

**Policy checklist**

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Homes England (HE) have changed their policies in relation to dealing with cash purchase requests for units sold by Registered Providers. For shared ownership property, Homes England no longer need to approve cash purchase requests.

Registered Providers are now required to satisfy themselves that any cash purchase request for a shared ownership property meets the Homes England requirements as set out in the Capital Funding Guide. PPHA or its nominated sales agent will decide whether a cash purchaser should be allowed to proceed.

It is PPHA / Nominated Sales Agent responsibility to ensure that any purchase including a cash purchase is affordable for the customers and that they have the means required to sustain shared ownership in the short and long term whilst still ensuring compliance with the eligibility requirements of shared ownership. In line with regulative guidance, PPHA will consider cash buyers in the following instances where a customer is unable to obtain a mortgage because of either;

- Religious Belief
- Their age
- They are unable to work due to long term disability
- They are unable to work due to caring for a family member
- They are on a lower income that can afford the rent and service charge but not a mortgage

Customers wishing to purchase a shared ownership home with cash will still need to complete the stage 1 and 2 Affordability Assessment Process to be able to demonstrate that they fall into one of the above categories and will be able to afford the long-term costs of ownership - monthly rent and service charge, management fee etc.

Cash purchaser must still meet shared ownership eligibility requirements. Buyers who are unable to afford the purchase of a suitable home on the open market with an income of £80,000 or less outside of London, or £90,000 or less inside of London.

PPHA or its Nominated Agent's provisional offer to the buyer will be based on the professional advice provided by the nominated Qualified Advisor. If the buyer requires any further advice (e.g. financial) they will need to obtain from an Independent Financial Advisor.

Following completion of the stage 1 and 2 affordability assessment, PPHA approved persons will sign off on cash purchasers ensuring adherence to this policy and hold the right to refuse sale should adherence to the policy not be followed.

PPHA also reserve the right to refuse a sale should the target share price not be achieved. Target share price is determined by PPHA as the average percentage share the scheme has been appraised and approved by its Investment Committee. The target share price is based on upon specific research in relation to affordability/earnings of the local market and is agreed based on financial viability of the project.