate
- ✓ Available for first-time buyers or home movers
- ✓ Maximum loan £500,000
- ✓ Not available for new build properties
- ✓ Term available from 5 - 35 years
- ✓ Fixed for 5 years, moving on to a LifeTime Tracker
- ✓ Borrower retains full rights over the property
- ✓ Helper(s) isn't a guarantor or on mortgage deeds, which protects them from the new stamp duty rules
- ✓ Ability to recycle the support for other family and friends
- ✓ Access to our rate switch process at the end of the term which rewards the intermediary and provides peace of mind to the applicant

## What are the benefits for your client?

There are many benefits for your client.

### Borrower



Available for first-time buyers and home movers

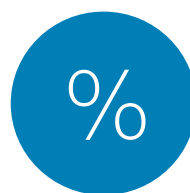


Fixed for 5 years, moving on to a LifeTime Tracker, as well as access to our rate-switch process



Retains full rights over the property – helper(s) isn't a guarantor or on mortgage deeds, which protects them from the new stamp duty rules

### Helper(s)



helper(s) receive credit interest at 1.5% over Bank of England base rate



Money released after the 5 years, as long as mortgage repayments are made in full



The ability to recycle the support for other family and friends, if they wish after the 5 year period

## What are the benefits for you?

It is not only your clients who could benefit, there are also many benefits for you:



Opportunity to build deeper client relationships



Clients becoming advocates for your business and a source of referrals



Increased loyalty from your clients



Increase in sales and income depending on your client's circumstances



## Who might benefit from a Family Springboard mortgage?

The Family Springboard Mortgage could benefit your client if they are:

- ✓ Consumers with smaller deposits
- ✓ Competitive rates
- ✓ Consumers looking for an option that allows family or friends support
- ✓ Parents looking to support their children, knowing that the deposit is held in the parents name as peace of mind
- ✓ helper(s) with savings that could be used to support siblings for a short period, knowing funds will be returned with credit interest
- ✓ Consumers looking for a flexible way to purchase their first or next home





## Client Example 1

Grandparents with a number of family members to help, and therefore cannot afford to give away a deposit.

They use a Family Springboard Mortgage to enable them to support, and eventually get their money back for their retirement, whilst still earning credit interest.

## Client Example 2

Parents looking to help their child purchase their first home, with their new partner.

A Family Springboard Mortgage provides security, as the contribution is held in the helper's name, should something go wrong with the relationship.



## Why recommend a Barclays Family Springboard mortgage?

There are 5 reasons why you should recommend a Barclays Family Springboard mortgage to your client.

- 1 Your clients get on the property ladder or move home with a deposit as little as 0%, where a helper(s) provides an interest-earning contribution.
- 2 Your clients can be a first-time buyer or a home mover
- 3 Applicants who earn more than £50,000, individually or collectively will automatically qualify for an increased income multiple of 4.49x
- 4 Your clients retain full rights over the property, the helper(s) isn't a guarantor
- 5 The helper(s) gets their savings back after 5 years with interest, as long as you keep up the repayments. Allows families to help all of their siblings throughout time, by recycling the contribution.

Your client's helper(s) must seek independent legal advice when considering to support a Family Springboard Mortgage. This cannot be the same solicitor who is conducting the conveyancing.

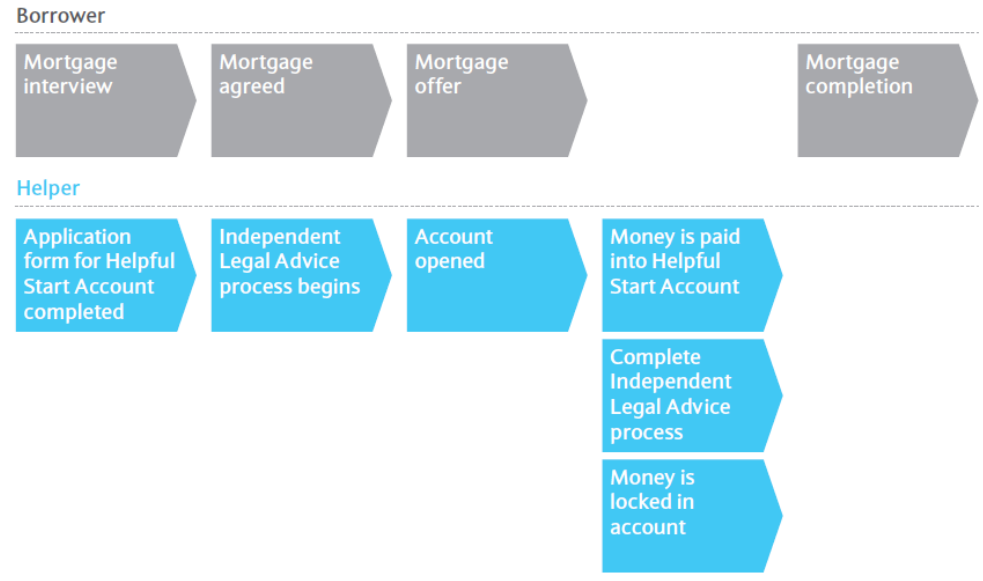
## Submitting a Family Springboard case

As with any Barclays mortgage application, you'll need to follow the standard submission process, but there are additional steps required in order to open the Helpful Start account.

Here is an illustration of the stages of the process, grey being the borrower and blue the helper(s).

You'll notice that the helper(s) is involved a great deal in the process, and there are two journeys for the helper(s) dependent upon whether they're an existing Barclays customer or not.

Please see overleaf is a step-by-step guide for the helper(s).



## Submitting a Family Springboard case

Helper(s) are existing Barclays mortgage or current account customers

- 1 Complete the client's MAX application as normal, but don't submit it (*Please note, when submitting a 0% deposit application, input '£0' into the deposit field and select 'Assets and Savings' as the deposit option*)
- 2 Download our Helpful Start pack and fully complete each of the documents with the client's helper(s)
- 3 Obtain the signed application form from the helper(s) and ensure the ILA details are complete
- 4 Submit the application in MAX
- 5 Submit all supporting documentation, including the helper(s)' application form and Declaration

## Submitting a Family Springboard case

Helper(s) who are new Barclays customers

- 1 Download our '[Helpful Start pack](#)' and fully complete each of the documents with the client's Helper(s)
- 2 The helper(s) will need to complete their identification checks in 1 of 2 ways:
  1. Your client can use [Barclays Verify](#) via the [Barclays Mobile Banking App](#). Just ask the helper to download the App and follow the simple instructions. Once completed they will be issued a 10 digit reference number which you can detail on the Helpful Start application form, OR
  2. they will need to [visit a branch](#) with their identification to be identified before mortgage submission. Your clients should book an appointment first so that they'll be seen by a Community Banker. They can make a booking by calling 0333 202 7573.
- 3 Log into MAX and complete the client's application as normal, but don't submit it (*Please note, when submitting a 0% deposit application, input '£0' into the deposit field and select 'Assets and Savings' as the deposit option*)
- 4 Obtain the signed application form from the client's helper(s) and make sure the independent legal advice details are completed
- 5 Submit the application via the Barclays Intermediary HUB
- 6 Submit all supporting documentation, including the helper(s)' application form and Declaration

