

Understanding the financial side of Shared Ownership

Oct 18



Great homes,
positive people,
strong communities

origin  HOUSING

Next page 

Financial Advice

Once you have viewed a shared ownership property and you express an interest in it, you will be contacted by one of our recommended Independent Financial Advisors (IFAs).

Firstly, they will assess you using the [Homes England \(HE\) Calculator](#) that is a requirement when buying a shared ownership home. This calculator will take into account your single or joint income and deduct all outgoings including your current loans and debts.

The calculator will work out how much your monthly costs will be per month, including service charge, rent etc. If the monthly outgoings are more than 45% of your household income, you will not be eligible for the property. If you pass the calculator, we will put you forward for the property. If there is more than one applicant that is interested we will use a pointing system, taking into account whether they have dependents, where they live and work and so on. The applicant who is most eligible, will be offered the property in the first instance and will have a more in-depth financial assessment.

When completing a financial assessment with an independent advisor, they will ask you to evidence your income, savings, and any debts. This is to ensure your mortgage application and home purchase is both accurate and affordable for you, based on your income and outgoings.

When attending your appointment (which can also be over the phone), please have the following information ready for all applicants:

- Valid ID: this could be a photo drivers licence or passport
- Evidence of your current home address. For example, a bank statement or a current utilities bill or council tax bill
- Credit report this can be obtained free from www.noddle.co.uk or [Experian Report](#) or other similar sites.
- Most recent original P60

- Last 3 consecutive months payslips - Include payslips showing any bonus/es paid during last year
- Last 3 months bank statements - Must match recent 3 salary credits & show all transactions up to date, name, account number and sort-code & address
- Details of any credit commitments such as credit cards, loans, storecards or hire purchase agreements
- Proof of deposit (most recent 12-24 months bank statements must show build- up of savings)
- Gifted deposit letter and bank statement (if being gifted money for your deposit)
- If you are self-employed - Online Tax Calculations SA302's & Tax Year Overviews for the last three years (Ask your Accountant for them or print them from HMRC on line portal)

During your financial assessment, the independent advisor will also help to determine the size of the share you can afford to buy. The minimum share you can purchase is generally between 25% – 75%.

If your circumstances change, you can increase the share you own until you eventually own 100%. This process is called staircasing.



Eligibility

You will need to ensure you have a good credit history, this means each of the following statements are true:

- I have not been declared bankrupt within the last 6 years.
- I do not have an unsatisfied County Court Judgement (CCJ) registered against my name.
- I am not in arrears with any tenancy payments or mortgage repayments.
- I do not have any active Individual Voluntary Credit Agreements in place.
- I have not had a home repossessed in the last 5 years.

You will need a deposit of around 5-10% of the value of the share you are buying. This means you will need a much smaller deposit than if you were buying outright (on the open market). You will also need savings, or access to, approximately £5000 to cover the costs of buying a home. This will cover solicitor costs, stamp duty and other expenditure.

Once you have completed the financial assessment and your application has been accepted, you will be sent an offer letter. If you chose to accept, we will take a payment of £500 to reserve it for you. The reservation fee will be returned to you when you complete.

We will not return your reservation fee if (after we make you an offer):

- You decide not to go ahead, for whatever reason, including if you change your mind
- We withdraw our offer of a home because you have given false or misleading information on your application form
- You have failed to progress the purchase within the set deadlines.

Other costs

Once you have moved into your home you will pay a monthly mortgage on the share you have purchased, subsidised rent on the share you don't own and a monthly service charge. The service charge goes towards maintaining the building, communal areas and the surrounding environment to a high standard.

“You will need a deposit of around 5-10% of the value of the share you are buying. This means you will need a much smaller deposit than if you were buying outright (on the open market).”



Below is a list of our recommended Independent Financial Advisers, who will carry out a free financial assessment for you upon our appointment depending on the area. The interview arranged is solely for the purposes of establishing your affordability.

It is compulsory to have a financial assessment however; you are not obliged to arrange your mortgage through the financial advisers.

**De Havilland Group Limited, Angel House,
225 Marsh Wall, London, E14 9FW
Telephone: 020 7517 0700
Email: enquiries@dehav.com
Website: www.dehavilland.co.uk**

De Havilland Group Limited, established for more than 20 years are experienced independent mortgage advisors with extensive up to date knowledge of the rates and criteria available to its customers. Mortgages are arranged from the 'whole of market place' and De Havilland Group Limited work closely with Housing Associations to have a firm understanding of the various schemes available and are directly authorised by the FSA.

'Our mission is to take our customers through the house buying process with clear comprehensive advice and to make the experience as stress free and pleasurable as possible. Mortgage illustrations can be emailed at the initial discussion stage with one of their advisors. A Mortgage Promise can be produced within 1 to 24 hours of returning our Agreement in Principle form. Most mortgage applications can be processed electronically which means we can progress your mortgage quickly and efficiently keeping you up to date at all times.'

De Havilland Group Limited are dedicated to providing best advice and an impartial recommendation.

"It is compulsory to have a financial assessment however; you are not obliged to arrange your mortgage through the financial advisers"



**TMP, Riverside, London, SE1 2AQ
Tel: 08707 669 388
Email: chirpy@tmpmortgages.co.uk
Website: www.tmpmortgages.co.uk**

The Mortgage People are one of the very few independent mortgage advisers and Independent Financial Advisers who can claim to have specialist knowledge of all low cost home ownership schemes. They have been working in this field with Housing Associations for over 20 years.

'We ensure you receive sound financial advice. Geography is no problem; we are mobile throughout London and the Home Counties and are happy to meet you at your home or place of work. 100% funding is available on highly competitive terms. We are able to offer a range of exclusive mortgage products on both fixed and variable rates. Agreements in principal can be issued.'

**Easylife Mortgages & Finances Ltd, 193a
Livingstone Road, Thornton Heath Surrey CR7 8JZ
Telephone: 0208 771 1176
Mobile: 07949 592 192
Email: emilia@easylifemortgages.co.uk
Website: www.easylifemortgages.co.uk**

We wanted to make the process of buying a home and obtaining a mortgage, which can at times be complicated, a smooth and easy process for our clients. From selecting the best mortgage, assisting in completing the paperwork, liaising with lenders and solicitors before you finally pick up the keys, we will help you at every step.

We offer a comprehensive range of mortgages from across the market, but not deals that you can obtain by going directly to the lender.

**Censeo Financial, 37-39 Lime Street,
London, EC3M 7AY.
Telephone: 0207 090 7290
Email: info@censeo-financial.com
Website: www.censeo-financial.com**

Censeo combines the skills of award-winning financial services professionals with a deep understanding of the affordable housing sector. As an appointed representative of First Complete – one of the largest Mortgage Networks in the UK, you can rest assured that Censeo’s advice is delivered in a fully competent and compliant manner.

‘We believe that a great business only exists if it delivers great service. The cornerstones to great service are truth, transparency and trust. We will be wholly truthful in our dealing with all our customers and suppliers, offer transparency in all that we do so that we can build trust with those that we work for and with. By working in line with this mission statement and our service commitments we will continue to expand and assist more people to achieve financial competency and inclusion.’

Censeo currently provides advice on mortgages and related products for the prospective and current clients of a number of leading housing associations and developers.



***“The interview arranged is solely
for the purposes of establishing
your affordability”***



For more information call 0300 3230325
or email sales@originhousing.org.uk

www.originsales.co.uk