

## **Home Purchase Grant Scheme** **Additional Information**

Below are some of the most common questions asked by tenants about the scheme:

### **1. What is the eligibility criteria?**

To be eligible for the scheme tenants must meet the following criteria:

- Be a secure tenant and have held a secure tenancy with us for at least three years in total (two of which must be with Southwark Council) before you apply
- Your current home must have a minimum of two or more bedrooms as the scheme is not available if you live in a studio or 1 bedroom home
- You must not be in receipt of housing benefit
- Your council tax must be up-to-date
- You must not be in any rent arrears including all associated accounts. Your rent and council tax accounts must also be up-to-date for the duration of your application
- You cannot have been made bankrupt or be guilty of any recent anti-social behaviour
- The grant is only available if you wish to buy your property in England, Wales & Scotland (excluding the Channel Islands and shared ownership properties)
- You must not have a Right to Buy or Social Homebuy application at any time during your Home Purchase Grant application

### **2. How long is the application process?**

The time taken for the application process is dependent on how quickly you can provide the necessary documents, your availability for appointments and how the solicitor handling your case works. Most applications take around nine to twelve months from start to completion; however, this is completely within your control. If documents are not submitted within the designated time-frame, your application will be delayed or withdrawn.

### **3. Can someone else apply as a joint applicant?**

As long as a secure tenant applies, additional applicants may join the application subject to qualifying criteria of the scheme.

### **4. What are the costs involved?**

There are a number of one-off costs you will need to consider when applying to this scheme such as solicitor fees, bank transfer fees, VAT, land registry charges, mortgage fees and valuation charges, etc.

### **5. How much savings do I need?**

If the grant is being used for a deposit to buy a new home, the more savings you have the better the chance you will have in securing a mortgage for the property you wish to buy. The amount of deposit required to purchase a property will depend on: the total purchase price

of the property you wish to buy; the mortgage provider you choose to lend with; your total deposit; the length of the mortgage term; mortgage interest rate; and your credit rating.

## **6. What are the stages involved?**

### **i. Application**

If you are interested in applying for the Scheme, you can ask for an application to be posted to you by contacting the Specialist Home Purchase Team at: [specialist.homepurchase@southwark.gov.uk](mailto:specialist.homepurchase@southwark.gov.uk)

### **ii. Identification**

Once your application has been received we will write to you to make an appointment to verify your identification. We will need to see original copies such as: an up-to-date passport as well as a drivers licence or other photo identification. In addition, we will require a copy of your tenancy agreement and proof of residence such as utility bills and council tax invoice.

### **iii. Affordability**

To ensure applicants will not be placed in financial burden, we carry out a comprehensive affordability assessment with every application. This tells us how much we estimate your approximate property budget will be. With this in mind, we will request copies of all your income and expenses such as: bank statements, credit card statements, savings statements, payslips, loan agreements and benefits.

### **iv. Using your personal information**

Personal information which you supply to us may be used in a number of ways, for example:

- To process and make a decision on your Home Purchase Grant scheme application form
- For fraud prevention
- For audit purposes
- For statistical analysis
- To complete credit checks

In addition, your personal information will be used to ensure compliance with Housing Act 1985, The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, Settled Land Act 1925, Property Act 1925

### **v. Sharing information**

We may share your information with external organisations such as solicitors, banks and credit reference agencies.

Your personal information shall only be used for these purposes and will be destroyed after 12 years from when your application was closed or completed. More information about your rights is available on:

- our website: <http://www.southwark.gov.uk/council-and-democracy/freedom-of-information-and-data-protection/fair-processing-notice>)
- via the Information Commissioner: [www.ico.org.uk](http://www.ico.org.uk)

Fraud is an ongoing issue facing all Local Authorities and this stage is in place to ensure that the Council is protected as well as complying with Anti Money Laundering regulations.

#### **vi. Provisional Offer**

Once we have all of your information, we will make you a provisional offer. The provisional offer lasts for eight weeks. At this stage, if you are purchasing a property, you will need to find a property within your provisional offer budget and submit your solicitor details, a formal mortgage offer, a brochure of the property for sale and three removal quotes from registered companies.

Important: Your solicitor should have extensive conveyancing experience in the buying and selling of properties within England, Wales or Scotland. You should collect several quotes to begin with and research reviews for peace of mind. Solicitors can charge either a fixed fee, an hourly rate or a percentage of the sale.

A good solicitor will keep you updated regularly and support you in every stage of the conveyancing process.

#### **vii. Instruction**

After the provisional offer has been returned with all the property and solicitor information, we will instruct the Council's solicitors who will in due course contact your nominated solicitors to begin the property purchase process.

#### **viii. Legal Undertaking**

Once all parties' solicitors have agreed to the terms and conditions, your solicitors will submit a formal legal undertaking to the Council's solicitors.

#### **ix. Formal Offer**

After a legal undertaking has been received, we will send you a final formal offer which confirms the details of the grant.

#### **x. Completion**

On the day of completion, we will carry out a detailed property inspection of your council home, which must be emptied of all personal belongings and left in a good condition. Once this has been carried out and keys received, we will call our solicitors to confirm vacant possession and to approve the transfer of the grant to your solicitors.

A legal charge will be registered to the property that the grant is secured against.

## 8. What happens if I choose to sell the property after I have bought it?

If you sell your home before five years have passed, you will have to pay a part of the grant back to the Council. The re-payment amount will be the full grant amount (not including the removals costs) reduced by 20% for each full year from the date of completion.

Year 1	100%
Year 2	80%
Year 3	60%
Year 4	40%
Year 5	20%

After five years have passed, you should make a note to contact the Council to ask for this charge to be removed.

## 9. How can I apply?

If you would like to be considered for the Home Purchase Grant scheme, please contact us at [specialist.homepurchase@southwark.gov.uk](mailto:specialist.homepurchase@southwark.gov.uk).