

Shared Ownership Affordability Policy

1 Purpose

Metropolitan Thames Valley (MTVH) is committed to providing a range of affordable housing options that meet the aspirations of customers looking to own their home.

This policy outlines MTVH's approach to assessing affordability for customers purchasing a new build or resale of a shared ownership home. It is designed to minimise risk to MTVH's assets and operations, by focusing on ensuring affordability and sustainability at the point of purchase, acknowledging that future economic conditions, including interest rate fluctuations and wider financial pressures, cannot be forecast with certainty.

Affordability assessments are supported by independent Mortgage Advisors (MAs), who are authorised and regulated by the Financial Conduct Authority (FCA). These advisors operate independently of MTVH, ensuring that customers receive impartial mortgage advice and that lending decisions are made separately from MTVH's own assessment processes. They will also carry out all Anti-Money Laundering (AML) checks on behalf of MTVH as part of the assessment process.

This policy will be administered by SO Resi Sales and the Aftersales teams, with support from Independent MAs. MAs will assess each customer's financial circumstances to ensure they can afford and sustain the ongoing costs associated with the property and meet the required criteria to proceed.

2 Scope

This policy applies to shared ownership homes sold by SO Resi, the shared ownership brand for MTVH, in relation to new build, resales, and Right to Shared Ownership Homes (RTSO) on behalf of:

- Metropolitan Thames Valley Housing (MTVH)
- SO Resi Partnership clients in contract at the time of marketing and sale **

** This refers to individual SO Resi Partnership client policies in terms of any limitations to maximum affordability and site-specific protocols.

This policy also applies to:

- Customers wishing to purchase a new build or resale a shared ownership property or customers who are eligible to purchase their homes under the RTSO scheme
- The New Build Sales and Aftersales Team (who are responsible for delivering new and resale transactions).

Our Commitment

All sales of MTVH homes must be conducted in line with this policy and its associated procedures. This applies to all transactions, whether customers use the appointed mortgage advisor or choose to arrange mortgage finance independently.

MTVH will ensure:

- Protection of MTVH's assets by using a clear policy that details the approach to assessing the affordability of customers who wish to purchase with a mortgage or with cash.

- That all customers are aware of this when offering them a shared ownership home and prior to them expending any personal cost.
- The affordability of homes is in line with the Capital Funding Guide, published by Homes England (HE) and the GLA and meets the requirements of the FCA in terms of MA appointment.
- Monitoring is in place to demonstrate compliance with all regulatory Capital Funding Guide requirements.
- Customers are buying homes that they can afford and sustain.
- Customers meet the qualification and affordability criteria set out in the Capital Funding Guide as determined by Homes England (HE) or the Greater London Authority (GLA), ensuring access to documentation for audit.
- Minimal financial risk to MTVH and its stakeholders via anti-money laundering checks, and minimising an inability for customers to meet their housing costs, resulting in future rental arrears, lender repossession, or lease forfeiture.
- We provide stakeholders with evidenced-based data to support future scheme appraisal or challenge.

3 Our Approach

3.1 Assessing Affordability

For new build homes, MTVH will market properties based on a Royal Institution of Chartered Surveyors (RICS) valuation at a target minimum share (for example 25%). Subject to the funding programme and affordability assessment, customers may purchase a share that aligns with what they can afford, typically within a range of 10% to 75%. For resale homes, the minimum share is set by the existing leaseholder and will be marketed accordingly. Customers may then choose to purchase a higher share, subject to affordability

For Shared Ownership homes funded through the Social and Affordable Homes Programme 2026 to 2036, the full range of shares will be offered on a minimum of 25% of the homes within each development or phase. Once 25% of homes are reserved, the minimum shares on offer may be adjusted at the discretion of MTVH.

The customer's household gross income must not exceed £80,000 per annum or £90,000 per annum in London.

MTVH will seek to ensure that customers purchase the maximum suitable share they can afford (in line with Homes England or Greater London Authority affordability methodology and the MA recommendation).

