



THE HIGHLANDS SMALL COMMUNITIES HOUSING TRUST

MAKING
AFFORDABLE
RURAL HOMES
A REALITY



Scottish Government
Riaghaltas na h-Alba
gov.scot

SELF-BUILD LOAN FUND (SBLF): SCOTLAND

FACT SHEET FOR CROFTERS

What is the Self Build Loan Fund?

The Self Build Loan Fund (SBLF) is a Scottish Government initiative, providing a time limited fund (September 2018 to August 2021) to assist self builders where they have been unable to obtain mainstream self build mortgage finance. The fund is available Scotland wide in order to support additional housing provision across both rural and urban areas.

Individuals can borrow up to £175,000, which can be drawn down in stage payments similar to a traditional self build mortgage. The SBLF is designed to fund the construction phase of a new home, and upon completion the borrower will seek a mainstream mortgage to repay the SBLF.

The Highlands Small Communities Housing Trust (HSCHT) have been appointed to administer the SBLF on behalf of the Scottish Government.

How does the SBLF work in practice?

The HSCHT will assess applications to the SBLF via a two stage process, ensuring that there is sufficient equity in the completed build and that the applicant can access post completion mortgage finance. The loan from the SBLF is to make up any shortfall in the applicants contribution to the build cost of the property. A Croft House Grant can form all or part of an applicants contribution.

The borrower requires to follow standard industry practice, with an architect or surveyor supervising their project. We also recommend that they take out a new home warranty to further increase the availability of mortgage products.





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Upon receiving their completion certificate from Building Control, the borrower begins the process of re-financing, securing mortgage finance to repay their loan from the Scottish Government and the Scottish Government then discharge their Standard Security over the site, with the mortgage provider then registering their own Standard Security over your home.

How does this affect an application from a Crofter?

Given a Standard Security is required, the house plot requires to be de-crofted prior to any loan being offered from the SBLF. The crofter will need to contact the crofting Commission regarding de-crofting <http://www.crofting.scotland.gov.uk/faq>

Please note that an application made under the SBLF does not affect your ability to apply for a Croft House Grant. Any crofter interested in applying for the Croft House Grant should contact the Scottish Governments Rural Payments and Inspections Division in Tiree, tel: 01879 220245

<https://www.ruralpayments.org/publicsite/futures/topics/all-schemes/croft-house-grant/>

Whilst both the Croft House Grant and Self Build Loan Fund are Scottish Government initiatives, they have different terms attached to them in relation to eligibility. However, both schemes can be used together to assist you in delivering your new home. Please note that there are ongoing conditions attached to the Croft House Grant that are in effect for 10 years after completion of your home, which will be independent from any conditions attached to the SBLF.

Applications received in relation to the SBLF that also include assistance from the Croft House Grant will be discussed with the Scottish Governments Rural Payments and Inspections Division.



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Who is eligible?

The SBLF is targeted toward new home owners, who do not presently own their own home, but who have the means to build.

They must however demonstrate that they can access mainstream mortgage finance upon completion and applicants are advised that they seek independent mortgage/financial advice in this regard.

To apply you need to meet the following criteria:

- ✓ Demonstrate that you have 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. Please note that your Croft House Grant, if you have one does not affect this criteria; 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).

Please note that the SBLF is a discretionary scheme, with no guarantee of assistance.

For full details please see: <http://www.hscht.co.uk/scotland-self-build-loan-fund.html>

Further information?

Further details can be obtained from The Highlands Small Communities Housing Trust;

- e-mail: selfbuild@hscht.co.uk
- tel: 01463 572 030
- post: 7 Ardross Terrace, Inverness, IV3 5NQ

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