

# VRtB Policies

## Customer Eligibility

### *Tenants are eligible if:*

- They can prove they have been a tenant of social or affordable housing for at least 3 years (this need not have been with the same landlord or continuous).
- They currently hold an un-demoted secure tenancy, an un-demoted assured tenancy or fixed term "flexible" tenancy of 2 years or more.
- They have the right to reside in the UK, and can demonstrate that they meet the immigration status checks

### *Tenants are not eligible if:*

- They have the statutory preserved RTB or are a shared owner
- At the time of application they hold a periodic assured short hold tenancy, an assured shorthold tenancy for a fixed term of less than 2 years or are a licensee
- they do not have the right to reside in the UK, and cannot demonstrate that they meet the immigration status checks
- They became a tenant of their existing home through the mortgage rescue scheme and remain on the original fixed term tenancy.
- They are tenants of alms houses or fully mutual co-operatives.
- They have any rent arrears
- They or any joint applicants are subject to bankruptcy proceedings or unfulfilled credit

arrangements

- They have committed anti-social behaviour as defined in the Paragraph 11 of Schedule 11 to the Anti-Social Behaviour, Crime and Policing Act 2014 and Accord has initiated legal proceedings as a result of this. Tenants would become eligible if such legal proceedings were withdrawn or discontinued;
- They are currently subject to legal proceedings, e.g. injunction proceedings have been issued or a Notice of Seeking Possession (NOSP) has been served. Tenants would become eligible if such legal proceedings were withdrawn or discontinued, or if Accord failed to send papers to the court for issue within 6 months of expiry of the NOSP, or Accord loses the case in court (including following any appeal);
- They already own a property even if it is not their principal residence at the point of purchase
- They hold an assured fixed term tenancy where the term (as originally granted, not the unexpired portion of it) is 21 years or more
- They hold an assured tenancy for a single room in a shared house

If the tenant is applying jointly with a spouse, civil partner and/or up to 3 family members they must:

- Demonstrate that it is the main home of every applicant
- Prove that it has been their residence for at least 12 months

No joint applicant can be added to or removed from the application during the process without voiding the application requiring a re-application by the tenant.

#### **Property Eligibility**

Under the voluntary agreement, the presumption is that housing associations will offer to sell tenants the property which they are living in and this to apply in the majority of cases.

However, there may be occasions where a housing association is unable to sell tenants their current homes. In these cases, the intention is for them to "port" their discount to another property in their area, owned by their own or another housing association.

In our case, we may not be able to sell you your own home if any of the following apply:

- • Co-operative Housing tenants / units

- Hostel and supported housing schemes where License Agreements are issued.
  - Intermediate properties where an Assured Shorthold Tenancy (AST) is issued.
  - Market Rent properties where an AST is issued.
  - Rent to Buy properties where an AST is issued and different purchase arrangements are in place.
  - Shared ownership properties where a lease is in place and different purchase arrangements are in place.
  - Supported and adapted accommodation
- **Properties where Disabled Facilities Grant (DFG) would become repayable**
  - Properties where significant fixed disabled adaptations have been made (whether DFG funded or not)
  - Where ongoing management or replacement may be difficult or costly
  - Tied accommodation occupied because the tenant is employed by Accord
  - Properties where section.106 or other planning agreement restricts the use of the property
  - Properties in rural areas
  - Properties where replacement is difficult or costly or where there are planning restrictions/property covenants
  - Properties due to be demolished or redeveloped

#### **Portability Policy**

##### **What happens if my property is not eligible for VRTB?**

If your property is not eligible to purchase under VRTB because Accord has excluded it, we may still be able to work with you to identify another property which does qualify.Â This could be with Accord or another housing association in the Midlands.Â This process is called Porting.

##### **How does porting work?**

If your property is excluded from VRTB and you decide that you would like to seek to buy an alternative property, Accord will help to find you an alternative property from ones we or other housing associations have empty or from newly- built properties which have been built for saleÂ by Accord or other housing associations in the pilot. We will

make you one reasonable offer of an alternative property to potentially purchase .