MTVH and the independent Mortgage Advisor (MA) will:

- Adhere to the Homes England or Greater London Authority affordability methodology in place at any time, although for resale transactions, some flexibility may be considered to ensure that existing shared ownership leaseholders are not unduly restricted in being able to sell their home.
- Collect evidence of identity, income, savings, and complete a credit check, budget planner and anti-money laundering checks on behalf of MTVH. Customers will be informed in advance of the documentation requirements.
- Determine the suitable share affordable to the customer based on the assessment and documentation provided, providing MTVH with a sign off pack, containing the supporting documentation, household budget, a declaration of affordability, a mortgage Agreement in Principle (AIP), for MTVH's consideration, prior to property reservation.

3.2 Cash Buyers

Cash only purchases will be considered on an individual basis:

Cash purchases may be considered in circumstances where an applicant demonstrates a 'cash rich, income poor' position, meaning they are unable to access or sustain a mortgage despite holding sufficient capital to purchase. This may arise due to individual financial circumstances or limitations in accessing traditional mortgage products. Each case will be assessed on its merits, with appropriate evidence required to substantiate the position.

Reasons for using cash will be explored, recognising that exceptions to standard assumptions may apply. An assessment will include a budget planner, credit file review, and consideration of future lifestyle needs, including factors such as age, retirement, or other significant life events.

Where a household has sufficient income to obtain a mortgage (outside of the exceptions outlined above), cash purchase proposals will only be considered where the applicant secures the maximum mortgage available under the affordability assessment, in order to maximise the share purchased.

Should the cash available plus maximum potential mortgage equal or exceed the value of the property on offer, the customer will be considered ineligible for shared ownership on the basis that they can afford to buy a home on the open market.

3.3 Surplus Income Policy

For customers buying with a mortgage, a minimum surplus income of 10% of net income after mortgage costs, stress tested rent, service charges and other household and lifestyle income, based on the proposed purchase will be required and evidenced via a budget planner.

For customers wishing to buy sub-25% shares, there will be a surplus income requirement of 20% minimum of net income after stress tested rent, service charges and other household and lifestyle income, based on the proposed purchase. This approach, especially for cash buyers on lower incomes, will help protect the customer against economic factors that could impact their ability to afford the property in the event of any change to their income. Each application will be considered individually.

Evidence of income and expenditure must be realistic, considered acceptable by mainstream lenders and will be verified via bank statements. When considering available income, this should be from a credible source, using the overarching guideline: 'has the income passed through HMRC?', albeit not exhaustive for example overseas income could be considered and may not have passed through HMRC.

The surplus percentage will protect customers against possible increased costs or unforeseen circumstances that have not been budgeted for. MTVH may exercise discretion where a mortgage cost to net income ratio exceeds 30% (outside London) or when a debt to net income ratio exceeds 40% (in London). For both examples, the 10% or 20% minimum surplus (for sub 25% buyers) will apply.

3.4 Deposits

For those buying with a mortgage, MTVH will consider a mortgage loan to value of no more than 95%. Applicants are required to contribute a minimum of 5% deposit of the share value, or £4,000, whichever is greater, from their personal resources when purchasing with a mortgage or cash; providing documentation to verify the source of funds.

While certain lenders may permit 100% mortgages, MTVH considers it essential that customers make a financial commitment to demonstrate their intention to own a property and to reduce the risk of negative equity for both themselves and MTVH. Consequently, MTVH does not accept 100% mortgages.

3.5 Lender Criteria and Adverse Credit

MTVH expects customers to borrow responsibly and ensure they can sustain future housing costs. Through the use of regulated mortgage advisors, customers are supported with access to a wide panel of shared ownership lenders and a case-by-case assessment to ensure mortgage arrangements are appropriate, affordable, and do not expose them to unsuitable lending.

When assessing an applicant's capacity to maintain mortgage and rent payments, MTVH will consider any history of adverse credit. This consideration stems from the business rationale that difficulties in managing financial obligations may increase the likelihood of mortgage default or rental arrears. Where there are exceptional circumstances underlying the adverse credit, and supporting evidence can be provided, MTVH will exercise discretion to determine whether the reasons and documentation sufficiently mitigate the associated risk.

MTVH adopts the following adverse credit protocol which ensures that customers are using reputable lending sources and avoiding specialist lenders. In addition, we will not accept any mortgages where the total fees, when paid up front, exceed £1,250; this excludes valuation, intermediary advice, and legal fees.

