

SHARED OWNERSHIP – ELIGIBILITY AND AFFORDABILITY POLICY

Responsible Officer

Director of Customer Services

Aim of the Policy

This policy aims to set out the criteria for shared ownership eligibility and affordability. This policy applies to shared owners and applicants for shared ownership only.

The Policy

Shared ownership is an affordable home ownership product for those who cannot afford to purchase a home at the full market value. The scheme allows for a share to be purchased in a property and paying a rent on the remaining share.

Initial shares start at 25%, up to 75%, of the full value and you can buy additional shares in the future until you own the home outright, some restrictions may apply on certain schemes, such as retirement schemes.

Eligibility

Each application will be assessed in accordance with legislative eligibility criteria. Applicants must:

- Be 18 years or over and be resident in the UK.
- Have an annual household income of no more than £90,000 in London or £80,000 outside London (unless the Local Authority has set a local criteria).
- Be unable to purchase a home outright on the open market.
- Not be a home owner or named on a mortgage (applicants in the process of selling a home will be considered).
- Have a deposit of at least 10% of the purchase price (depending on the lenders requirements).
- Have access to additional £4,000 to cover legal fees and moving costs.
- Have good credit history (no outstanding credit issues such as unsatisfied defaults or county court judgements).

Some schemes may have other specific criteria for eligibility.

Priority for shared ownership

Priority will be given to serving British Armed Forces personnel, former members of the British Armed Forces honourably discharged in the last two years or those who are surviving partners of regular service personnel who have died in service and have applied within two years of bereavement.

Sales in rural shared ownership schemes may be restricted, under planning obligations, to purchasers with a local connection.

In some circumstances priority for shared ownership can be given to applicants who are tenants of Phoenix Community Housing. An example of this would be where two applications are received for one property and applicants have identical registration dates and eligibility criteria. In this circumstance the application from the tenant of Phoenix Community Housing can be chosen over the other application.

Affordability

Phoenix must be satisfied that you can meet the full costs of home ownership for the home you apply for, this includes mortgage costs for the share you buy, rent for the share you don't own, service charges and other costs of buying a home. All applications will be credit checked and you will be asked to undergo an affordability assessment with an independent Financial Advisor.

As part of the affordability assessment, in addition to the application form, each applicant will need to provide:

- Current passport or photocard driving licence.
- Credit report.
- Latest P60 and last 3 months payslips.
- If self-employed: 3 years tax year overviews (can be downloaded from HMRC online) and last 3 years SA302/Tax calculations.
- Last 3 months bank statements for all accounts held, showing your name and address.
- Current Council Tax bill.
- Proof of deposit or Proof of Gift if it's being gifted to you.
- Proof of address for last 3 years.
- Proof of financial commitments such as loans, credit card statements, car finance statements.
- Proof of benefits such as Tax credits and Child benefit if applicable.
- Evidence of maintenance payments if you are paying or receiving them.

Applications from Phoenix employees and involved residents

As a resident-led organisation, we welcome applications from employees of Phoenix Community Housing and involved tenants. Where an application is received from this group it will need to meet the eligibility and affordability criteria that all applications are required to meet and will be subject to additional checks to provide further safeguards.

Monitoring and review

This policy will be monitored by Key Performance Indicators and will be reviewed every three years or sooner whenever there are changes to legislation or good practice.

Legislation

- Regulator of Social Housing (RSH) Regulatory Framework
- Help to Buy guidance and leaflets
- GLA Affordable Housing Capital Funding Guide
- Homes England Capital Funding Guide
- Commonhold and Leasehold Reform Act 2002 (as amended)
- The Housing Act 1985
- The Housing (Shared ownership Leases) (Exclusion from Leasehold Reform Act 1967) (England) Regulations 2009

Associated documents, policies and procedures

Including:

- Home Ownership Management Policy
- Shared Ownership Arrears Policy
- Shared Ownership Staircasing and Resales Policy
- Lease Extension Policy
- Shared Ownership Rent and Service Charge Setting Policy
- Shared Ownership Application Form
- CIH Shared Ownership Charter
- The Mayor of London's leasehold Guide for Londoners
- Guide to purchasing a shared ownership home with Phoenix

Definitions

Term/acronym	Description
Shared Owner	Includes existing shared owners and shared ownership applicants.
Phoenix	Phoenix Community Housing.

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