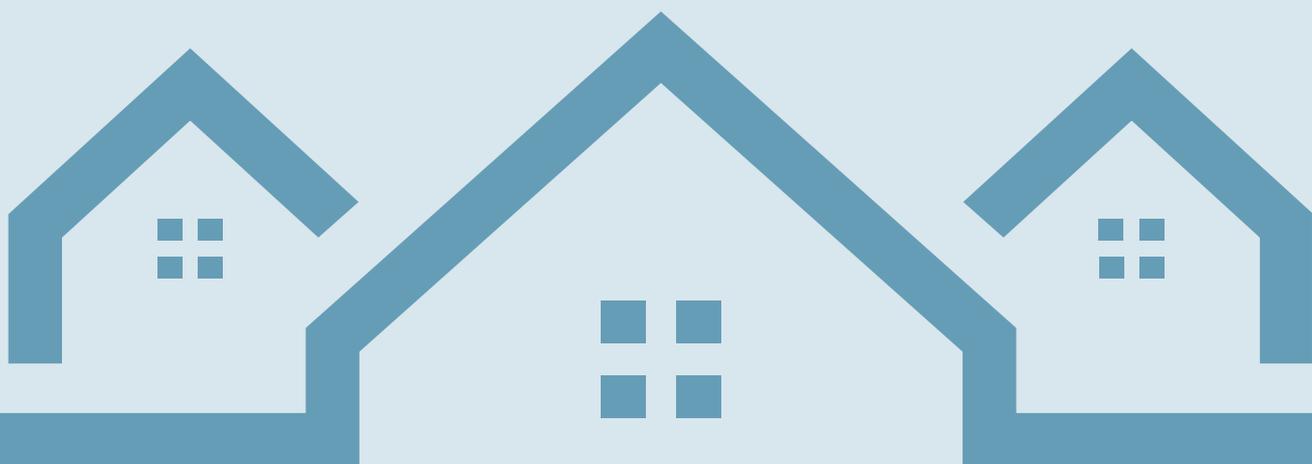


Home Purchase Assistance **Equity Loan Scheme**





Slough Borough Council Equity Loan Scheme

Low-interest equity loan mortgages are designed to boost affordability by topping up your maximum mortgage capability. Slough Borough Council Equity Loan Scheme gives aspiring homeowners a route to purchasing a home they would normally be unable to afford.

The scheme is co-funded between Catalyst Housing and Slough Borough Council, and delivered by Catalyst Housing.

Once you have been confirmed eligible for the scheme, simply find an 'open market' property of your choice via an estate agent or a property website etc, and as long as the property is not tied to another government backed affordable homeownership scheme (e.g. part-buy/part-rent) you should qualify for the Equity Loan Scheme.

Catalyst Housing is a leading housing association delivering affordable homeownership products across London and the South East of England.

Eligibility

Social tenants

Existing housing association tenants in the Slough Borough Council area, where the existing property will be offered to the local authority for nomination.

The scheme is aimed predominantly at households that currently occupy a property of two or more bedrooms. However, those in one bedroom properties may also be considered on a discretionary basis. The scheme will not be open to those occupying studio apartments.



Catalyst Housing covers
London and the South
East of England.

Additional considerations

- Total household income must be below £60,000 per annum
- Sufficient savings are required to cover purchasing costs and deposit
- Must not have been in rent arrears in the past 12 months
- Unable to purchase a suitable property without assistance
- Not named on the deeds of another property whether in the UK or abroad, unless the property is being sold.

Support available

Depending on your circumstances you could receive a loan of between 15% - 50% of the property value. The maximum loan available is £50,000 (dependent on your assessment).

- To obtain a mortgage, purchasers will probably need to raise a deposit of at least 5%* of the property they are proposing to purchase and purchasing costs which may include solicitor's and mortgage fees, Homebuyer report and stamp duty. Please note, lending policy from financial institutions is subject to change
- Before applicants are allowed to proceed, a satisfactory affordability assessment must be obtained from the approved scheme Independent Financial Advisor (IFA) to determine your eligibility for the scheme.

* Deposit requirements may vary.



