



Buying a home with MyChoiceHomeBuy



The affordable way to own

INTRODUCTION

MyChoiceHomeBuy is a new product designed to help first-time buyers and people who cannot afford to buy a suitable size home on the open market to bridge the gap and make the dream of owning a home an affordable reality.

Metropolitan Home Ownership (MHO) have produced this booklet to help explain how MyChoiceHomeBuy can work for you.

MHO formed in 1981 to provide affordable homes to own. We have since helped over 30,000 households into affordable home ownership and are one of the most experienced providers of shared equity products. We are part of the Metropolitan Housing Trust, which is charitable.

Our mission is:
To create and to market affordable housing services, products and choices for low and moderately paid working households.

MHO are able to assess whether you are eligible for MyChoiceHomeBuy and help you during the application process. We are not qualified to give financial advice, so we cannot tell you whether or not the product is right for you.

Because of this it is important that you get independent financial advice from a qualified financial advisor before you go ahead with MyChoiceHomeBuy.

Your home is at risk if you do not keep up repayments on a mortgage or any other loan secured on it.

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WHAT IS MYCHOICEHOMEBUY?

MyChoiceHomeBuy is a government funded low cost home ownership product that enables eligible applicants to choose and purchase a home of their own on the open market with the help of a flexible shared equity product.

- You are free to raise your mortgage with any approved participating high street bank or building society (we will not allow adverse credit lenders)
- On top of your mortgage you will receive an equity loan from MyChoiceHomeBuy for as much as 50% or as little as 15% of the purchase price
- Any savings or contribution from family/friends above £10,000 can be used to “top up” your purchase price without affecting MyChoiceHomeBuy
- You receive £1500 towards moving costs such as solicitor's fees and stamp duty*
- There is a low annual fee (charged monthly) of 1.75% on the equity bought by MyChoiceHomeBuy which will increase by RPI plus 1% annually.

You will need to repay MyChoiceHomeBuy if you sell the property.

Please note - applicants will be set individual maximum price limits based on their own financial status.



*Subject to availability

WHO DOES MYCHOICEHOMEBUY HELP?

The main groups of people that MyChoiceHomeBuy can help will be as follows:

- **Existing tenants of housing associations and local councils.**

By helping social housing tenants to buy, MyChoiceHomeBuy can free up homes for other people to rent. This helps to reduce waiting lists in areas where there is a shortage of social housing. If you are a social housing tenant, you will only be eligible if you live in your home under an assured tenancy agreement. You will not qualify if:

- you live in your home temporarily with an assured shorthold tenancy (short life) or licence agreement;
- you are in arrears (that is, you owe money) or breaking the conditions of your tenancy agreement;
- your home is not in a suitable condition for reletting; or
- you can buy without the help of MyChoiceHomeBuy.

- **Key public-sector workers.**

Helping this group (as defined by central government and regional housing boards) to own their homes will help recruit and encourage key workers to remain in employment in the local area and make sure that good public services can be provided and maintained. Please check with your local HomeBuy Agent to see if key workers are a priority group in your area.

- **People who are registered on housing waiting lists for social rented housing and nominated by their local authority as being in need of housing.**

If you are registered on a housing waiting list, your eligibility for MyChoiceHomeBuy will vary depending on where you live as only some local authorities will consider applications from this group.

- **Some other priority first-time buyers.**

We are also able to consider applications from other first time buyers that either live, work or have a family connection with an area where MyChoiceHomeBuy is offered, provided their household income does not exceed £60,000 (subject to local terms). Your local HomeBuy Agent will be able to provide details of local arrangements.

The money available for MyChoiceHomeBuy is limited, so not everyone wanting to take part can do so. When available, HomeBuy Agents will put a waiting list in place if there is a greater demand for the product than money available. We provide funding on a ‘first come, first served’ basis.

Until you have identified a property you want to buy and which MHO has approved, we can withdraw funding at any time.

To see if you qualify to apply for MyChoiceHomeBuy, please contact your HomeBuy Agent. You can also find details of the latest eligibility conditions and a downloadable application form on www.mho.co.uk or by calling **0845 602 7184**.

HOW DOES MYCHOICEHOMEBUY WORK?

MyChoiceHomeBuy enables you to purchase a home of your own choice on the open market with the help of a flexible equity loan of between 15% and 50% towards the value of your home.

There is a low monthly fee on the MyChoiceHomeBuy equity loan of 1.75% which will increase by RPI plus 1% annually.

