

Shared Ownership Application Policy

Shared Ownership Eligibility Criteria

Customers looking to buy a Shared Ownership home must meet the following eligibility criteria:

- Have a gross household income of less than £80,000 and must be unable to buy a suitable property for their housing needs on the open market.
- Be able to evidence sufficient funds to meet the purchase costs of buying a home, and demonstrate the ability to afford and sustain the monthly costs long-term.
- Must not own another property at the point of completing their Shared Ownership purchase.

Existing Homeowners

Customers who currently own a home may purchase a Shared Ownership home if they meet the above eligibility criteria for the scheme and are also able to evidence that they have agreed a sale on their current home. Details about the expected timescales and other properties in the chain will also be required prior to a reservation being made.

The purchase of the shared ownership home must not complete until the current home sale is also completed, though this may happen simultaneously.

First come, first served

To ensure fairness, at the point a new development is released for sale (or 'launched') all customers who have registered on the mailing list will be contacted at the same time via an e-shot. This will provide details of how to book an appointment with a sales advisor, either at an off-plan event or show home launch day.

Where customers on the mailing list have notified us of a disability impacting their ability to access sales release information, and alternative contact details have been provided, they will also be notified by telephone.

Customers will then be treated on a 'first come, first served' basis, i.e. the first person who calls to book an appointment will have the opportunity to book the earliest appointment on the launch day. If they are eligible for shared ownership, and wish to proceed, they would need to have completed the required [Next Steps](#) ahead of the appointment. This includes the [online eligibility checker](#), affordability assessment with Metro Finance, having obtained a mortgage in principle and having provided the required supporting documents. They would then have their first choice of preferred plot.

Where customers notify us at this stage of a disability impacting their ability to attend an appointment in person, suitable alternative arrangements can be made.

Shared Ownership Resales

The same eligibility criteria is applicable to any Resale home. Where customers have expressed an interest in a shared ownership home that is available for resale then, following a viewing, customers will be treated on a first come first served basis, with the first customer to complete their application (including a successful financial assessment as set out in the Resales Next Steps guide) being offered the home. The guide can be found [here](#).

Priority Groups & Local Connection Requirements

The exceptions to the 'first come, first served' policy are:

- Qualifying Armed Forces/military personnel, who will be prioritised. There is more information on who qualifies in the ['Shared Ownership FAQs'](#) section of our website.
- Where the development is within a National Park, Area of Outstanding Natural Beauty or a rural exception site. In this instance, there may be a requirement that customers with a connection to the local area be prioritised. Any such restrictions will be advised in the allocation policy and marketing material for the development.

Minimum Deposit Requirements

Customers will be required to put down a minimum deposit of 5% of the share they are purchasing and will need to be able to provide evidence of the source of these funds.

Monthly Minimum Surplus Income Requirements

In order to ensure shared ownership customers have some funds left over each month, Plumlife requires all buyers to have a minimum amount of surplus income available after all their housing costs, commitments (e.g. utility bills, childcare costs) and regular expenditure has been accounted for. The aim of this is to act as a buffer for any unexpected expenses that the customer may need to pay, or any future cost increases, for example rent.

The monthly minimum surplus will be factored in by the financial advisor when they carry out their budget planner with the customer. The standard monthly minimum surplus required will be 10% of the customer's net mortgageable income remaining after all deductions and the shared ownership rent has been stress-tested. For customers purchasing shares below 25%, the required surplus will be 20%. For customers purchasing an apartment, the service charge will also be stress-tested. The aim of stress-testing housing costs against a customer's income and expenditure is to help ensure that if costs increase over time, they can remain affordable.

Cash Buyers

It is expected that the majority of customers will purchase a shared ownership home through a combination of savings and mortgage funds. However, in some cases applicants can be cash

buyers subject to meeting the standard shared ownership eligibility requirements, as well as meeting the following criteria:

- The customer is unable to obtain a mortgage but has sufficient funds to buy a share of a property outright, for example an older person who cannot obtain a mortgage due to their age, or someone with a lower income.

Customers looking to purchase as a cash buyer must still be referred for a detailed affordability assessment with a financial advisor to ensure that the purchase is affordable and sustainable. Customers should also consider seeking specialist financial advice, for example from a pensions advisor if opting to use a pension lump sum as a deposit.

The share level will be determined based on what is most suitable, taking into account feedback from financial advisors and the customer's individual circumstances. We may request a credit report from a customer as part of the application process.

If the customer is not able to obtain a mortgage due to adverse credit history, Plumlife will assess each case in line with our adverse credit policy below to determine whether the purchase is sustainable and will also be guided by feedback from the mortgage advisor following their financial assessment prior to making a decision about whether a sale can proceed.

Adverse Credit

Applications from customers with adverse credit history will be considered providing they can satisfy the below requirements.

We would usually not accept the following:

- CCJ's or defaults that remain unsatisfied within the last 2 years, with the exception of communication defaults (e.g. mobile phone bills)
- CCJ's or defaults within the last 2 years over £300 (whether satisfied or unsatisfied)
- Unsatisfied CCJ's or defaults of more than £1000 (registered at any time)
- Mortgage arrears within the last 12 months

We would consider applications where the following has occurred:

- IVA's or bankruptcy were discharged 3 years ago or more
- IVA's or bankruptcy were registered over 6 years ago and that have been satisfied with no further issues
- Debt management plans that have been repaid
- A previous home repossession has taken place over 3 years ago, providing there is no outstanding debt to the lender and no other credit issues within the last 3 years.

In all cases, Plumlife will be guided by the financial advisor's feedback as part of their financial assessment.

Additional approval for connected individuals

Should a colleague or close connection of Great Places/Plumlife wish to apply for a Plumlife shared ownership home, this connection would need to be disclosed at point of application. Applications from connected individuals will be processed in line with the requirements of the Great Places Probity policy.

In addition to the requirements of the Probity Policy, any such applications will be subject to the standard eligibility checks and approval process. The connected individual must meet all specified requirements, and have received no prior advantage over other customers.

Cancellation policy

On reserving a new shared ownership home, the customer will pay a £500 reservation fee to secure the property. Plumlife will take the reserved property off the market for 6 weeks from the reservation date. Exchange of contracts is required to take place within those 6 weeks. The customer has the right to cancel their reservation at any time.

If the reservation is cancelled within the 6-week reservation period, Plumlife will refund the reservation fee, less an administrative charge of £50-£500 depending on the stage at which the sale is cancelled. If the reservation was cancelled after the 6-week reservation period had expired, Plumlife reserves the right to retain the full reservation fee paid. If exchange of contracts is not achieved within 6 weeks of reservation, Plumlife reserves the right to withdraw from the sale.

Please see the handy links below for more information on Shared Ownership and the sales process:

- [Buying Process for Shared Ownership](#)
- [Shared Ownership FAQs](#)
- Next Steps – New Build Homes [please link]
- Next Steps – Resales [please link]