Equity Loan example

Property Price: **£200,000**



Equity loan charges

The equity loan is subject to a 2.5% interest only charge. The amount charged will increase annually by an amount equivalent to the Retail Price Index* (RPI) plus an additional 1%. This is illustrated as below:

PROPERTY PRICE	£200,000
Deposit (5%)	£10,000
Mortgage	£140,000
Equity Loan (25%)	£50,000

YEAR 1	
Year 1 interest charge (2.5%)	£1,250
Monthly payments	£104.17

YEAR 2	
Year 1 interest charge	£1,250
Assumed RPI (3%)	£37.50
Additional 1%	£12.50
Year 2 interest charge	£1,300
Monthly payments	£108.33

YEAR 3	
Year 2 interest charge	£1,300
Assumed RPI (3%)	£39
Additional 1%	£13
Year 3 interest charge	£1,352
Monthly payments	£112.67

Important Note: You are requested to ensure that you **DO NOT** make any financial commitments until your identified property purchase has been fully approved by both Catalyst Housing and Slough Borough Council.

Terms & Conditions apply and are subject to change.

* RPI will vary and figures are subject to rounding.

Guide to purchasing a home

Step
01

Register with Catalyst Housing

Complete the required application forms, which also registers you with the Slough Borough Council Housing. Catalyst will then submit your application to the Slough Borough Council for approval.

Note: You are required to be on Slough Borough Council's housing register.

Step
02

Receive notification from Catalyst Housing

Catalyst Housing will generally contact you within 8–10 working days outlining the range of support that you could be eligible for and provide you with a Property Information Form (PIF).

Note: If you are not eligible for the scheme you may still be able to benefit from the other affordable home ownership options available. For more information, visit: homesbycatalyst.co.uk

Step
03

Start looking for your home

You are advised to speak to an Independent Financial Advisor for a provisional mortgage calculation and then you can begin to search for your new home in the usual way i.e. estate agents, property websites, press advertisements etc.

Step
04

Found a new home?

Submit your PIF to the Financial Advisor. This will then be given to Catalyst Housing along with the relevant financial assessments and documents. A copy of the property particulars should also be provided by the selling estate agent.



Step 05

The property is assessed

Catalyst Housing's Equity Loans team will assess the suitability of the proposed property and obtain final approvals i.e. from the Slough Borough Council, if required. Slough Borough Council or your Housing Association may wish to do a 'pre-void check' on your current property to assess its condition before giving approval to proceed.

Step 06

Instruct professionals

Conditional consent will be granted to purchase the property using assistance from the equity loan scheme. At this point you will need to instruct solicitors and contact your IFA to submit a full mortgage application. If required we can provide a list of solicitors that you may want to choose from to represent you in the purchase.

Step 07

Exchange date is set

The remainder of the property purchase will proceed in the normal way. Your solicitor will conduct all the relevant searches and seek confirmation with your mortgage provider and Catalyst Housing's Equity Loans team that all the relevant funds have been approved.

You will need to co-ordinate with your IFA and solicitor and ensure we receive a copy of your mortgage offer and a Homebuyers' survey for approval before the exchange can be authorised.

Once Catalyst Housing has provided your solicitor with formal authority to exchange, the exchange can take place. Completion will be at least 10 working days after exchange and is conditional on your direct debit mandate being received, as well as signing the Equity Loan Agreement.

Property criteria

Property Eligibility

The home selected for purchase must meet the following criteria:

- 1.** The size of the home must be suitable for the applicant's current housing needs and can be one bedroom in excess of your current need.
- 2.** Slough Borough Council social tenants whose current property will be allocated to the council for nomination can purchase anywhere in England.
- 3.** The home is wholly for residential use. A home where the planning use is part commercial is not eligible.
- 4.** The home selected must be bought with vacant possession and (a) be immediately habitable OR (b) be a new home under construction, provided the purchase price is fixed AND is available freehold or have a lease length of at least 99 years as well as meeting the lender's requirements AND (c) not benefit from other public subsidy.
- 5.** The home is acceptable to Catalyst Housing and for mortgage lending purposes; it has good and marketable title, and is in a reasonable state of repair as evidenced by a Homebuyer's Report (a building survey is not required). The Homebuyer's Report is required for all properties other than new properties that have not been previously occupied; the Applicant is responsible for the cost of the survey.
- 6.** A new property must have a National House Building Council (NHBC) guarantee or a similar warranty, agreed by Catalyst Housing, by a reputable insurance company.