You will need to be able to raise the remainder of the purchase price by arranging a mortgage with an approved participating lender. Different lenders offer different products so you will need to discuss this with an independent financial advisor.

What is the MyChoiceHomeBuy equity loan?

MyChoiceHomeBuy is a shared equity product and works as an equity loan. The MyChoiceHomeBuy equity loan will account for between 15% and 50% of the purchase price of the home you choose to buy.

You will need to repay MyChoiceHomeBuy on the basis of this percentage including a proportionate share of any increase in your home's value when you sell. If your home falls in value by the time you sell, you will repay MyChoiceHomeBuy a proportionate share back - this will be based on the equity percentage that helped you to buy the home originally, even if, as a cash sum, it is of lower value.

What happens to any savings that I have?

Savings include any money that you have saved, equity you have or will receive from the sale of an existing home or any contribution from a friend or family member. You will be allowed to keep the first £10,000 of any savings that you have. You must put any savings over this amount towards the purchase price.

This will enable you to buy a higher value home.

How do I repay the equity?

The first step is to arrange for an independent valuation of your home through an RICS qualified surveyor. We can help you to organise this.

You will then repay the equivalent percentage you were initially awarded. MyChoiceHomeBuy will take a share of any increase if the value has gone up or any loss if the value has fallen. If your property has fallen in value, the amount you repay will also fall.

Important - There are circumstances when you will need to repay your MyChoiceHomeBuy share:

- You must repay the equity loan when you sell the property.

AFFORDABILITY ILLUSTRATIONS

The first table below shows the income typically required to buy by at property prices of £150,000, £200,000 and £250,000. The second table shows the likely MyChoiceHomeBuy fee charges over the first 5 years of home ownership.

SINGLE APPLICANT									
Property price	£150,000			£200,000			£250,000		
Percentage purchased	50%	65%	85%	50%	65%	85%	50%	65%	85%
Equity charge %	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%
Disposable income required	£20,063	£25,294	£32,269	£26,750	£33,725	£43,025	£33,438	£42,156	£53,781
Spend as % of income	49.77%	47.11%	44.91%	49.77%	47.11%	44.91%	49.77%	47.11%	44.91%

JOINT APPLICANT									
Property price	£150,000			£200,000			£250,000		
Percentage purchased	50%	65%	85%	50%	65%	85%	50%	65%	85%
Equity charge %	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%
Disposable income required	£22,741	£28,776	£36,822	£30,321	£38,368	£49,096	£37,902	£47,960	£61,371
Spend as % of income	43.91%	41.41%	39.36%	43.91%	41.41%	39.36%	43.91%	41.41%	39.36%

Assumptions made for this affordability illustration:

- No deposit
- No other monthly credit charges
- Mortgage rate = 6.5%
- Take home income = 74% of gross income
- Single income calculation = Mortgage divided by 4 + annual equity loan charge
- Joint income calculation = Mortgage divided by 3.5 + annual equity loan charge

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Last Year's Charge	-	£1,225.00	£1,286.25	£1,350.56	£1,418.09
RPI	4.00%	4.00%	4.00%	4.00%	4.00%
Increase	-	£61.25	£64.31	£67.53	£70.90
This Year's Charge	£1225.00	£1,286.25	£1,350.56	£1,418.09	£1,4809.00
Monthly Charge	£102.08	£107.19	£112.55	£118.17	£124.08
Charge %	1.75%	1.84%	1.93%	2.03%	2.13%

Annual increase in interest charge (RPI%+1) over five years where:

RPI = 4%
House price = £200,000
Equity loan = £70,000 (35%)

THE STEPS TO BUYING A HOME WITH MYCHOICEHOMEBUY

The application form

The first step to buying a home using MyChoiceHomeBuy is to fill in an application form from your local HomeBuy Agent (see the contact section at the back of this booklet for local HomeBuy Agent contact details).

Your local HomeBuy Agent will give you a headline eligibility check and forward your application details to MHO. In certain circumstances, you may be instructed to also fill in the MHO MyChoiceHomeBuy application form, complete the form and return it to MHO.

Once MHO have your application form, you will be contacted within 5 working days, to confirm your eligibility and, if eligible, to arrange an interview with an Independent Financial Advisor.

When we are satisfied with the details you have provided, MHO will tell you in writing whether you qualify for MyChoiceHomeBuy (this is subject to financial assessment). Do not make any financial or legal commitment to buy a home at this stage - you may not qualify for it and MHO will not be held responsible for any loss you suffer.