Applicants who decline the opportunity to port their discount or do not indicate whether they wish to port their discount will have their voluntary right to buy application cancelled.

Applicants who confirm they wish to exercise the porting process will have their application paused while an alternative property is identified.

**Identifying a property to port a discount to:**

Accord will work with customers to identify suitable locations and property types based on household need. There will be no presumption that customers can port to properties of exactly the same type and size. Porting applicants are not permitted to purchase a home that they would not be eligible for under Accord's Lettings Policy unless it is a home that Accord has already made a decision to divest of and sell. Within Accord stock customers will have two options to use their portable discount:

- New-build pipe-line units built for sale; or
- Existing void properties

It is expected that a suitable property will be identified within 6 months. For void properties Accord will operate an approach of "move and buy" for porting applicants. Once a void property has been identified and accepted for porting the tenant will be required to move into that property as a tenant and progress the purchase of the unit. The same will apply if the tenant identifies a suitable mutual exchange. If after 6 months, or if it is immediately clear that Accord does not have suitable properties of the type / size / location to offer a reasonable porting option, then Accord will work with other local partners to identify a porting solution.

Where improvements have been made in your current home, and this includes decorating, alterations, fixtures and fittings, this will be disregarded when identifying a suitable alternative. Accord will not be responsible for either compensating or replacing these improvements unless legally required to do so.

If you require aids or adaptations in the alternative home it will be your responsibility to arrange for funding and installation after they have purchased your home.

If you are porting your discount to a property owned by another housing association the process and eligible properties will be determined by that association's portable discount policy.

If a suitable alternative property has been offered and rejected, or you have not engaged in the porting process, your VRTB application will be cancelled.

If after 12 months there has been no reasonable alternative property available the Porting period will be reviewed and can be extended for a further 6 months

If we offer you an empty property to potentially purchase and you accept this offer we will move you in as a tenant in the first instance whilst you pursue your purchase. Please note that as this is a time-limited and finance-limited pilot, there is NO GUARANTEE, that you will ultimately be able to purchase this property

**Affordability**

The discount is worked out in an identical way to the statutory Right to Buy for council tenants. Further information can be found here: <https://righttobuy.gov.uk/right-to-buy-calculator/>

#### Costs to consider

As part of buying your home, you will have to consider the following costs:

- Legal costs – solicitor/conveyance
- The £250 application fee
- Mortgage broker or adviser may charge a fee, if you take out a mortgage
- Land registry fee
- Stamp Duty if applicable
- Removal costs

If you become a homeowner, a number of responsibilities will become yours:

- Freeholders: all maintenance and repair costs
- Leaseholders (flats only): internal improvements and routine repairs. External repairs and improvements and major structural repairs to the whole block will be the responsibility of the landlord, but you may have to pay service charges each year, and are likely to have to meet the costs of major repairs and refurbishment, which can be substantial.
- Home insurance

#### Where to get advice

- Government VRtB webpage <https://midlands.righttobuy.gov.uk>
- Government's Right to Buy Agents
- Citizens Advice
- Mortgage Advice Bureau

Think twice before getting advice from any agency that asks you for money to help you. They may be asking you to pay for advice you could just as easily get free of charge from one of the resources above.

#### How to apply

Tenants must apply on the Government's VRtB website <https://midlands.righttobuy.gov.uk> to obtain a unique reference number (URN).

The gateway on the website will open at 9am on launch day and will be open for one calendar month

A limited number of URNs will be available and not every applicant will be able to receive one. Please note that, even if you do receive a URN, there is no guarantee you will be able to buy your home. This depends also on the eligibility of your home and its affordability to you.

Applicants will be chosen at random by ballot after the gateway has closed. The ballot has been chosen to ensure fair distribution of the limited number of URNs.