7. Open market leasehold properties must provide a leasehold interest of more than 85 years remaining as well as meet the Eligible Applicant's Lending Institution's requirements.

8. The Eligible Applicant's Lending Institution places no retention, or a retention of up to £5,000 on the mortgage offer.

9. The following types of property can be purchased, subject to the ADDITIONAL conditions outlined below:

9.1. A property owned or part-owned by a family member (excluding spouse/partner) or business associate, provided that an independent valuation is obtained from a Royal Institution of Chartered Surveyors (RICS) agreed by Catalyst Housing.

Excluded property

The following types of property cannot be purchased:

- X** A commercial property
- X** A home on sale at auction
- X** A mobile home (including fixed homes covered by the Mobile Homes Act 1983) a caravan and a houseboat
- X** A home offered at a discount or on shared ownership terms by a housing association or local authority or other public body. This includes properties sold with a discount funded through a Section 106 Agreement, except where the property has been privately funded and no other public subsidy has been used or the parties agree otherwise
- X** A plot of land on which to build
- X** A home, which is to be built, by the applicant or a self-build group
- X** A property occupied by sitting tenants
- X** A property that you are currently renting.



Responsibilities after purchasing your home

The legal charge

You will sign a legal charge that will record that you have bought your home with the help of an equity loan. The legal charge sets out certain responsibilities including:

- Keeping your home in good condition
- Informing Catalyst Housing and getting our written consent for any improvements or alterations you make
- Not subletting your home to anyone else
- Keeping your home insured
- Paying any service charges required
- Repaying the loan if you leave your qualifying profession (where relevant).

Repairs and maintenance

Like any homeowner you will be responsible for all the repairs and maintenance on your home. If you own an apartment you will be responsible for maintaining the interior. The freeholder will usually take care of external repairs and decoration to communal areas for which you will pay a service charge. If you own a maisonette, you will usually have an obligation to maintain the exterior together with other occupiers and there may be no service charge.

Alterations and improvements

You must notify Catalyst Housing and obtain approval for any alterations or improvements you intend to make to the property, e.g. building an extension or altering the layout etc.

Any improvements you make to your home which potentially increase its value will be recorded and taken into account when you sell your property.

If you need to take out further loans, for repair or improvement, which need to be secured on the property, you must obtain consent from Catalyst Housing. You will not be permitted to obtain a further advance for debt consolidation.

Insurance

It is your responsibility to ensure that the property is insured and to send the details to Catalyst Housing.

Selling the property or repaying the loan

1. If you wish to sell your home or repay the loan at any time, you must contact Catalyst Housing.
2. If you sell the property, you will be required to repay your loan once your mortgage has been redeemed (to a maximum of 25 years).
3. You will then arrange for an independent valuation to be carried out by a RICS approved surveyor, so that the value can be agreed and the loans repaid in full. You will be responsible for the cost of the valuation.
4. You will repay the relevant percentage (your initial loan percentage) of the agreed market value of your home at the time of repayment.

Additional Fees

Below are a list of additional fees that may be implemented in relation to the Slough Borough Council equity loan scheme, after purchasing the property*.

Late monthly payment - £8

If you fail to pay the monthly payment on time. You will also be responsible for any associated legal fees

Redemption of loan - £200

If you or your beneficiary repays the equity loan in full

Approving a mortgage - £90

If you wish to change to another mortgage lender or obtain a further advance through your existing lender, Catalyst Housing's consent is required

Registration of improvements - £35

If you wish to make an alteration to the property. Not all works will be accepted as an improvement, so please check with Catalyst Housing first

Transfers of equity - £50

If you wish to add or remove a name from the loan, Catalyst Housing's consent is required

Copies of documents - from £10

If you ask Catalyst Housing to supply a copy of a document

Deed of substitution/Security - £50

If you require an extension of any lease

0300 456 2077

www.homesbycatalyst.co.uk