The financial interview

Everyone who qualifies for MyChoiceHomeBuy must go to a compulsory financial interview. At the interview, an Independent Financial Advisor will go through the costs so that you can be sure MyChoiceHomeBuy is right for you. If your interview is satisfactory you will receive a formal offer letter. This letter will set you a maximum purchase price and how long you have to find a home. Funding is limited, so the quicker you find a home the more likely you are to be able to go ahead. We can withdraw your offer at any time.

Finding a property

As you have a limited amount of time to find a property you want to buy and funding is limited, it is very important that you contact MHO at least once every two weeks to update us on your progress with finding a home. We can offer you help and advice and recommend estate agents and property websites.

Once you have found the home you want, and had your offer for that home accepted, you need to contact MHO. We will ask you for details of the home and send you a 'property details form'. This form lets everyone involved in the sale know that you are going ahead with buying the property.

Once you have returned this form, we will check that the property is acceptable and if funding is available. If so, we will write to you telling you to go ahead. **Do not make any financial or legal commitment to buy until you receive this letter. You may suffer some financial loss if you fail to do this and MHO is unable to accept any responsibility for this.**

Arranging a mortgage

Once MHO has approved the property that you want to buy, you should apply for your mortgage.

You can apply direct to some of the participating lenders but most people tend to apply through a recommended independent financial advisor. These advisors will not charge you to arrange the mortgage as they are paid by the lenders.

The financial advisor should give you a Key Facts Illustration (KFI), which is a summary of how a particular product will apply to a particular borrower. You need to be given a KFI before you can go ahead with applying for your mortgage.

It is very important that you are clear about all the terms and conditions of the mortgage you apply for. As well as finding out what the monthly mortgage payments are, some of the questions you should ask are as follows:

- How much is the fee for arranging the mortgage?
- Are there any early repayment charges?
- How many years am I tied in for?
- What is the interest rate for the first five years?
- What will I pay after five years?

Getting a valuation and survey

If you are buying a second-hand property, you will need to pay for a 'Homebuyer's Report'. If you are buying a brand new property that has an NHBC warranty, you need to pay for a valuation.

The survey will tell you about the condition of the property you want to buy and will confirm the value of the home. You cannot pay more than the valuation, so if this is lower than the price you have agreed to buy the property for you must go back to the seller to renegotiate.

As soon as you receive a copy of your survey report, you should send a copy to MHO. This will help speed up the process.

Appointing a solicitor

Most people who buy a home need a solicitor to do the necessary legal work.

Your solicitor will:

- deal with the seller's solicitor, your mortgage lender and MHO;
- carry out 'local searches' to check that the seller actually owns the home and that there are no developments planned, such as new roads, that will affect your home; and
- check that the paperwork is completed, and your mortgage is in place, in time for you to move into your new home.

Remember, you pay for your solicitor's time so the more often you write to or phone them, the higher the charge is likely to be. MHO and your local HomeBuy Agent have details of solicitors who understand MyChoiceHomeBuy and who are reasonably priced. You can choose one of these solicitors or you can choose your own.

Instructing a solicitor who understands and has experience of MyChoiceHomeBuy will usually help you buy your home more quickly and easily. We will give you guidance notes, for your solicitor, when you find a home to buy.

Exchanging contracts

Once you have your valuation, homebuyer's report and mortgage offer, and we have approved them, we'll need to sort out the final paperwork so that you can get your loan. You should contact your solicitor immediately to arrange an appointment to:

- go through the mortgage offer from your lender;
- go through the conditions under which we will provide an equity loan for part of the property; and
- sign your contract.

Once you and the seller have sorted out all the last-minute details, you are ready to 'exchange contracts'. Exchanging contracts means that you and the seller sign copies of the contract, which your solicitor and the seller's solicitor actually swap copies of. When you exchange contracts, you are legally bound to buy the property, and no one can change their mind!

The legal charge

When you exchange contracts you will sign a legal charge that will record that you have bought the home with the help of MyChoiceHomeBuy.

The legal charge sets out certain responsibilities you have. For example, it says that you must:

- repay the MyChoiceHomeBuy equity loan when you sell your home;
- keep your home in good condition;
- tell MHO and get written permission for any improvements or alterations you make;
- not sublet your home to anyone else;
- keep your home insured
- pay any service charges you need to pay; and
- pay the monthly charge of 1.75%.

