

**P-04-487 – A Welsh Government deposit loan scheme for first time Welsh home buyers – Correspondence from the petitioner to the Clerking Team, 27.02.14**

Dear Kayleigh,

Thank you. It is not clear from Mr Sargeant's response whether he is considering looking into this or whether he wants more information. It can be seen from the petition how I propose the scheme would work – if there is any specific question about this I would be delighted to give further details. I look forward to hearing from you,

Gruff

**A Welsh Government deposit loan scheme for first time Welsh home buyers**

We call on the Welsh Assembly to urge the Welsh Government to offer an annual deposit loan scheme for first time Welsh house buyers and/or renters. It is proposed that Welsh mortgage companies would also need to take part in this scheme and agree to ask for no more than 5% of a deposit on any suitable property (as well as offer a low interest own what you pay for mortgage). This for example would all mean that up to 15,000 Welsh first time house buyers (first time buyers whose earnings are below a certain threshold and have lived or worked in Wales continuously for at least 10 years, or have full time business links to Wales) could be helped annually with a deposit loan of around £7,500 each for an averaged priced house, with the loan back payments deferred for at least one year. Once sellers and buyers agree to the scheme, the property in question would keep its eligible occupancy clause, as happens with similar schemes in the Peak District and North York Moors National parks.

**Supporting information:**

Although the Welsh Government can't interfere with private properties, owners including second homeowners could be encouraged to consider selling through the scheme if they decide to sell their property. First time renovators of derelict properties/farmhouses should also be eligible for the scheme. It's proposed that Welsh estate agents and the house sellers would be paid a monthly fee (paid for by the interest on the deposit loans) for taking part in the voluntary scheme by agreeing to only advertise, sell or rent within Wales and to eligible Welsh citizens for the first 6 months of a property being put on the market – after which time it would be open to anyone.

This scheme would help to give families and individuals a chance to live and work within their own areas and not be priced out of the market by unreasonable average wage to property price ratios, whilst also ensuring more money stays within local economies, boosting a more sustainable and productive Welsh economy in general.