



First Time Buyers initiative Information Pack

Thank you for your after sales enquiry. On the following pages you will find information about all after sales transactions that require HOP's consent. Having read this information, if you need to contact the After Sales Portfolio Team at any time please use the following contact information:

After Sales Portfolio Team
Housing Options Plus/Metropolitan
The Grange
100 High Street
Southgate
London
N14 6PW

E: hop.team@metropolitan.org.uk

T: 0845 470 0121

F: 020 3535 2755

Please comment on our service, by copying and pasting the below link to your toolbar:
<https://response.questback.com/metropolitanhousingpartnership/housingoptions2/>
All customers who fill in the survey will go in the draw for a chance to win £20 worth of vouchers.

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1. Staircasing:

Staircasing is the process of repaying either a proportion of the loan you received, or the loan in its entirety, without selling the property. Under the terms of the loan:

- You can only staircase once 3 months has passed since the date of completion.
- The minimum amount you can staircase at one time is 10% of the current value of the property.
- The FTBI loan may not be worth less than 10% after you have staircased. Therefore, if the FTBI loan is currently worth less than 20% you can only staircase the loan in full.
- You may only staircase in multiples of 10% i.e. 10%, 20%, 30% etc unless you are staircasing in full.
- You cannot staircase if you are in arrears with your monthly First Time Buyers' Initiative payments (if applicable).
- You are liable to pay an administration charge of £50 including VAT. This is non refundable and is to be paid by cheque to Metropolitan Housing Trust. *This is not due until you have carried out your valuation and confirmed you want to proceed.*

First step:

As the FTBI investment you received is repayable at the current market value, the first stage of staircasing involves instructing an independent RICS surveyor. The valuation sets the price of the whole property and we will use this market value to calculate the current value of the loan.

Valuation guidelines:

You may instruct your own surveyor. Alternatively you can use one of the surveyors on our panel (please see details enclosed page 12).

When instructing the RICs valuer please ensure you inform them that:

- The valuer must be registered with the recognised qualification of RICS.
- The valuer must be independent to an estate agent.
- The valuer to provide 3 comparable properties and sale prices
- The valuer must not be related or known to you.
- The valuer must inspect the interior of the property and provide a full valuation report.
- Valuations carried out for bank or mortgage purposes are not acceptable
- Housing Options Plus (HOP) will require a copy of the valuation report; the inspection date must be shown on the report.

If the valuation report is not as in the above guidelines, you will be required to liaise with the valuer for rectification and any additional costs incurred will be your responsibility

Next steps:

Once you have received your valuation report, you should arrange to send this to HOP within 5 working days. Upon receipt, we will calculate how much it will cost to repay the FTBI investment at the Market Valuation.

Providing the valuation report meets the above criteria and HOP are satisfied it accurately reflects the value of your property, you will receive written confirmation of this repayment amount (the current value of the FTBI loan) within 10 working days. We will ask you to confirm how much you are looking to staircase and the details of the solicitor acting for you on this transaction.

After we have received this information we will write to your solicitor confirming the amount you wish to staircase and the payment required for this to happen. We will also provide them with details of how to make this payment. From this point on we will liaise with your solicitor to ensure once payment has been received the legal paperwork is completed. You will receive a copy of any correspondence sent to your solicitor. There will also be two administration charges, £50 for the staircasing transaction and £50 for the additional borrowing transaction, both are non refundable.

Please note: the RICS valuation will only be valid for 3 months and therefore if the transaction does not complete within this period of time you will be required to provide another valuation.

Additional Borrowing:

If you are making a part repayment of your FTBI loan, and you are funding this by taking out additional borrowing with your mortgage lender, please inform HOP as there is an additional process that you need to follow. Once you have provided a valuation to HOP we will provide further information. The additional borrowing you can take is limited to the amount you require to fund your staircasing transaction. For example, if you are making a payment of £50,000 you can only take out further borrowing of £50,000.