The completion date

When you exchange contracts, your solicitor will give you a Date when you can move into your new home. This is called the 'completion date' and will normally be 28 days after you have exchanged contracts, although in some circumstances MHO may be able to reduce this timescale. We need the time between you exchanging the contracts and the completion date to arrange for MyChoiceHomeBuy funds to be sent to your solicitors.

On the completion date, you will need to move out of your current home and into your new home. You should check whether you need to give your landlord notice to end your tenancy. You can usually collect the keys to your new home from the estate agent.

Important note for council or housing association tenants:

If you are a council or housing association tenant or live in accommodation owned or managed by your employer, you will need to move out as soon as you complete the purchase of your new home.

On the completion date, you must:

- make sure there are no arrears on your rent account;
- leave your home in good condition;
- move all your belongings out before midday as we will not release the equity loan until after you have vacated your current home; and
- return your keys to your housing officer, who will tell us that you have moved out.

If you do not do all these things, you will not be able to complete your purchase and move into your new home.

There are many reasons why you may want to take part in MyChoiceHomeBuy:

- You have choice! Choose your lender and choose your home, MyChoiceHomeBuy is designed around you
- It makes home ownership affordable - we only allow responsible borrowing and your monthly repayments will be predictable and clearly set out
- We are the most experienced providers of affordable home ownership through equity based products and have helped over 10,000 households into home ownership in London to date
- If you are an existing homeowner, it can help you to move to a home that better suits your needs
- The amount you repay is based on the equity share percentage value at the time you sell your home. Unlike other products, if property values fall, we incur the fall with you on the MyChoiceHomeBuy equity
- It allows you to move out of rented accommodation and own your own home helping you out of the rent trap, freeing you to make longer term plans
- It increases your purchasing power - you could receive as much as £140,000 towards the purchase of your home
- In most cases, it is a more affordable option than buying on the open market with no help
- MHO will help you through the home buying process to make it less stressful.



WHAT SORT OF HOME CAN I BUY WITH MYCHOICEHOMEBUY?

You may buy any property provided it meets the following conditions. Your lender has the right to make sure that the property you choose would provide enough security for the mortgage being made available to you.

- The property is acceptable for mortgage purposes
- It is in England and is on sale on the open market with vacant possession (that is, no-one is currently living there)
- It is a residential property and has no commercial use
- It is immediately fit to live in
- Second-hand homes must be supported by a survey report, such as a homebuyer's survey and valuation report. You do not need to provide a full structural or buildings survey
- Second-hand homes offered on a leasehold basis (mainly flats/apartments) must offer a term of at least 80 years
- New properties being built and being marketed by developers may be considered for the scheme if the sale price is fixed and the contracts can be exchanged within six months of the HomeBuy agent saying that you can look for a home (this must be in writing)
- If you are a key worker, you must also make sure that the home you want to buy is within a reasonable travelling time from your place of work. As a general rule, we consider a journey of up to 90 minutes to be reasonable.

Are there any properties that I cannot buy?

The following properties do not qualify for MyChoiceHomeBuy:

- Properties on sale at auction
- Caravans and houseboats and other mobile homes
- Properties offered to you at discount or under shared-ownership conditions by a housing association, local council or other public organisation
- Property that is part of a self-build scheme or proposal
- Properties which already have tenants
- Properties in poor condition (MHO will make the decision based on the survey report you get). If your mortgage lender holds back £3,500 or more from the mortgage because the home needs work doing to it, the property will automatically be classed as being in poor condition
- Homes owned by a member of staff working for your HomeBuy Agent or MHO.

What size of home can I buy?

The size of the home you buy is based on the number of people that are going to live with you. You will usually be able to buy a home with one bedroom more than you need.

For example, if you are single or a couple with no children, you can buy a two-bedroom home. If you are a couple or single parent (with at least part custody) with at least one child, you can buy a three-bedroom home.

Should I buy a new or old home?

Most people are likely to buy older homes with the help of MyChoiceHomeBuy. The home that you want to buy must be in good condition. If it needs more than £3,500 of 'serious repairs', we won't accept it. By 'serious repairs' we mean structural problems or any repairs that would prevent you from living in the property immediately. Cosmetic work, such as redecorating, or replacing an old-fashioned kitchen, is not considered to be a serious repair.

If you are buying a second-hand property you must arrange a detailed survey. This is usually organised by your mortgage provider and is known as a homebuyer's report. You must send a copy of this report to us. If the report highlights some serious faults, we may ask you to get some quotes for work to sort out the problems. If these quotes are more than £3,500 we will not allow you to buy that property using the scheme. As a result it makes sense to have a good look at lots of homes in the areas you want to live in. We will give you a property checklist to help you.

