

FLEXIBLE BUY BACK FOR SHARED OWNERS

The purpose of 'Flexi Buy Back' is to offer 'shared owners' a means of sustaining home ownership in cases of extreme financial hardship. This leaflet outlines Sentinel's general approach to 'Flexible Buy Back'. It explains the circumstances in which shared owners may approach Sentinel with a request to sell back shares in their property through equity repurchase and sets out the criteria for assessing applications.

- **Am I Eligible?**

This is a last resort option. Shared owners do not have any right or entitlement to 'Flexibly Buy Back'; any offer of 'Flexible Buy Back' is entirely at the discretion of Sentinel Housing Association and there is no right of appeal. Eligibility will be determined on a case by case basis and is subject to rigorous affordability checks.

Applicants will be expected to demonstrate that all other solutions to their current financial circumstances have been exhausted such as loan rescheduling or downsizing to a cheaper property within a reasonable travel to work area.

- **Are there any restrictions on funding?**

Funding is limited to a maximum of five cases per annum. However, in cases of extreme hardship the Board has discretion to approve additional funding. Funding is entirely dependent on unallocated funds being available at the time of the request.

- **Are there any exclusions?**

Flexible tenure is not available to those that own 100% of their property. Former shared owner or those who have bought through a discount or incentive scheme such as Right to Buy or HomeBuy are excluded from the 'Flexible Buy Back scheme'.

- **How are applications assessed?**

All applications must be assessed and approved by a member of Sentinel's Executive. The Executive will consider supporting information from an independent debt counselling agency such as CAB.

- **How does Sentinel assess the value of my home?**

All valuations are undertaken by an independent qualified surveyor. However, Sentinel reserves the right to adjust any offer to reflect the risk taken by the Association in an uncertain property market.

- **How do I go about making an application?**

Initial Enquiry

Sentinel will offer you general advice and signpost you to independent advisory agencies that can help with welfare and benefits advice where appropriate. We cannot recommend advisors, selection of whom are at the discretion of the applicant.

Interview with Shared Owner(s)

During the interview you will be expected to prove that you are experiencing difficulty with your mortgage repayments. However, you don't need to already be in arrears.

You **must** be able to show that all short and long term options have been exhausted. This may include loan rescheduling, or selling and moving to a cheaper property within a reasonable distance from work.

Sentinel will also expect you to seek advice from a independent debt-counselling agency such as Citizens Advice Bureau and to obtain a financial assessment. The assessment should include your ability to meet future repair and maintenance liabilities and consideration of Housing Benefit eligibility.

***You must be able to demonstrate that you have exhausted all other options prior to submitting an application. You must show that you have not exacerbated the risk of losing your home by failing to take reasonable action i.e. by making yourself intentionally homeless.**

Valuations

The maximum amount payable will be the appropriate percentage of the current open market vacant value as determined by an independent RICS qualified valuer. Sentinel Housing Association will instruct an independent valuer and recharge the fee to you.

Fees

In addition to valuation fees (as above) you will also be required to meet our legal costs and any fees charged by your mortgage lender.

Disclaimer

Shared owners do not have any right or entitlement to 'Flexible Buy Back'; any offer of 'Flexible Buy Back' is entirely at the discretion of Sentinel and there is no right of appeal.

Sentinel reserves the right to refuse 'Flexible Buy Back' where the option is a full re-purchase (under which the shared owner becomes a tenant of Sentinel). However, where the household would otherwise become homeless, Sentinel will work with the Councils Homeless Manager. Subject to Council approval, Sentinel would offer the owner(s) an assured shorthold or 'starter' tenancy with the possibility of graduating to an assured tenancy with the Association after a minimum of 12 months.