

1.0 Introduction:

The purpose of this procedure is to ensure that affordable units, in so far as is possible, remain available to those assessed as being in need of them. Also, this is in line with Elim's business plan to support people to achieve their homeownership aspirations.

2.0 Procedure:

2.1 Resident contacts Elim Housing to request a 'intention to sell form'. If the home is jointly owned legal and equitable owners must sign this.

2.2 If Elim agrees to the sale going ahead Leaseholders must, at their own cost, obtain and send to Elim:

- A property valuation that has been completed by a royal institute of chartered surveyors (RICS) accredited valuer. The valuation will take into account any improvements that have been done to the property, so leaseholders will benefit from any increase they have made to the value of their home. However please note that the additional benefit will be in proportion to the percentage share that the resident owns. The valuation is valid for a period of three months from the date on the report after which in some cases we may be able to arrange for an extension. This is not guaranteed and you may need to pay a charge.
- An energy performance certificate for the property.
- Photographs of the property to be used on the Help to Buy website.
- A non-refundable administration fee of £100¹.
- Details of the owners solicitor.

2.3 On receipt of the intention to sell form we will:

- Check to see if there are any existing residents who have expressed an interest in shared-ownership in the area where the re-sale has arisen.
- List the property on a Help to Buy Agent site. The property will state the % that the resident currently owns. The buyer may be able to buy a larger % share or all of the property.
 - Forward the details of every interest to the seller so that they can arrange viewings directly
- Check the lease and land registry to determine:
 - If we must obtain nominations from the Local Authority
 - If there are any restrictions in place on the sale of the property
 - The maximum % share that can be purchased

¹ This covers our costs for listing the property during our nomination period and our administration costs including responding to your, your solicitors and your buyers solicitors questions; assessing the purchaser and approving their mortgage offer. We do not provide the services of an Estate Agent. E.g. We do not produce sales particulars, provide a viewing service, signage or any marketing other than listing your property on a Help to Buy Agent's website.

- Let the owner know that if Elim are unable to nominate a suitable purchaser within 8 weeks, the owner will be able to sell the property on the open market. The owner will be responsible for paying their own estate agent fees.
 - The open market sale will be achieved through either the shared owner selling on their share or the buyer staircasing up to 100% ownership and selling the property outright simultaneously.

A nomination will be made in the usual way as prescribed in the lease.

2.4 Once a buyer is found:

2.4.1 The Owner must:

- Write to Elim Housing giving details of the proposed sale and the person they wish to sell to. The buyer will have to fill in Elim Housing's shared ownership application form.
- Pay the Association's fees associated with the sale, the fees charged will not exceed 1% of the current market value.

2.4.2 We will:

- Ensure that any prospective purchasers meet the Help to Buy shared ownership eligibility criteria at the time of purchase². Presently the eligibility criteria is: that you can buy a home through shared ownership if your household earns £80,000 a year or less (outside of London) and any of the following apply:
 - you're a first-time buyer
 - you used to own a home, but can't afford to buy one now
 - you're an existing shared owner

Current eligibility criteria can be found on the gov.uk website.

- Carry out checks to ensure that any potential viewer is eligible in principle for shared ownership (see appendix 2).
- Carry out a more detailed assessment to ensure the purchaser meets our eligibility criteria.
- If it is viable, approve the mortgage offer (see appendix 1) for any purchaser and consent to the purchase as this is usually a condition of the lease.
- Write to the shared owner to say whether Elim gives permission to sell.
- Provide information to the resident's solicitor as well as the buyer's solicitor once a sale is agreed. Which amongst other items will include a pre-emption statement to solicitors (appendix 3)

² <https://www.gov.uk/affordable-home-ownership-schemes/shared-ownership-scheme>

Appendix 1

19 July 2018



Units 3 & 4 Pinkers Court
Briarlands Office Park
Gloucester Road
Rudgeway
Bristol BS35 3QH

Tel: 01454 411172
Fax: 01454 419340
www.elimhousing.co.uk

Chairman:
Stephen Blake MCIOB
Chief Executive:
Alistair Allender B.A.

FAO: xxxx BUILDING SOCIETY

TO WHOM IT MAY CONCERN

Address:

We hereby certify that the proposed mortgage of the above property, details of which are set out below, is approved for the purpose of the Mortgage Protection Clause of the Shared Ownership Lease relating thereto.

Dated :

Signed

(For and on behalf of Elim Housing Association Limited- a charitable housing association)

Leaseholder:

Lender: xxxx Building Society

Offer dated:

Account Number:

Appendix 2

INFORMATION REQUIRED SHEET

Please use the space below to inform us of what you are sending.

If you cannot provide certain information then please inform us why e.g. *I am not pregnant, I have never been a home owner.*

Property applying for:

Information sent:	Sent Y/N	If not sent reason why:
*4 most recent wage slips from all applicants:		
*A letter from your employer/s:		
*Bank statements for the previous 3 months:		
*Confirmation of any entitlements to child benefits and tax credits and the amount, if applicable.		
Any maintenance received or paid out.		
A copy of your completion statement from a former property, if applicable.		
*A mortgage in principle.		
Copies of your most recent credit/store cards statements, if applicable.		
Confirmation of your loans/HP agreements and when they will be fully repaid, if applicable.		
Pregnancy /childcare arrangements, if applicable.		
Confirmation of whether you will return to work full- or part-time, if applicable.		
*Confirmation of your household savings.		
*Identification: Certified copy of your passport or driving licence.		
*Full Credit report for each applicant applying for the mortgage/ to be on the lease.		
*Calendar monthly outgoings.		

Advance:

**Information required marked with an * is mandatory and must be provided.
Your information will not be assessed if any mandatory information is missing.**

Failure to send all the information required will slow the process considerably and may result in loss of purchase.

Note: Documentation will not be returned so please ensure you send copies only

DECLARATION

By signing this form you are agreeing to the following:

I / We declare that the information given is true and accurate, to the best of my / our knowledge.

I / We consent to Elim Housing making any enquiries necessary to verify the information given in this form, and to take up financial references and to make any credit checks as necessary.

I / We consent, should it be necessary, to references being obtained from my / our current / previous landlords.

I / We understand that my / our application may be rejected at any time if an adverse credit check reference or other information given is found to be materially incorrect.

Signed : **Applicant:** **Date:**

Joint Applicant: **Date:**

By submitting a completed application, no applicant is making a commitment to purchase, neither does Elim Housing undertake a commitment to sell a property to the applicant, or guarantee a successful application.

We must protect public funds we handle, and so may use the information you have provided on this form to prevent and detect fraud. We may share this information for the same purposes

Complaints Policy:

If you are dissatisfied with the service you received from Elim Housing you should complain. Details of the complaints policy and procedures are available on our website <http://www.elimhousing.co.uk> by contacting Elim Housing at info@elimhousing.co.uk or call 01454 411172.

Appendix 3

Elim Housing Association Limited being the proprietor for the time being of the estate registered under title number **TITLE NUMBER** hereby certifies that the provisions of Clause **CLAUSE NUMBER** (*Pre-emption provisions*) of the registered lease dated **DATE** have been complied with.

Please can you advise Elim once the details of the sole shared owner are updated with the Land Registry for **ADDRESS**