



Accent

Shared Ownership Policy

Accent Housing: Shared Ownership Policy 300724 v1.0

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Version History					
Version No	1.0	Doc ID (if applicable):	N/A		
Date Produced: 30 July 2024					
Audience: Customers, colleagues, auditors and financial advisors					
Strategic Theme: Excellence Through Customer-Influenced Services					
Approval Route: Customer Experience Committee					
VERSION	APPROVED BY	REVISION DATE	NEXT REVIEW DATE	DESCRIPTION OF CHANGE New docs and major changes must be communicated to colleagues e.g. SharePoint/TBT/ eLearning	AUTHOR
1.0	Sarah Ireland (Interim CEO 02/08/24) pending CEC approval on 22/10/24	30/07/2024	30/07/2027	New	Shanise Fowler-Howlett

Purpose: This policy sets out Accents commitment to providing homes using the Shared Ownership scheme. It also states our principles with regards to assessing customers when interested in an Accent Shared Ownership home.

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1. Introduction

Accent is committed to offering a variety of options to customers looking for a home, this includes offering both new and resale (existing) homes to purchase under the Shared Ownership scheme.

2. Scope

Shared Ownership is a government backed scheme that enables eligible applicants to purchase (by way of granting a lease) a share in a home. All applications will be processed by the Sales Team in line with this policy.

3. References

Accent Policies and Procedures can be found in the [Corporate Library](#). This policy should be read in conjunction with the following documents:

- Shared Ownership New Homes Procedure
- Shared Ownership Resales Procedure
- Valuations for New Shared Ownership Homes Procedure
- Anti-Money Laundering Policy

4. Requirements

This policy sets out the eligibility criteria for customers wanting to purchase a home under the Shared Ownership scheme.

5. Policy Principles

There may be certain circumstances under which the terms of this policy may be reconsidered. Colleagues should be mindful of customer vulnerabilities and their specific needs. Extenuating circumstances will be assessed on a case-by-case basis and exceptions may be applied that require empathy and flexibility, to ensure that customers are treated fairly, compassionately and with respect.

6. Scheme Eligibility

Accent always follow eligibility guidance provided by our regulator. In general to be eligible for the shared ownership scheme, applicants should:

- have a gross household income of less than £80,000 a year (£90,000 in London)
- be unable to purchase a suitable property for their housing needs on the open market
- be first time buyers. Although existing homeowners and shared owners are able to purchase a shared ownership home when:
 - they meet the general eligibility criteria for the scheme, in particular that their annual household income is no more than £80,000 and they are otherwise unable to afford to purchase a suitable home to meet their needs without assistance

and

- they are required to have already sold their property or sell their property at the same time as buying through Shared Ownership

7. Applicant Priority

Often demand for Shared Ownership homes is higher than the supply of homes available. Therefore it is imperative that we are clear in how we reserve our Shared Ownership homes to prospective purchasers.

In line with regulatory guidance, all our homes are offered on a 'first come, first served' basis. For clarity, if more than one prospective purchaser wants to reserve a home, the applicant who can proceed with a full reservation first will be offered the home. We consider this to be when:

- a relevant financial advisor (authorised by Accent) has confirmed in writing that the home is affordable and, that the associated costs with purchasing the home are sustainable.
- an appropriate mortgage agreement in principle has been received by Accent
- all supporting documents and/or information has been received by Accent (additional information will be requested for current homeowners / shared owners)

In the event this is simultaneous, we will determine this by when the prospective purchasers registration of interest in the home (or scheme) was received by Accent.

Exceptions to this are when:

- Any relevant planning requirement or agreement stipulates priority groups (such as customers with a local connection)
- an eligible Ministry of Defense personnel (including former personnel) applicant wishes to purchase

8. Adverse Credit

Accent expect purchasers of our shared ownership homes to honor their financial commitments set out in the lease. Therefore, we will not offer a home where any purchaser has:

- missed mortgage and/or rent payments in the past 12 months
- outstanding/unsatisfied County Court Judgments (CCJ's) and/or defaults. Or any County Court Judgments (CCJ's) and/or defaults that were satisfied within the last 3 years.
- an Individual voluntary arrangement (IVA's) or bankruptcy. Applicants must have been discharged at least 3 years ago with no further issues
- had any property repossessed in the past 5 years.

