



Shared Ownership New Homes Policy





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Links to Regulatory Standards – Economic/ Consumer Standards	N/A
Outcomes for Customers	Provides clarity on emh’s policy when allocating their new build shared ownership homes.
How were tenants, residents and service users involved in the review/development of this document	N/A
Training Provision	Emh will ensure the Sales & Marketing Team have access to training material, briefings and information that provides an understanding of the Homes England Capital Funding Guide.
Links to the Business Plan	This policy supports our Business Plan objective to ‘do the basics brilliantly’ and meets two of our Strategic priorities – 1. Ensure effective governance. and 2. Deliver new homes under the Strategic Partnership.
Links to Key Values	Clarity – This policy provides clear information on what money laundering is and how to report any suspected activity. Accountability – This policy sets out roles and responsibilities of our business and employees.

Version Control

Version	Revision Date	Author: Job Title	Change Description



1. Introduction

- 1.1 Emh is committed to building quality new homes. A mix of affordable homes to meet a wide range of needs in both urban and rural communities.
- 1.2 Our development programme will deliver up to 500 new homes each year, for Rent and Shared Ownership.
- 1.3 Emh is a Homes England Strategic Partner in receipt of grant to help fund our development programme. The Homes England Capital Funding Guide (CFG) sets the rules and procedures for us to follow as a provider of affordable homes.
- 1.4 The demand for our Shared Ownership homes far outstrips the supply, it is therefore imperative that we are clear in how we allocate and offer our Shared Ownership homes to prospective eligible applicants.
- 1.5 This policy should be read in conjunction with the following emh policies and procedures:
 - ▶ Vulnerable Residents Policy
 - ▶ Standard Shared Ownership Procedure
 - ▶ New Model Shared Ownership Procedure
 - ▶ Cash Buyer Procedure
 - ▶ Adverse Credit Procedure

2. Definitions and Scope

- 2.1 This policy applies to all members working for the Sales & Marketing Team, or on its behalf in any capacity, including employees at all levels, directors, officers, agency workers, seconded workers, volunteers, interns, agents, contractors, external consultants, or any other person associated with us. The policy aims to maintain the high standards of conduct which currently exists within the emh, treating our customers fairly and allocating our Shared Ownership new homes in an equitable and consistent manner.
- 2.2 This policy sets out the procedures which must be followed when allocating a Shared Ownership home to enable emh and individuals to comply with their respective contractual obligations with Homes England.
- 2.3 Emh follow the guidance set out in the CFG when marketing and selling our Shared Ownership homes.
- 2.4 This policy applies to every allocation of a Shared Ownership home to a prospective eligible applicant.
- 2.5 Where a prospective applicant has identified a requirement for additional support, we will make reasonable adjustments to offer support, consideration, or adjustment during service delivery.
- 2.6 We will ensure all prospective customers are aware of our policy approach prior to expending any cost to themselves.



- 2.7 Failure by a member of staff to comply with this policy may lead to disciplinary action being taken against them in accordance with our Disciplinary Policy and Procedures.

3. Specifics of the Policy

- 3.1 In line with the regulative guidance set out in the CFG, emh will adhere to the following when allocating their Shared Ownership new homes:

3.2 Mortgage Advice

- 3.3 The assessment as to what share purchase an applicant can afford must be undertaken by a suitably qualified and regulated mortgage advisor. Due to the specialist nature of Shared Ownership mortgages, the advisor should be suitably experienced in this area.
- 3.4 We will make all applicants aware of our chosen panel of specialist Shared Ownership mortgage advisors.

3.5 Eligibility

- 3.5.1 We will follow the eligibility guidance for Shared Ownership outlined in the Capital Funding Guide.
- 3.5.2 Every applicant must have an affordability / eligibility assessment completed by our chosen panel firm of mortgage advisors.
- 3.5.3 The applicant does not have to proceed to full mortgage with our chosen panel firm of mortgage advisors but must be aware that if they do, there will be a fee payable to the company providing the mortgage advice.

3.6 First Come First Served

- 3.6.1 We will allocate our Shared Ownership homes on a First Come First Served basis.
- 3.6.2 At emh, First Come First Served is defined as - **At Point of Full Sign Off**.
- 3.6.3 At Point of Full Sign Off means - to be allocated a Shared Ownership property, applicants will need to complete a full sign off with our chosen panel firm of mortgage advisors. This will involve providing all required documents, including a valid Agreement in Principle. Our allocation process will be done in order of the applicant completing a full sign off.
- 3.6.4 We will confirm to applicants in advance of releasing our Shared Ownership properties for sale the required documents and our chosen panel of mortgage advisors.
- 3.6.5 Following a full affordability assessment by our chosen panel form of mortgage advisors, all relevant parties will be required to sign the sign of form as a formal record of the affordability assessment.