If you buy a brand-new home, it must have an NHBC or similar warranty.

Can I buy a house or an apartment?

You can buy either with the help of MyChoiceHomeBuy.

If you buy a flat you will usually become a 'leaseholder'. Any lease should have at least 80 years left to run, otherwise you will not be able to buy the property through MyChoiceHomeBuy. The owner of the block, or converted house will be the 'freeholder' and you will usually be responsible for paying 'ground rent' and a 'service charge' which covers the costs of maintaining and insuring the building only. You will still be responsible for maintaining and insuring the inside of the property and its contents.

Can I buy the property that I currently rent or a property owned by a family member?

You can buy the property that you rent or a property owned by a family member as long as the value of the property has been approved by a RICS-qualified surveyor.

If you are a council or housing association tenant, you cannot use MyChoiceHomeBuy to buy your existing rented home.

It is important to consider the costs and responsibilities of buying your own home before making a decision to go ahead.

You should get your own independent advice before making any commitment. An independent financial adviser will be able to explain the costs of buying through this scheme and whether this scheme is the most appropriate in your circumstances.

Initial costs

We estimate that you need access to around £1,500 to £2,000 to cover the cost of buying a home with MyChoiceHomeBuy. The first 2000 home buyers to buy with the help of government backed open market products such as MyChoiceHomeBuy will receive an additional £1,500 towards these costs. You will need extra money if you are buying a higher value property (eg. for more than £250,000). The initial costs are usually made up of the following:

Legal costs

You will be responsible for paying a solicitor to take care of the legal paperwork involved. When you buy a home, your legal representative has to arrange to register the details of the property at the Land Registry (a government office). You will need to pay a fee to register (your legal representative will tell you how much).

Fee for arranging your mortgage

The bank or building society arranging your mortgage will charge you a fee for doing so. This varies from one lender to another and it may be possible to add this fee to your mortgage instead of paying upfront.

Survey fees

You will need to get a survey of the condition of the home. If you are buying a brand new property which benefits from an NHBC warranty, this can be a basic valuation. If you are buying a second-hand property, this must be a more detailed homebuyer's report. MHO does not need you to get a full structural or buildings survey, although you are free to do so.

Stamp Duty

Stamp Duty is a tax you may have to pay if the home you buy is above a certain price. Your legal representative will tell you about any stamp duty. Current rates for stamp duty are as follows:

Property Price	Stamp Duty Rate
£0 - £125,000	0%
£125,001 - £250,000	1%
£250,001 - £500,000	3%
Over £500,000	4%

Estate Agent Fees

If you have a property to sell, remember that you will need to pay your estate agents' fees. Your legal representative will automatically pay these from the funds from your sale.

Removal Fees

If you have a lot of furniture, remember that you will need to pay to hire a professional removal company.

Monthly Costs

Once you have bought a home through the scheme, you can expect to pay the following each month:

Mortgage Repayments

For your contribution towards the purchase price, you will need to take out a mortgage. Most mortgages need you to repay the loan by monthly repayments that may increase if interest rates go up.

Mortgage Payment Protection Insurance

Help with mortgage repayments is available through the state benefits system, if at any time you cannot meet your mortgage repayments because you lose your income, for example, through unemployment or ill health. This help is limited and you are unlikely to receive any help with your repayments for the first nine months of your claim.

Depending on the size of your mortgage, any benefit you receive will help with your mortgage interest but not with other expenses on your mortgage or insurance, for example, premiums you must pay on a life policy or a savings plan linked to your mortgage.

When you arrange your mortgage you should therefore consider whether you would benefit from mortgage payment protection insurance (MPPI). There are many of these policies available and their terms and conditions vary considerably. You should get advice from your lender or an independent financial advisor (or both) to find out whether MPPI would benefit you and which policy could best suit your needs.

Other Insurance

When you buy with help from MyChoiceHomeBuy, you will own the property outright in terms of your responsibility to insure.

You will need to take out buildings insurance in case the home is destroyed by fire or similar danger.

You will normally need buildings insurance when you get a mortgage. If you buy a flat, the owner of the block normally takes out the insurance and shares the costs between the owners of the flats.

As well as insuring the building, we strongly recommend that you take out contents insurance to insure your belongings and furniture.

You may also want to consider other insurances such as life cover or critical illness cover. These policies protect you and your family if you die or suffer a serious illness. You should speak to your financial advisor for more details about these.