Please note: before you proceed with staircasing HOP advises that you should take independent legal and financial advice on the implications of these changes.

FTBI fee payment

As you are aware, there is a fee due on your First Time Buyers Initiative assistance from the third anniversary of you purchasing your property. If you are currently making payments, or are due to start making payments in the near future, it is important you continue and do not cancel your Direct Debit.

If you are in arrears, you will not be able to complete your transaction until the arrears on your account are cleared. On completion the Revenue Controller will reconcile your account and any overpayment within this period will be refunded.

2. Redemption:

Redemption is the term used for selling your property and repaying the First Time Buyers' Initiative (FTBI) loan invested in your property.

The FTBI assistance you received is an equity loan and, in accordance with the terms of FTBI, the repayment amount is calculated as a proportion of either the current market value or the sale price of your property (whichever is higher). For example, if you received 50% of the initial purchase price through FTBI, the amount you will have to pay back will be 50% of either the current market value or the sale price of your property (whichever is higher).

First Steps:

The first step is for you to market your property on the open market. We recommend you consult with several Estate Agents before deciding how much to market your property for. Once you have received an offer you wish to accept you will need to have the property valued by an independent valuer who is a qualified member of the Royal Institute of Chartered Surveyors (RICS). It is your responsibility to pay for the valuation and it is only valid for 3 months.

Once you have instructed the RICS independent valuer, please notify us of this in writing along with the offer you have received. Once we are in receipt of the valuation report we will write to you advising of the next steps.

Valuation guidelines:

You may instruct your own surveyor. Alternatively you can use one of the surveyors on our panel (please see details enclosed page12).

When instructing the RICS valuer please ensure you inform them that:

- The valuer must be registered with the recognised qualification of RICS.
- The valuer must be independent to an estate agent.
- The valuer to provide 3 comparable properties and sale prices
- The valuer must not be related or known to you.
- The valuer must inspect the interior of the property and provide a full valuation report.
- Valuations carried out for bank or mortgage purposes are not acceptable
- Housing Options Plus (HOP) will require a copy of the valuation report; the inspection date must be shown on the report.

If the valuation report is not as in the above guidelines, you will be required to liaise with the valuer for rectification and any additional costs incurred will be your responsibility.

Once you have received your valuation report, you should arrange to send this to HOP within 5 working days. If you chose to use one of the surveyors on the HOP panel a copy will automatically be provided to us. Every valuation is subject to HOP approval and if we are not satisfied that it does not accurately reflect the market value of the property we can request you provide us with another valuation.

Next Steps:

If the valuation is approved by HOP, within 10 working days of receiving both the valuation report and confirmation of the sale price we will confirm the repayment amount to you in writing. If the valuation and the sale price differ the repayment amount will be calculated on

the higher of the two. This is in accordance with the terms of FTBI. We will also ask you to confirm the details of the solicitor acting for you in the sale of your property, as they will arrange for the FTBI loan to be paid back on completion.

Negative Equity:

If the value of your property has fallen significantly you may find that you are unable to pay back both your first mortgage and the FTBI loan you received in full. If this happens the Second Charge holder may take a reduced loan amount to ensure that this does not prevent you from selling your property. If you cannot pay the FTBI loan back in full, the repayment amount is calculated by subtracting the outstanding balance on your first mortgage (excluding early redemption penalties) from the sale price or the market value of your property (whichever is higher). HOP will liaise directly with your solicitor to ensure the correct amount is repaid.

Please note fees connected to the sale of your property such as Estate Agent Fees, Solicitor Fees will not be deducted from the Sale Price or Market Value of your property (whichever is higher). The homeowner is responsible for paying these fees.

Please note: before you proceed with the sale of your property HOP advises that you should take independent legal and financial advice on the implications of this.

In conclusion, the next step you need to take if you wish to sell your property is to market it on the open market. Once you have received an offer you are happy with please provide us with written confirmation of the offer amount from your Estate Agent, along with a valuation carried out by a RICS registered valuer. We will then confirm in writing the repayment amount.