3.7 Minimum Deposit Requirements

- 3.7.1 We do not accept 100% mortgages.
- 3.7.2 Every applicant is expected to be able to provide at least 5% of the share value from their own resources. You will need to be able to provide evidence of the source of these funds where requested.



3.8 Cash Buyers

- 3.8.1 Emh will accept Cash Buyers subject to our Cash Buyer Procedure.
- 3.8.2 Cash Buyers will be required to undergo an assessment with our chosen panel of mortgage advisors to confirm that they are unable to obtain a mortgage or that no suitable mortgage products are available.

3.9 Adverse Credit

- 3.9.1 Emh will accept customers with adverse credit subject to our Adverse Credit Procedure and sign off by our chosen panel firm of mortgage advisors.
- 3.9.2 Emh will not dictate which mortgage lenders buyers can use. However, emh will seek to ensure arrangements are affordable and sustainable.
- 3.9.3 We will not accept mortgage lenders / mortgages where the mortgage loan value plus any fees associated with the mortgage exceeds the share value being purchased.

3.10 Surplus monthly income

- 3.10.1 Emh require all applicants to have a minimum of 10% of their total net income remaining when affordability assessed using a budget planner. This calculation is based on all deductions including mortgage, rent and service charge, any known commitments and essential expenditure.
- 3.10.2 Mortgage costs should not exceed 30% of net income remain for mortgage purposes.
- 3.10.3 Net income remaining for mortgage purposes calculation = Gross income - deductions from gross income - known commitments - housing costs including rent and service charge but excluding mortgage costs.

4. Implementation

4.1 How are emh complying with its obligations?

- 4.1.1 Emh will be clear and transparent with all applicants on its policy and procedure for allocating a Shared Ownership home by:
 - ▶ Publishing the Shared Ownership New Homes Sales Policy on the emh sales website.
 - ▶ Having clear information on their website on how to apply for Shared Ownership and what documentation is required to get 'full sign off'.
 - ▶ Providing clear communication on how to apply and what documentation is required on all coming soon mail outs.
 - ▶ Hold a panel of mortgage / mortgage advisors specialising in Shared Ownership mortgages.
 - ▶ Be clear and transparent with any fees associated with purchasing a Shared Ownership new home.



- ▶ Make reasonable adjustments where a prospective applicant has notified us that they require additional support.

4.2 Training

- 4.2.1 Emh will ensure that all Sales & Marketing Team members understand the rules and procedures set out in the Capital Funding Guide together with Shared Ownership New Homes Sales policy and procedure. Staff will be advised of their individual responsibility to ensure the allocation of our new build Shared Ownership homes are allocated fairly and in line with our policy and procedure.

5. Responsibilities

- 5.1 Which role/team is responsible for monitoring the effectiveness of the policy:

5.3 Senior Management Roles

- 5.3.1 The Development & Sales SMT are responsible for managing the contract between emh and Homes England ensuring that the rules and procedures in the CFG are followed and kept up to date.

5.4 Line Managers

- 5.4.1 Sales and Marketing Managers are responsible for implementing and maintaining the principles of this policy within their local processes and procedures and ensuring that their staff are aware of their responsibilities within this policy and receive appropriate training.

5.5 Employees

- 5.6 Sales and Marketing Consultants, Sales and Marketing Co-ordinator and Sales and Marketing Advisors are responsible for:

- ▶ Complying with this policy.
- ▶ Complying with the local processes and procedures

6. Data Protection

- 6.1 Emh will treat personal data in line with our obligations under the current data protection regulations and our own Data Protection Policy. Information regarding how customer data will be used and the basis for processing customer data is provided in the Association's Privacy Notice.

7. Associated Documents

- ▶ Vulnerable Residents Policy
- ▶ Standard Shared Ownership Procedure
- ▶ New Model Shared Ownership Procedure



- ▶ Cash Buyer Procedure
- ▶ Adverse Credit Procedure
- ▶ Anti Money Laundering and Terrorist Financing Policy
- ▶ Customer Due Diligence and Identification Procedure