Autumn Statement: Mortgage Guarantee Scheme extended

Investments Mortgages Protection Regulation Tax Your Industry Opinion CPD Asset Allocator



The mortgage guarantee scheme has been extended by 18 months to June 2025 from December 2023, following an announcement by Jeremy Hunt in the Autumn Statement today (November 22).

need to cover the other 95 per cent of the mortgage on a house worth up to

The scheme was due to close to new accounts on 31 December 2023. Chancellor Hunt announced its extension, alongside expanding the affordable homes guarantee scheme, in his 120-page Autumn Statement document.

But while the government said the scheme would continue helping prospective borrowers with smaller deposits buy a home, it has been met with little enthusiasm by mortgage brokers.

Broker response

Stephen Perkins, managing director at Yellow Brick Mortgages, said; "Like most announcements from the Autumn Statement, this has the impact of a feather

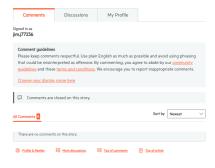
"The scheme was barely used over the last 12 months by lenders and its extension or removal would both be irrelevant."

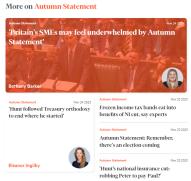
Michelle Lawson, director at Lawson Financial, added: "A missed opportunity as lenders are already lending at higher loan to value. This has no real added value to the housing market and the consumer as it is just the government backing the

Meanwhile, Gary Bush, a financial adviser at MortgageShop.com, said once the market picks up in the New Year, it would be "interesting" to see what effect the extension of this scheme has.

He added: "The Mortgage Guarantee Scheme hasn't really had that much of an effect to date on the UK property market, but this could be related to it being run alongside the now-extinct Help to Buy scheme.

"Lenders have also been brave and bitten the bullet on raising their Loan to Values on their mortgage products without utilising this scheme.





More on Autumn

'Britain's SMEs may feel

'Hunt followed Treasury orthodoxy to end where he started'

Frozen income tax bands eat into

benefits of NI cut, say experts

Most Read

SJP partner firm hires head of wealth

What are the merits of including death benefits with annuities?

Could election uncertainty and LTA changes give life to Qrops?