



SELF BUILD LOAN FUND: SCOTLAND

Notes for Guidance – Stage 1 Application Form

Please note that the Self Build Loan Fund (SBLF) is a time and finance constrained fund and there is no guarantee that by submitting an application that you will receive assistance.

In applying to the SBLF you will need to meet the following criteria:

- ✓ Demonstrate that you been unable to obtain mainstream self-build mortgage finance for a new home (not a conversion or extension); and
- ✓ Intend to occupy the property as your sole and only residence; and
- ✓ Own a house plot which is unburdened (i.e. no mortgage finance or ranking agreement); and
- ✓ Have Full Planning Permission in place and be ready to apply for a Building Warrant; and
- ✓ Have a defined elemental build cost and construction programme; and
- ✓ Be able to demonstrate that you will be able to obtain a mainstream mortgage upon completion of your build (please note that not all lenders will provide a mortgage on self-built properties).

If you meet the above criteria you may wish to submit a stage 1 application, which forms part of a two stage application process. A successful application at stage 1 does not guarantee a successful application at stage 2. You should not progress your build based on a successful stage 1 application.

Where possible you should type your responses onto the application form and where this is not possible please complete the form in BLACK INK.

Please answer all the questions as fully as possible as incomplete forms may not be processed and may be returned to you.

The purpose of this form is to allow you to explain your circumstances and for you to present your case for assistance. The information that you provide is essential in considering the merits of your case and you should provide as much evidence as possible to support what you set out in this application.

The notes on the form are there to help you and you are advised to read these notes in conjunction with the SBLF Brochure and Factsheet. The notes supporting the stage 1 application form are not intended to be a comprehensive summary of the provisions of the scheme.



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Section 1 - Your details

Please complete the details requested within this section, including contact details (e-mail, mobile and landline).

The scheme is designed to provide new homes and we need to know your current housing status in order to ensure that the scheme offers the maximum benefit in delivering new homes.

Please provide a summary of why you are pursuing a self build route, specifically in terms of the wider housing availability in the area that you intend to build in. We need to know why you are unable to purchase a house that meets your needs.

Section 2 – Self Build Finance

The scheme is open to people who have tried, but who have been unsuccessful in obtaining self build finance, but who upon completion of their build will have a property that will obtain mortgage finance. The SBLF is not the first port of call for self build finance and we need you to demonstrate the reasons for you being declined self build finance.

Whilst the maximum loan available is £175,000 we would anticipate that the actual loan amount will be less than this. We would expect that a significant contribution will be made by the applicant.

A typical build undertaken by a contractor can be completed within 9 months, however if you are undertaking some of the work yourself the timescale can increase accordingly. You also need to factor in the timescale for obtaining post completion mortgage finance as some providers will not finance a self built property at the date of completion. Please note that some lenders will not lend on self built property at all.

We seek an estimate of the final value of the completed home in order to ascertain the equity that will exist upon completion. A formal valuation report will be requested at stage 2 (should you be successful at stage 1) and the cost of this report will require to be met by you.

In terms of the post completion mortgage amount and lender. You should seek advice from an independent financial/mortgage advisor as we need to know that your lender will lend on a self built property and whether they require additional warranty such as a new home warranty scheme of which there are a number of providers.

The SBLF acts in conjunction with other sources of finance and specifically the Croft House Grant scheme. Applications can be made for both schemes, however the terms of each scheme differ and you should satisfy yourself that you are meeting the terms of both schemes before progressing.



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Section 3 – Your Build Project

Whilst we ask for the postal address of the property, we appreciate that it may have a more vague address and the address used for your planning application is sufficient. We do however require the actual post code.

The fund is only available for new build properties only. If you are seeking to undertake a renovation or extension the SBLF is unable to offer assistance.

Please provide the Planning Application reference for your application for FULL planning permission, also referred to as detailed Planning Permission. We will also need copies of the documentation submitted with your application. Please note that we cannot progress an application based on Planning in Principle (PIP).

In terms of total project cost, we can provide a detailed list of the cost elements required. It is in summary all of the costs associated with acquiring your house site, including legal fees, the construction process including fees, and post completion finance fees.

The house plot cost, is the purchase price paid.

The construction cost are the costs associated with the building process, including professional fees.

We recommend that you allocate a contingency sum, we cannot include this sum within loan offered to you. This must be held in the form of cashable savings.

If you intend to do some of the work yourself, we need to know the value of this work and this is separate from construction cost heading, but will form part of the total project cost.

The total floor area can be extracted from your planning application drawings, and used to divide your construction cost figure to acquire a rate per sqm.

Number of bedrooms. We need to assess based on greatest need when prioritising the lending.

Number of bathrooms. We need to assess your proposals and an ensuite per room may suggest bed & breakfast use.

Section 4 – House Plot

We need to know whether there are any burdens that would affect any lending on the plot, not all burdens will have a material effect but it is essential that any that exist are disclosed.

We ask about surrounding land as some lenders will not lend if land in addition to the house site is owned by the applicant.



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We ask if the land was gifted as this can pose a problem if the party who has gifted the land passes away, the gift may have wider tax implications. This can usually be resolved by obtaining a Title Indemnity policy, your solicitor is best placed to advise.

The above should not prevent you pursuing a loan from the SBLF, however you may face additional costs and challenges in gaining post completion mortgage finance.

Section 5 – Your financial circumstances

We need to know about ALL income and ALL debts in order to undertake a financial assessment as to the affordability of your project. We appreciate that you will have undertaken this as part of obtaining your mortgage in principle decision.

We ask for a copy of your statutory credit report from all three credit reference agencies, Equifax, Experian and Callcredit. Each will cost you £2 (£6 in total). This is in addition to receiving a copy of your credit score which you can obtain from www.noodle.co.uk, www.clearscore.com, www.checkmyfile.com amongst others.

Section 6 – Data Protection

The Highlands Small Communities Housing Trust (HSCHT) act as the agent in delivering the Scottish Governments (SG) Self Build Loan Fund (SBLF). In terms of the legislation the SG is the Data Controller and HSCHT are the Data processor. Where other SG schemes are involved the SG may use the data collected to check with other SG departments.

Section 7 – Declaration

Please read the declaration carefully and contact us if you have any concerns. In taking forward an application you will be potentially entering into a formal legal agreement, should you be successful.

Section 8 – Supporting Information

Please provide the information requested in support of your application, we appreciate that not all of the information may be available at the time you submit your application, however we will not be able to progress your application until such time as all of the requested information has been submitted. We reserve the right to request additional information or to seek clarification before progressing your application.

If you require any additional information or assistance in taking forward your application, please do not hesitate to contact us:

e-mail: selfbuild@hscht.co.uk | tel: 01463 572 030