You are liable to pay an administration charge of £50 including VAT. This is non refundable and is to be paid by cheque to Metropolitan Housing Trust. *This is not due until you have carried out your valuation and confirmed you want to proceed.*

FTBI fee payment

Please refer to page 4

3. Remortgaging:

Remortgaging is the term used when you would like to switch mortgage lender without increasing your borrowing. If you want to proceed with this transaction consent is required by HOP.

Before HOP will consider the remortgage transaction we require the following information:

- A copy of the formal mortgage offer from your new lender not exceeding 25 years, however if your original mortgage was for a longer period we will accept this although you will need to provide HOP with proof of this in the form of either a copy of the original offer or a letter from the Lender confirming the original term.
- Details of the solicitor dealing with this remortgage
- A Mortgage Redemption Statement from your current Mortgage Lender
- A Deed of Postponement (DOP) from your solicitor or lender. HOP will accept the DOP of certain Qualifying Lending Institution, although the signatory block will be altered to meet their requirements. The lender should accept this amendment. If the Lenders DOP Format is not accepted a standard DOP will be engrossed and the lender must accept this format.
- A cheque for £50 including VAT made payable to Metropolitan Housing Trust. This is an administration charge and is non refundable.

Please send all of this information to Housing Options Plus. This can either be emailed to hop@metropolitan.org.uk or posted to the address listed on this letter headed paper.

In addition please make sure that you inform the lender about the loan you received through the First Time Buyers' Initiative. You should also seek independent legal and financial advice.

Please note: if you are looking to change your lender AND take out further borrowing please notify HOP as this is a different process and in most cases further borrowing will not be permitted.

FTBI fee payment

Please refer to page 4

4. Additional Borrowing:

Under the terms of FTBI any additional borrowing must be approved by HOP. We have been appointed by the second Charges to deal with all post sales enquiries on their behalf.

It is the policy of the HCA to only consider further borrowing for one of the following reasons:

- You are using the additional borrowing to fund a staircasing transaction (making a part repayment of the FTBI loan you received – you do not need permission to take out further borrowing if you are paying back the loan in full).
- You are using the additional borrowing to fund home improvements (home improvements are only permitted in exceptional circumstances where a case for hardship can be made; for example if modifications are required to make your home more accessible for a disabled person living in the property).

Additional Borrowing carries an administration charge of £50 including VAT and is non refundable.

Please note: under no other circumstances will we consider a request for additional borrowing.

Additional Borrowing for Staircasing

If you are looking to staircase and have not yet informed us it is important you contact us on 0845 470 0121, as we will need to start the following process:

- You will need to get a market valuation of your property carried out by a surveyor registered with the Royal Institute of Chartered Surveyors (RICS). This valuation is valid for 3 months.
- You will need to inform us how much you are looking to staircase.
- A copy of the formal mortgage offer from your new lender not exceeding 25 years, however if your original mortgage was for a longer period we will accept this although you will need to provide HOP with proof of this in the form of either a copy of the original offer or a letter from the Lender confirming the original term.
- Details of the solicitor dealing with the Staircasing & Additional Borrowing
- A Deed of Postponement (DOP) from your solicitor or lender. HOP will accept the DOP of certain Qualifying Lending Institution, although the signatory block will be altered to meet their requirements. The lender should accept this amendment. If the Lenders DOP Format is not accepted a standard DOP will be engrossed and the lender must accept this format.
- A cheque for £50 including VAT made payable to Metropolitan Housing Trust is required if you are looking to partially staircase in your property. If you are fully staircasing you do not need to pay the fee of £50. This is an administration charge and is non refundable.

Once we have this information we will provide you with the amount you will need to pay to complete this transaction and with more information about the further borrowing process.

The level of further borrowing you can obtain is restricted to the amount you need to pay for your staircasing transaction. For example, if you are looking to staircase 10% and your property is worth £200,000 you will need to pay £20,000. In this example the further borrowing you can take out is restricted to £20,000 - you may not exceed this amount.

