

RIGHT TO ACQUIRE APPLICATION GUIDE

How to complete your application form

Take your time! It's important that you complete the form correctly so we can start processing your application as soon as we receive it.

Who's who?

- A **tenant** is someone named on your tenancy agreement.
- An **occupant** lives in the property but is not named on your tenancy agreement.

Most households have one or two named tenants. Some also have occupants (e.g. partners, children etc).

If you're not sure who is a tenant/occupant in your household, give us a bell and we'll let you know!

Tenants: Must complete part B (regardless of whether they want to purchase) **AND** part H section 1 if they wish to buy **OR** part H section 3 if they don't.

Family members: Should complete part C **AND** part H section 2 - **IF** they want to apply. Family members who don't want to buy shouldn't be included on the form.

Tenant's improvements

In part G you should include things like extensions and bathroom replacements. Don't include cosmetic changes (like painting or wallpapering) as they won't affect the value of the property. Where alterations go beyond decoration, we may request evidence of the associated consent you received from Home Group.

Email communication

If you can, please provide at least one email address in part H. This means we update you by email, so you don't have to wait for the post!

What to provide alongside your application

Verifying your identity

We must comply with Anti-Fraud, Anti-Money Laundering and Know Your Customer regulations, so we must verify your identity before we can progress your application.

When we receive your application form, we'll send you a text message from **Credas**, a technology company who make ID verification safe and hassle-free.

You need a smartphone to be able to complete the ID verification process. If you don't have one, let us know – it won't be a problem!

If a **tenant** doesn't wish to buy the property, their identity must still be verified.

What else do you need to provide?

If you've been a Home Group tenant for less than three years, you'll need to provide evidence of your previous public sector tenancies.

If your legal spouse is a joint applicant but not a tenant, you must provide a marriage certificate or civil partnership certificate.

If an occupant who is not your spouse by law, but who is a family member (e.g. cohabiting partner, child etc) is a joint applicant they must prove that they have lived in the property for at least one year. They must provide an official document stating their name, address and the date of the document. Most customers provide a council tax bill, bank statement or utility bill.

What happens next?

1. Eligibility checks:

We'll tell you we've received your application within 5 working days. We'll confirm your application is complete, or let you know if something's missing. All tenants and applicants will receive an invite from Credas as explained above.

Your application will not be considered complete until we have all evidence we need, and the identity of all tenants and applicants has been verified.

Once your application is complete, we will start eligibility checks on both your tenancy and your property. This is why being sent an application form **does not guarantee** that your application will be admitted.

We'll also arrange for your property to be valued by an independent surveyor whilst we're doing the eligibility checks, so we can issue your offer more quickly if your application is approved.

2. Admitting or denying your application:

The legal "notice" we send to confirm whether we've admitted or denied your application is called the RTA2. Your RTA2 will usually be sent within four weeks. If you have been our tenant for less than 3 years it may take longer (up to eight weeks).

3. Sending the offer notice:

If your application is approved, we will issue the offer notice within 8 weeks of sending the RTA2 where the property will be sold freehold (most houses). Where the property is a flat (or some houses) this deadline extends to 12 weeks. We'll let you know the relevant deadline for your offer notice when we issue the RTA2.

The offer notice will tell you:

- The **purchase price** and how it was worked out.
- Estimates of any **service charges** for the first 5 years.
- Any known **problems** with the **property's structure**.

4. What happens then?

When we send you the offer notice, you will have 12 weeks to either:

- Accept the offer and provide proof of funds (e.g. bank statements) **OR**
- Request that the District Valuer re-values your property if you don't agree with the purchase price **OR**
- Withdraw your application.

5. What happens after I accept?

We will instruct solicitors to draw up the paperwork. This usually takes between 8-12 weeks, although it can take more or less time depending on the buyer's circumstances, how they're funding the purchase, their solicitor and any legal restrictions that apply.

Frequently asked questions

Can you help me to fill in the form? Of course - give us a bell!

Is there a cost to apply? No. However there will be costs involved if you accept our offer, e.g. solicitor/survey fees etc.

Will I need a deposit? Some lenders will take the discount as a deposit.

Can I buy with members of my family? Yes! Up to three family members can share the Right to Acquire, even if they are not a tenant. The property must have been their main home for the last year. This is unless they are your spouse, who may share the Right to Acquire with you if the property is their main home. A cohabiting partner is regarded as a family member.

Can someone else buy for me? Someone could gift or loan you the funds to buy. However, they won't legally own the property: the property will be in the name of the eligible tenant(s) and other eligible applicants regardless of who funds the purchase.

My kitchen/bathroom is due to be replaced soon. Will that still happen? We won't carry out improvement works or routine repairs whilst your Right to Acquire application is active, as this will affect the price of the property.

Will you still carry out repairs? We will only undertake emergency repairs whilst your Right to Acquire application is active. This includes things like fixing the toilet, repairing a leaking roof or securing the property if necessary. Any issues should be reported in the usual way – see www.homegroup.org.uk/get-in-touch for details.

Can I buy a share of the property? No, this isn't an option.

Can I withdraw my application? You can withdraw your application at any time up until the purchase is complete. Just give us a call or drop us an email to let us know.

Do I have to repay the discount if I buy the property and then sell it? If you sell your home in the first five years, you'll have to pay back some (or all) of the discount. This also applies if you are transferring ownership to somebody else.

If you sell in the first year, you'll have to pay back all of the discount. But the amount you pay back depends on the value of your home when you sell it. So, if you got a 10% discount, you'll have to pay back 10% of the sale price.

If you sell after the first year, the amount you pay back reduces:

- 80% of the discount in the second year
- 60% of the discount in the third year

- 40% of the discount in the fourth year
- 20% of the discount in the fifth year

For example: Through the Right to Acquire scheme, John bought his home worth £100,000 for £90,000 (i.e. with a 10% discount). He sold his home for £120,000 after 18 months. As John was in the second year, he repaid £9,600*.

*10% of £120,000 is £12,000. 80% of £12,000 is £9,600.

If you sell your home within 10 years of buying it through the Right to Acquire scheme, you must first offer it back to us.

Any questions?

We hope we've answered any questions you may have but if not, there's more detail available on the links below:

- www.homegroup.org.uk/manage-my-home/renters/steps-to-homeownership/right-to-acquire
- <https://www.gov.uk/right-to-acquire-buying-housing-association-home>

If you're still unsure about anything, or if you'd just like to discuss next steps, we're available Monday-Friday from 9:00-17:00. Please give us a call on 0191 731 1445 option 1 or email TenantSales@homegroup.org.uk.