MTVH does not prescribe or mandate specific mortgage lenders. However, through its appointed mortgage advisors, MTVH will seek to ensure that all mortgage arrangements are affordable, sustainable, and compliant with Homes England and Greater London Authority affordability requirements. Outcomes will vary depending on individual circumstances, including income, deposit, and available lending terms.

3.6 Eligibility Criteria

The following criteria applies to:

All customers:

- No County Court Judgements (CCJ's) or defaults that remain unsatisfied, of any age.
- No CCJ's or defaults within the last 2 years over £300 in total.
- Individual Voluntary Arrangements (IVAs) or bankruptcy cases will be considered on a case-by-case basis, where they were discharged 3 or more years ago, or registered over 6 years ago and satisfied, with no further adverse credit issues

- Debt management plans paid off over 12 months ago will be considered.
- No mortgage arrears in last 12 months.
- Previous repossession over 3 years ago is acceptable, provided no outstanding debt to lender and no other credit issues in the last 3 years.

Employed customers:

- Last 3 months' payslips and corresponding bank statements
- Last 13 weeks payslips (weekly) and corresponding bank statements
- For those employed less than 3 months, latest payslip along with corresponding bank statement and contract of employment, subject to individual lender discretion.

Self-employed (Sole traders) customers and directors:

- Last 3 years' self-assessments from HMRC and corresponding tax overviews (previously known as SA302)
- For self-employed sole traders less than 3 years, minimum 12 months of above.

Zero-hour workers:

- 12-months' payslips to current date and last 3 months bank statements

3.7 Incentives and Discounts

MTVH may offer customers incentives to reserve homes. They are offered at MTVH's discretion and commonly offered to help secure a sale, especially for the last remaining properties on a development. Incentives will be agreed in writing between the parties on a case-by-case basis. Incentives will not exceed the UK Finance guidance, being no more than 5% of the value of the initial share being purchased.

No discounts on property prices will be offered by MTVH. Properties are sold at Royal Institution of Chartered Surveyors valuation and reviewed quarterly up to the point of reservation.

4 MTVH Employees, Board Members and Agency Staff

MTVH operates clear codes of guidance relating to the allocation and sale of properties, set out in the **MTVH Provision of Housing to Staff Policy**. This is to ensure transparency and fairness. As such, employees, Board members and/or their close relatives who may be eligible to purchase a shared ownership home, will not benefit from any advantage when securing properties owned by MTVH.

5 Reporting Requirements

Regular reporting is provided to Homes England, Greater London Authority and local authority partners upon request, to demonstrate compliance with the Capital Funding Guide and S106 requirements and all legislative and regulatory requirements.

6 Background Legislation

- General Data Protection Regulation (2018)
- Financial Conduct Authority (FCA)
- Consumer Protection Regulations (CPRs)
- Consumer Protection from Unfair Trading Regulations (2008).

- Anti-Money Laundering Regulations (2017).

7 Our commitment to Equality, Diversity and Inclusion

In implementing this policy, MTVH is committed to treating all colleagues, customers, suppliers, and stakeholders fairly and with respect. Further information on our approach to equality, diversity and inclusion, including how to raise a grievance or concern, is available in the MTVH Diversity & Inclusion Policy.

An Equality Impact Assessment for this policy has been completed and will be retained by the Policy Team.

8 STAIRs Statement

MTVH publishes the information covered in this policy under the Social Tenant Access to Information Requirements (STAIRs) publication scheme.

All information published under STAIRs can be accessed on our website www.mtvh.co.uk. However, some information may be protected under the General Data Protection Regulation (GDPR) and Freedom of Information Act (FOIA) and will be redacted or withheld to prevent harm.

9 Key Policy Information

Policy Owner	Director of SO Resi
Author	Head of Sales
Approved by	Director of SO Resi
Effective from	June 2026
Approach to review	This Policy & associated Procedures will be reviewed as required by the owner for changes in legislation, regulation, and operational need. Any amendments will be appropriately consulted on and signed off before being clearly communicated to customers and colleagues. Next expected review is 5 years from the 'Effective date' of this document.
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