Please note: We cannot confirm the exact amount of further borrowing you can obtain until we have the above information. You should not arrange further borrowing before we send you confirmation of the amount you can borrow. However, you may contact your lender to ensure it is possible for you to obtain the amount you estimate you require. If you need assistance with this please contact us.

Additional Borrowing for Home Improvements

If you are looking to carry out structural home improvements and have not yet informed us, please contact us on 0845 470 0121. It is the policy of the scheme to only consider structural improvements to your property in cases of hardship (for example if modifications were required to make your home more accessible for a disabled person living in the property). If your request for structural home improvements is approved by the HOP we will then evaluate your request for additional borrowing.

You may only take out additional borrowing for home improvements if there is sufficient equity in your property. For this to be calculated we will require a market valuation of your property carried out by a RICS registered surveyor. The total level of borrowing you can take out is calculated using the following method:

Original contribution (mortgage + deposit) + (overall increase of property value x (your percentage x 75%).

This means you are able to borrow against 75% of any increase in the value of the share of the property you own outright. This ensures you are not borrowing against the loan you received.. If the value of your property has not risen then only borrowing equal to your original contribution will be permitted. Please see an example below:

FTBI loan percentage - 35%

Client's percentage - 65%

Property Value at time of purchase- £100,000

Property value at time of remortgage - £150,000

Client's original mortgage - £65,000

Increase in property value - £50,000

75% of increase in property value - £37,500

Client's percentage of the 75% of the increase - £24,375

Maximum loan amount (client's percentage of increase + original mortgage amount) = £89,375

Please note: we cannot confirm whether additional borrowing is permitted until your request for structural home improvements has been considered. In addition to this, if your request is approved, we cannot confirm the amount of further borrowing (if any) permitted until we have seen a valuation of the property. Therefore you should not arrange further borrowing for a specific amount before this point. However, you may contact your lender to ensure it is possible for you to obtain the amount you estimate you require. If you need assistance with this please contact us.

FTBI fee payment

Please refer to page 4

5. Change of Ownership:

If you are looking to change the ownership of your property you purchased with the assistance First Time Buyers' Initiative (FTBI). You will need the permission of HOP as you were given an equity loan at the time of purchase and you have a second charge registered on your property. Housing Options Plus (HOP) has been appointed to deal with all FTBI post sales transactions on behalf of the Agency.

The HCA will allow a substitution of ownership or someone to be added or removed from the property as long as one original owner of the property remains. **However, you should be aware that, as a general rule, a change to the ownership of the property will only be permitted once.**

Before permitting a change in ownership HOP require the following:

- Written confirmation from those named registered as the property owners agreeing to the transfer of ownership and responsibilities
- A copy of the formal mortgage offer from your lender not exceeding 25 years, however if your original mortgage was for a longer period we will accept this although you will need to provide HOP with proof of this in the form of either a copy of the original offer or a letter from the Lender confirming the original term.
- Details of the solicitor you will be using to register this change at the Land Registry
- A cheque for £50 made payable to Metropolitan Housing Trust. This is an administration charge and is non refundable.

Please note if your Lender is the Halifax, please contact HOP as a letter from us may be required before they can provide HOP with a copy of the Mortgage Offer.

Once we have received this information we will provide a copy of either a Deed of Accession or Release (whichever is applicable) to your solicitor which you will need to sign.

Please note: before you proceed with the change in ownership of your property HOP advises that you should take independent legal and financial advice on the implications of these changes.

FTBI fee payment

Please refer to page 4

6. Home Improvements

Home improvements are not permitted. You purchased your property with the assistance of a shared equity loan. If you are looking to undertake any home improvements you will need to pay back the percentage that was given to you before you can go ahead with any home improvements.

