

City Executive Board - 10th July 2013  
Equity Loan Scheme for Teachers

<b>Appendix 1</b>									
<b>Loan Examples</b>									
<b>Example 1</b>									
<b>Head teacher, sole earner requiring 3 bedroomed house</b>									
Salary	£56,000	Property price	£350,000						
		Deposit	5%	£14,000					
Maximum mortgage				£262,000	1,545	monthly mortgage	33%	household income	
				<b>£276,000</b>					
Equity loan				<b>£75,000</b>	21%	equity loan to value ratio			
<b>Example 2</b>									
<b>Two qualified teachers requiring 3 bedroomed house</b>									
Joint salary	£60,000	Price	£320,000						
		Deposit	5%	£13,500					
Maximum mortgage				£285,000	1,685	monthly mortgage	34%	household income	
				<b>£298,500</b>					
Equity loan				<b>£50,000</b>	16%	equity loan to value ratio			
<b>Example 3</b>									
<b>One qualified teacher requiring 2 bedroomed flat</b>									
Salary	£36,000	Price	£220,000						
		Deposit	5%	£9,000					
Maximum mortgage				£170,000	1,011	monthly mortgage	34%	household income	
				<b>£179,000</b>					
Equity loan				<b>£40,000</b>	18%	equity loan to value ratio			
Mortgage costs based on 25 year repayment mortgage at 5% interest									
Deposit of 5% from owner									
Interest fee equity loan with the lender sharing proportionately in the increase in property value									

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