Where customers have experienced circumstances beyond their control, these will be reviewed on a case by case basis.

Any reservation to a prospective purchaser with adverse credit history must be reviewed and approved by the Director of Sales and Homeownership. When approving adverse credit cases, it is likely that additional documentation and/or information will be requested.

Accent may request a copy of the prospective customers credit reports and evidence of satisfying any previous commitments prior to moving forward with a reservation.

9. Mortgage lenders

We will not offer a home, or approve any mortgage offer where the proposed purchase is dependent on funding secured via a 'specialist' lender. This includes securing a mortgage where the interest rate offered is high due to historical financial conduct by the applicant.

100% Mortgages/Deposits

Applicants are expected to use savings towards a deposit when available. Whilst Accent do not discourage purchasers from taking out a 100% mortgage, this will be reviewed on a case-by-case basis. We will consider factors such as the share being purchased, the applicant/s need to maintain a level of savings, and housing need.

Cash Purchasers

Accent do not discourage purchasers from purchasing a home using cash and not securing a mortgage in some circumstances. Examples of this are an applicant not being able to secure a mortgage due to their age or income.

However, purchase made solely with cash will not normally be allowed when this is due to the prospective purchaser not being able to secure a mortgage due to current or previous financial conduct. Nor would we offer a home where the cash plus any mortgage would allow the prospective purchaser to secure a suitable home on the open market.

Surplus Income Policy

Purchasers having enough income remaining after their living costs is important to ensure that they are not putting themselves in financial risk by overreaching in their purchase.

Accent work with specialist Shared Ownership financial advisors to quality and financially assess each applicant prior to them reserving a home. Whilst alternative advisors may offer alternative views on surplus income, we will only be informed by the financial advisors we work with.

The minimum surplus income is the minimum amount of your gross income that should remain after your financial commitments. Surplus income will be calculated on a monthly basis.

Our minimum surplus income is generally 10%. Where a share below 25% is purchased, the surplus income requirement will be 20%.

An example of the surplus income calculation is outlined below:

Item	Notes
A. Gross Income	<ul style="list-style-type: none"> • Gross monthly pay (including overtime, bonus/commission) as determined by our financial advisors. • Universal credit or other benefits • Guaranteed (official) maintenance payments
B. Gross deductions	<ul style="list-style-type: none"> • Income tax • National Insurance • Pension contributions • Student Loan • Other pay slip deductions
C. Commitments	<ul style="list-style-type: none"> • Such as <ul style="list-style-type: none"> ▪ Credit commitments – personal loans, PCP, HP etc. ▪ Credit & store cards ▪ Childcare costs ▪ Care costs
D. Housing costs	<ul style="list-style-type: none"> • Stress tested rental figure • Service charge
E. Net Income for Mortgage Purposes	'E' is the remaining income once B, C and D have been deducted from A
F. Mortgage Payment	The indicative mortgage payment as determined by the financial advisor. Where possible, the mortgage payment (F) should not exceed 30% of E. (NB: this may be exceeded in cases where the FA feels there is a justification for doing so and where the customer is still subsequently able to satisfy Accents budget surplus policy)
G. Essential Costs	<ul style="list-style-type: none"> • Council tax • Utilities • Food • Fuel & travel • Insurances • Other
H. Surplus Income	This is the figure remaining once F & G have been deducted from E. This figure should be at least 10% of figure A (gross income)

10. Exceptions

There may be certain circumstances under which the terms of this policy may be reconsidered. Colleagues should be mindful of customer vulnerabilities and their specific needs. Extenuating circumstances will be assessed on a case-by-case basis and exceptions may be applied that require empathy and flexibility, to ensure that customers are treated fairly, compassionately and with respect.