

# Flexible Tenure Policy

## 1 Purpose

Flexible Tenure is a way to enable shared owners to remain in their home despite adverse changes in their financial circumstances, enabling MTVH to re-purchase some of a shared owner's equity in their home also known as 'downward staircasing'. Flexible Tenure provides the means to pay off mortgage, rent, service charge or major works arrears. Shared owners do not have the legal right to downward staircasing, this policy outlines how MTVH can assist those having difficulties keeping up with the payments stated.

Flexible Tenure is regulated by Homes England which has determined that MTVH can only buy back shares in a property to the value of the outstanding mortgage and any rent and /or mortgage arrears.

## 2 Scope

The scheme is only available to shared owners who have exhausted all other options and require Flexible Tenure as a last resort. MTVH can only help shared owners whose financial difficulties are connected with their inability to pay their mortgage, rent, service charge or major works arrears and not those who have accumulated debts through unsecured loans or credit cards.

Flexible Tenure is not available to other owner occupiers, including former shared owners, or those who have purchased a property through a discount or incentive scheme such as Right to Buy, Right to Acquire, the Tenants Incentive Scheme, the Home Buy (shared equity) Scheme or any other legacy equity loan scheme.

## 3 Our Approach

We are committed to supporting customers through financial challenges and significant life events. Our teams alongside specialist teams provide tailored guidance, including debt support in line with our **Money and Debt Policy**. To assist customers in maintaining payments or exploring alternative solutions we provide;

- Debt advice and guidance – access to debt advice services to help manage arrears and explore financial solutions.
- Sales and resale support – guidance through our **Staircasing and Resales Policy** for customers considering selling their home.

## 4 What is Flexible Tenure?

Flexible Tenure provides eligible shared owners with a means to pay off mortgage, rent, service charge, or major works arrears, helping them remain in their home. MTVH does not participate in full repurchases of homes, known as property buyback. Instead, we can only repurchase shares in a property up to the value of outstanding mortgage and arrears.

MTVH expects the shared owner to retain at least a 10% share. It is also likely that the mortgage lender will require a minimum level of mortgage equity share in the property to make the mortgage commercially viable. For any form of equity repurchase or mortgage rescue, MTVH are required to ensure that any offer is acceptable to the shared owner's lender.

The MTVH revenue teams will inform the Assessment and Support Hub when a shared owner consistently starts to fall behind with their rent and service charge payments, or if they receive any communication from the mortgage lender or solicitor acting on behalf of the lender, threatening repossession or court action.

## 5 Eligibility

To qualify for Flexible Tenure, the applicant must be an MTVH shared owner who owns less than 100% of the equity of the property. The shared owner must be paying rent on the remaining share of the property, which does not include paying ground rent and/or any service charges.

Customers facing building safety remediation works or EWS1 complexities that impact their ability to sell, may be eligible for review where exceptional circumstances or debt management factors apply.

Once an application has been made, MTVH will calculate how much of the mortgage and any other arrears can be paid off, to leave the shared owner with sufficient income to live on.

Grant funding for Flexible Tenure cases is limited; therefore, available funding must be assessed to determine whether exercising flexible tenure is financially viable.

Once a property has been repossessed by the mortgage lender, Flexible Tenure ceases to be an option.

## 6 Costs

On legal completion, MTVH will recover all associated legal and valuation costs directly from the agreed purchase price. Any arrears on the applicants rent and/or service charge account must also be settled at this stage. These amounts will be deducted from the purchase price on completion.

Where applicable, associated legal costs may be included within the share being purchased back by MTVH.

All property valuations must be conducted by a qualified independent surveyor accredited by the Royal Institute of Chartered Surveyors (RICS). The maximum amount payable will be the appropriate percentage of the current open market value as determined by the independent valuer.

## 7 Leases and Rent

Where a shared owner sells shares down to a lower level of equity, the terms of the Shared Ownership Lease will continue, including the right to buy back shares again. Whenever the shared owner sells or buys shares, the rent must be adjusted pro rata for the changed percentage rented and comply with the rent review clauses in the lease.

## 8 Background Legislation

The Flexible Tenure Policy is governed by relevant housing, finance and consumer protection legislation, ensuring compliance with regulatory compliance with regulatory requirements and best practices:

- 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).

## 9 Our commitment to Equality, Diversity, and Inclusion

In implementing this policy MTVH will not discriminate against any colleague, customer, or stakeholder on the grounds of their sex, sexual orientation, gender reassignment status, ethnic origin, age, religious belief, disability, marital status, and pregnancy/maternity.

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

## 10 Key Policy Information

Policy Owner	Director of SO Resi
Author	Head of Aftersales
Approved by	Director of SO Resi
Effective from	September 2025
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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