



Isle of Man

Ellan Vannin

SD No. 2015/0167

**SHARED EQUITY PURCHASE
ASSISTANCE (FIRST HOME FIXED)
(AMENDMENT) SCHEME 2015**



SHARED EQUITY PURCHASE ASSISTANCE (FIRST HOME FIXED) (AMENDMENT) SCHEME 2015

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Statutory Document No. 2015/0167



Housing (Miscellaneous Provisions) Act 2011

SHARED EQUITY PURCHASE ASSISTANCE (FIRST HOME FIXED) (AMENDMENT) SCHEME 2015

Approved by Tynwald: 19 May 2015
Coming into Operation: 22 May 2015

The Department of Infrastructure makes the following Scheme under section 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 2015.

2 Commencement

If approved by Tynwald, this Scheme comes into operation on 22 May 2015¹.

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

The Shared Equity Purchase Assistance (First Home Fixed) Scheme 2014² is amended as follows.

4 Paragraph 3(1) amended

In paragraph 3(1) —

(a) for the definition of “**the Department**” substitute —

☒ “**the Department**” means the Department of Infrastructure; ☒;

(b) at the appropriate place in the alphabetical list insert the following definitions —

☒ “**original loan amount**” means the amount which represents the percentage of the purchase price provided under paragraph 5(1)(a); ☒

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

² SD 2014/0211

“**relevant amount**” means the prevailing market value of the dwelling at the time that the amount falls to be assessed, and, where the property has been sold, is, in the absence of evidence to the contrary to be taken to be the amount of the sale price. **22**.

5 Paragraph 4(1) amended

For paragraph 4(1) substitute —

22(1) The purpose of this Scheme is to enable the Department to provide assistance to a purchaser of an approved dwelling in return for a share of the equity (“**an equity share**”) in the dwelling. **22**.

6 Paragraph 5 amended

(1) Paragraph 5 is amended as follows.

(2) For subparagraph (2) substitute —

22(2) For the purpose of this Scheme the Department’s “**equity share**” in an approved dwelling —

- (a) for the period up to and including the fifth anniversary of the purchase of the approved dwelling by the assisted person, means the percentage of the purchase price represented by the original loan amount; and
- (b) for any time after the fifth anniversary of the purchase of the approved dwelling, means the percentage of the relevant amount which equals the percentage of the original market value represented by the combined value.

This is subject to the recalculation of the equity share required on partial repayment by paragraph 16(1A).

(2A) In subparagraph (2) —

“**combined value**” means the sum of the original loan amount and half the discount;

“**original market value**” means the market value of the approved dwelling as determined by the Department at the time of the original sale of the approved dwelling to the assisted person. **22**.

(3) For subparagraph (3) substitute —

22(3) Accordingly, on a disposal of an interest purchased with assistance under this Scheme the assisted person must repay —

- (a) the original loan amount and any interest due on that loan; or

- (b) where the equity share has a value greater than the original loan amount, the equity share and any interest due on the original loan amount.

This subparagraph does not apply to a case to which paragraph 19 (disposal of the dwelling to a remaining assisted person) applies. **22**.

7 Paragraph 15 amended

In subparagraphs (1) and (2) for “Department’s equity share in the approved dwelling” substitute **23** original loan amount **22**.

8 Paragraph 16 amended

- (1) Paragraph 16 is amended as follows.
- (2) In subparagraph (1) for “repaid in the following order—” substitute “applied as follows—”.
- (3) In paragraph (a) at the beginning insert **23** first, in paying **22**;
- (4) After paragraph (a) omit “followed by”.
- (5) For subparagraph (1)(b) substitute —
 - 23**(b) secondly, in repaying the amount of the outstanding loan;
and
 - (c) finally, against the value of the equity share, reduced by the amount of the repayment.
- (6) After that subparagraph insert—
 - (1A) Immediately after the adjustment under subparagraph (1)(c) recalculate the equity share.

The new equity share is the value of the balance of the equity share expressed as a percentage of the relevant amount. **22**.

9 Paragraph 21(2) amended

For paragraph 21(2)(a) (and the word “and” immediately following it) substitute —

- 23**(a) the amount of the outstanding loan or, if greater, the Department’s equity share; and **22**

MADE 22 APRIL 2015

SIGNED BY AUTHORITY OF THE MINISTER

K J BEECROFT

Member of the Department of Infrastructure

EXPLANATORY NOTE

(This note is not part of the Scheme)

This Scheme amends the Shared Equity Purchase Assistance (First Home Fixed) Scheme 2014 (SD 2014/0211) to clarify the effect of the Scheme's provisions about repayments. It also clarifies the concepts of the Department's "equity share" in a dwelling.