7. Subletting:

The Second Charge holders on your property have confirmed that they will not approve subletting in any but the most exceptional of circumstances, generally restricted to:

- Where a homeowner has involuntarily been temporarily relocated by their current employer and is not receiving sufficient payments to pay for their mortgage and their temporary employment.
- Where a homeowner has a medical condition which means they are unable to remain in their property for a temporary period of time.
- Where a homeowner must temporarily relocate to look after an ill member of family.
- Where a serving member of the Armed Forces whose tour of duty requires them to serve away from the area in which they live (a distance of at least 50 miles or 90 minutes travelling time) for a fixed period of time.

If you feel that you have reasonable grounds as per those listed above, it may be possible for you to sublet your property. So we can put the case forward to the Second Charge holders please can you provide us with the following information:

- Confirmation from your mortgage lender that they are willing to permit you to sublet
- Confirmation from you of how long you want to sublet for and your intentions once your period of subletting has expired
- Evidence supporting your case
- A cheque for £50 made payable to Metropolitan Housing Trust. This is an administration charge and is non refundable.

Lodgers:

Thank you for your enquiry regarding getting a lodger.

This is permitted under the scheme, as long as you will still be living in the property.

A Declaration of Interest must be signed by the person staying to confirm they have no interest in the ownership of the property.

Please contact HOP to discuss the next steps.

Panel of Registered Surveyors

Please find below a panel list of surveyors who are regulated by the Royal Institute of Chartered Surveyors (RICS). These surveyors have offices nationwide and will be able carry out a survey on your property.

For any of the above transactions we strongly recommend you instruct one of the panel members below:

<p>Esurv</p> <p>Esurv Surveyors Kettering Northamptonshire NN16 8AP</p> <p>Tel: 01536 534 120</p> <p>http://www.esurv.co.uk/get-in-touch.aspx</p>	<p>Colleys</p> <p>Various offices, to find your local surveyor http://www.colleys.co.uk/customer/contact-us/find-your-local-surveyor/</p> <p>Tel: 0845 602 2222 Email: Colleys@hbosplc.com</p>
<p>Connells</p> <p>Cumbria House 16-20 Hockliffe Street Leighton Buzzard Bedfordshire LU7 1GN</p> <p>Tel: 01525 218500</p>	

When instructing the RICs valuer please ensure you inform them that:

- The valuer must be registered with the recognised qualification of RICS.
- The valuer must be independent to an estate agent.
- The report must be on headed paper and signed by the RICS surveyor
- The valuer MUST provide at least 3 comparable properties and sale prices. Failure to do so will result in the valuation being rejected.
- The valuer must not be related or known to you.
- The valuer must inspect the interior of the property and provide a full valuation report.
- Valuations carried out for bank or mortgage purposes are not acceptable
- Housing Options Plus (HOP) will require a copy of the valuation report; the inspection date must be shown on the report.

If the valuation report is not as in the above guidelines, you will be required to liaise with the valuer for rectification and any additional costs incurred will be your responsibility.

Please note that Housing Options plus do not endorse any particular company and you are free to choose a RICS valuer of your choice.

Panel of Solicitors

For any of the above transactions we strongly recommend you instruct a solicitor to undertake the legal conveyancing.

Below are four Solicitors who have detailed knowledge and experience in the processing of the various transactions as listed in this pack.

<p>Cavendish Legal Group 188-190 Hoe Street Walthamstow London E17 4QH</p> <p>T 020 8509 6800 F 0845 4747 432 Email: enquiries@gtclaw.co.uk</p>	<p>Tinklin Springall Solicitors Devonshire House Elmfield Road Bromley BR1 1TF</p> <p>Tel: 020 8402 6222 Email: cmp@tinklinspringall.co.uk</p>
<p>New Homes Law 61 New London Road Chelmsford Essex CM2 0ND</p> <p>Tel: 0300 0200 009 Fax: 01245 357 256</p>	

Please note that Housing Options plus do not endorse any particular company and you are free to choose the solicitor of your choice.