**The VRTB pilot is both time-limited and also limited by the amount of money the government is making available to fund purchase. Therefore there is NO GUARANTEE at any stage in the process up until actual completion of the sale, that you will be able to buy a property.**

#### **The application process**

To apply, tenants must follow these steps:

- Enter basic details into the Government website <https://midlands.righttobuy.gov.uk> to apply for a URN.
- Receive email confirmation that your registration has been received.
- **After ballot closure, receive email informing you whether your application has been chosen to take part in the pilot. If so, receive URN.**
- Once you have a URN, visit [www.accordgroup.org.uk](http://www.accordgroup.org.uk) to download your application for (please be aware that paper copies are not available)
- Your URN is valid for four weeks from receipt. After that it will expire and you will no longer be able to apply. Please note that, even if you do receive a URN, there is no guarantee you will be able to buy your home. This depends also on the eligibility of your home and its affordability to you.
- Complete the application form and submit this to Accord within 4 weeks of receiving your URN, otherwise your application will be cancelled – it is a good idea to keep a copy of the completed form.
- From the point at which an application is submitted, we will keep the applicant(s) updated on progress and advise you of any additional documents and/or information required.
- Within four weeks we will review your application form and evidence you have provided. We

may then ask for further information. Once we are satisfied with the information you have provided we will contact you confirming whether you have the Voluntary Right to Buy and whether your property is available for purchase.

- If your property is excluded by our policy but you are eligible, we will offer you the opportunity to port to an alternative property
- If we accept your application and your property is available to buy we will notify you and you will then need to arrange an appointment to bring in documents, pay an application fee for Â£250 and select a surveyor.
- . During the application process you will be required to pay an admin fee of Â£250.00, which is only refundable if the sale completes or if we have to turn you down. If you choose to leave the process â e.g. for financial or practical reasons â this fee will not be refunded.
- At your appointment you will be asked to select a surveyor to undertake the valuation of your home.Â We have a list of participating Royal institute of Chartered Surveyors (RICS) qualified surveyors for you to choose from.
- Upon completion of the valuation, we will send you an offer notice. This offer notice will set out:
  - The RICS qualified surveyorâs valuation of your property\*, your discount and the price youâll pay.
  - Any structural problems the landlord knows about.
  - Any terms and conditions of the purchase.
  - For leasehold flats properties only, your offer notice will also include an estimate of the service charges that you will need to pay over the next 5 years.

\*If you are not happy with the valuation you can ask for a second valuation at your own cost from another RICS qualified surveyor from the approved list. You may want to check the costs of a second valuation before proceeding.

- You will then need to decide whether you want to go ahead with VRTB you have up to 4 weeks to accept the offer. It is during this time that you will need to arrange a mortgage or loan if you need one, get a survey, instruct a solicitor and get independent financial and legal advice if you have not already done so. It is important that you understand all costs involved before you accept the offer.
- If you do not respond within 4 weeks with the solicitors details your application may be cancelled.
- Once you are happy with our terms and have arranged payment for your home you can complete the purchase. It is usually during this time that you pay any stamp duty if applicable and finalise and sign all paperwork. Your solicitor should advise you and help with arrangements for these final stages of the process. This conveyancing stage should be completed within 12 weeks.

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#### **Fraud and Exploitation**

Accord's policy is to prevent and identify potentially fraudulent applications as early as possible. We will ensure that the necessary evidence in relation to funding and tenant / applicant verification is collected in accordance with GDPR requirements

If at any time during the application process Accord suspects fraud or money laundering, we will suspend the application and carry out an investigation. The decision to suspend an application will be made by the Rents, Charges and Sales Manager. It is reasonable for the tenant to expect such investigations to take no longer than 3 months.

