

Shared Ownership – important information for applicants guidance note

Introduction

Homes England wants to ensure all shared ownership applicants are provided with consistent information regarding the shared ownership scheme.

This guidance note applies to all grant-funded shared ownership homes regardless of the Affordable Homes Programme (AHP) under which they have been delivered. It is to be used for prospective homebuyers at the point at which they are being referred to your panel broker for an affordability assessment.

How must the information be provided to shared ownership applicants

Providers must provide the below information via email, or in hard copy where this is the applicant's preference.

It may be contained within the body of an email, or as a document of the provider's own creation attached to the email. The document may be branded and styled in accordance with the provider's own brand guidelines.

The information must also be made available in alternative and accessible formats as required by the applicant.

Providers are responsible for periodically reviewing the information that they provide to applicants ensuring that its content and links remain current.

In respect of shared ownership resales, where a provider is outsourcing their resales activity, this information should be passed to their agents to communicate to prospective buyers. Where a resales nomination period has lapsed or been waived by the provider, it would be good practice to pass this information to the existing homeowner advising them to pass it on to the agent they employ to act on their behalf.

Information to be provided to shared ownership applicants

The information issued should be kept brief and concise so as not to overwhelm shared ownership applicants. It should though give them enough information and relevant signposting should they wish to gain a better overview of the shared ownership scheme and the provider's requirements prior to undergoing an affordability assessment.

Providers must provide the following information and links as a minimum, but can provide further relevant information if they so wish:

- A link to, or attachment of, the relevant Key Information about the Shared Ownership home Key Information Document (KID). This applies to all Shared Ownership homes including the Home Ownership for people with Long-term Disabilities (HOLD) and Older Persons Shared Ownership (OPSO) variants.
- Information relating to the Provider's application and assessment process - this may be provided by means of either a summary, detailed in a bullet point format, or by means of a link to information on the provider's website or policy in this regard.

As part of this, it should be made clear whether the provider operates a two-stage assessment process.

Providers should also provide wording, to be agreed with their panel advisors, clarifying that a customer's affordability assessment does not constitute mortgage advice or guarantee the availability of a mortgage.

- A list of the 'minimum' documents which will be required for the purposes of the affordability assessment.

Where the provider operates a two-stage assessment process, it should be made clear at what stage they must provide their documents.

This list should be agreed between providers and their panel advisors. Homes England acknowledges that it is not possible to provide an exhaustive list due to applicants' individual circumstances, however there will likely be a 'core' set of documents which will always be required.

- Links to Provider specific policies relating to affordability assessments including:
- First-come-first-served policy
- Minimum surplus income policy
- Any others the provider chooses to operate, for example: minimum deposit policy, adverse credit policy, etc

In accordance with Homes England's guidance in respect of the publication of a Provider's policies, it is a requirement that the above must be published on the Provider's website.

Statement of the following:

- If a shared ownership applicant does not meet one or more of the eligibility criteria for the shared ownership scheme, is unable to meet the requirements of the affordability assessment, is unable to meet one or more of the provider's policies in this regard, or if they are unable or unwilling to provide the required information or documentation their application will likely be declined.
- If a shared ownership applicant wishes to purchase a different share level, either higher or lower, to that deemed affordable by their affordability assessment without providing a justifiable rationale or reason why, the Provider can either offer a different share level to that which the applicant would prefer or decline their application.
- A list of the various elements of the shared ownership application and assessment process, which organisation is responsible for each, and to whom queries, questions and complaints relating to each element should be directed.

The below confirms the expectation from Homes England's perspective in accordance with our guidance.

Application / Assessment Element	Responsible Organisation
Applicant eligibility and prioritisation	Shared Ownership Provider
Financial assessment of affordability	Mortgage Broker / Advisor (on behalf of Shared Ownership Provider)
Decision to accept or decline an application and at what share level	Shared Ownership Provider
Application of provider specific policies	Shared Ownership Provider
Mortgage advice (if requested)	Mortgage broker / advisor (acting under their own FCA regulation)
Complaints regarding application or share decision	Shared Ownership Provider
Complaint regarding mortgage advice	Mortgage Broker's / Advisor's own complaints procedure