Investigations and face-to-face interviews at the residence will be undertaken in all cases where the following circumstances apply:

- The tenant applies with other multiple applicants who are not known to us / are not joint tenants;
- The tenant is / has been on full Housing Benefit / Universal Credit with no non-dependant deductions;

- The tenant indicates that they are funding the purchase via a gift
- The tenant indicates they are funding the purchase via a loan from a member of their family who is not a co-applicant, or from another individual
- A joint tenant(s) who is currently living at the property indicates they are not party to the application
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#### **Tenant Verification**

All signatures of tenants will be checked against the Tenancy Agreement. If there is any discrepancy then the tenant/s will be asked to provide further evidence such as a Passport or Driving Licence.

Tenants may also be asked to come into the office with ID and sign in front of a relevant member of staff.

If the tenant/signature cannot be verified then the application will be suspended. If verification has not occurred after 8 weeks, the application will be cancelled.

Tenants must prove they have been a tenant of a public sector landlord for the qualifying period which is three years. It is the tenant's responsibility to provide evidence of any tenancies held with other public bodies. The tenant should provide either:

- A letter from the landlord confirming the tenancy start and end date and the name of the tenants.
- A copy of the rent card showing the names of the tenants and the start and end date of the tenancy.

If neither of the above is available then Accord will accept a Statutory Declaration but only when accompanied by:

- A copy of the electoral register confirming occupancy during the period being claimed.
- A letter from the landlord confirming the property was in their ownership during the period claimed.

#### **Sharing Family Members (SFM)**

You may apply to purchase your home with up to three family members over the age of 18. They must be a spouse, civil partner or family member as defined by Housing Act 1985, Section 186 and be able to evidence that they have completed at least 12 months residency prior to submitting the application form to Accord.Â Family members who don't live in the property cannot be included on the application

Once the application has been verified and approved by Accord you cannot add or remove any applicants without

cancelling the application. If you have already paid the £250.00 fee, this will NOT be refundable.

The agreement of any tenant who does not want to buy must be obtained before you apply to purchase your home. They should sign Part G of the application form. Their tenancy will end when you buy the property.

It is the responsibility of the tenant to supply the necessary proof for any SFM. Proof may include:

- P45, P60 or payslip
- Current benefit or pension claim letter, book or card
- A utility or council tax bill
- Bank or credit card statement
- Mobile phone bill

Doctors letters and Statutory Declarations will not be accepted.

If an application is received which includes a SFM but the relevant evidence is not included the SFM will be denied although the application may still go ahead subject to satisfactory checks.

**WARNING** - Is someone trying to advise you to buy your home?

If you are considering buying your home, application forms and advice on how to complete them are available for **FREE**.

If you are approached by a person or a company offering to help you buy your home please talk to Accord before signing anything. Some companies have hidden charges which you will end up paying, or you may end up purchasing financial products which you did not want or need.

You should also obtain impartial financial and legal advice. Buying your home is a big decision. It is a good idea to find out if you can afford to purchase and maintain your home before you make an application.

You can get **FREE** information and advice from:

- The Governments Right to Buy website: <https://righttobuy.gov.uk> or helpline: 0300 123 0913
- The Right to Buy agents are a free, impartial source of information funded by the Government.

You can phone them on 0300 123 0193 or contact them via the website:

<https://righttobuy.gov.uk/agent-service/>

- Your local Citizens Advice
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**Additional Information**

- If you choose to sell or sublet the property within the first 5 years of purchase you will have to repay some or all of the Voluntary Right to Buy discount, according to the terms set out in the sales contract.
  - **The VRTB pilot is both time-limited and also limited by the amount of money the government is making available to fund purchase. Therefore there is NO GUARANTEE at any stage in the process up until actual completion of the sale, that you will be able to buy a property.**
  - Once you make the application any improvements or repairs that are due to be carried out will be cancelled except where the work is required by law to keep the property safe and weather-tight. The reason for this is that the valuation is based on the date the application was made and any improvements or repairs after that date would affect the valuation. Any repairs outstanding at the time the purchase is completed will become the responsibility of the purchaser(s).
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