Service Charges

If you buy an apartment or maisonette, you will have to contribute towards the upkeep of the building. The person who owns the block of flats (called the freeholder or landlord) will usually be responsible for repairing and maintaining the outside of the building and any common parts, but will charge you the costs for doing this.

The costs of work in shared areas will be covered in a service charge which each flat owner has to contribute to. You will be responsible for the costs of works needed inside your home.

Repairs

When you buy a home of your own you will be responsible for carrying out and paying for all the repairs needed on your home.

Other Housing Costs

You will need to pay Council Tax, and utility bills for the gas, electricity and water supplied to your home.

AFTER YOU BUY A HOME WITH MYCHOICEHOMEBUY

Repairs and maintenance

You will be responsible for any repairs and maintenance on your home, as any homeowner is. If you own an apartment you will be responsible for maintaining the inside. The freeholder will usually take care of the outside repairs and decoration to shared areas which you pay a service charge for.

Although when you buy with MyChoiceHomeBuy you will own the property outright, MHO need to protect the public funds provided through the MyChoiceHomeBuy equity loan, so you will need to tell us about the following:

Making improvements and alterations to your home

You must ask MHO to approve any alterations or improvements you plan to make to the property, such as building an extension or altering the layout of the home.

Taking out loans

If you need to take out more loans for repairs or improvements which have to be secured on the home, you need to get permission from MHO. However, you will not be able to take out loans immediately after you have completed the purchase of your home. Loans for other circumstances will not be allowed while you still have to repay your MyChoiceHomeBuy equity loan.

Selling your home

If in future you want to sell your home you must tell MHO.

We will arrange for an independent valuation of the home so that the value can be agreed, you will then repay the MyChoiceHomeBuy equity loan in full, together with a share in any increase in the value of your home. You will need to pay the valuation fee.

Repaying MyChoiceHomeBuy

You can pay back all or part of your MyChoiceHomeBuy equity loan after 1 year of owning your home. Your home will be valued by an independent surveyor who is a member of the Royal Institute of Chartered Surveyors (RICS). You can repay in a minimum of 10% tranches but the equity outstanding must not be less than 10% of the value of your home. If you decide to proceed, it will be at a price based on the valuation at the time. The monthly charge will be reduced proportionately.

If you divorce or separate from your partner, and you have to transfer your interest in the property because you won't be living there any longer, we would normally only consider allowing you to delay repaying the loan if you have children under the age of 18 or who are still in full-time education.



FREQUENTLY ASKED QUESTIONS

Can I buy with someone else?

You may jointly buy a home with someone else as long as your joint incomes and savings are not enough to allow you to buy a suitable home on the open market without help.

No more than four people can buy a home jointly through MyChoiceHomeBuy.

A joint application will not qualify unless all the people applying will jointly own the home. An alternative to becoming a joint legal owner, such as a Deed of Trust is not acceptable.

If a person joining you in buying a home already owns a home, they will have to sell that property when they buy through MyChoiceHomeBuy - any likely profit from the sale will also be taken into account in considering the application.

If the person buying with you is currently renting through a local authority or housing association, they must give up their tenancy on or before the completion date.

Can my family take over the home if I die?

If you buy with MyChoiceHomeBuy and you later die, a member of your family or your partner may be able to take ownership of the home and continue living there. If so, the costs of running the home and keeping up the mortgage repayments and responsibility for repaying the MyChoiceHomeBuy equity loan will normally transfer to them. If not, the home will be sold to repay the outstanding MyChoiceHomeBuy equity loan.

Although you do not have to take out insurance that pays off the mortgage if you die, you should check that the cover provided is enough for both the mortgage and MyChoiceHomeBuy equity loan.

What if I fall behind with my mortgage repayments?

The mortgage contract is between you and the lender. If you begin to have financial problems and cannot pay your mortgage, you should let them know immediately. If you do fall behind on your payments and cannot agree with your lender on how to sort this out there is a risk that they will take possession of your home and sell it. You would then be entitled to your share of any money left after all your debts to the lender (including a share in any increase of the property value and the MyChoiceHomeBuy equity loan) has been paid.

Is my funding guaranteed once I receive an offer letter from MHO?

No. Funding is limited and awarded on a 'first come, first served' basis. Until you have identified a property you want to buy and which has been approved by MHO, we can withdraw funding at any time.

COMPLIMENTS, COMPLAINTS, SUGGESTIONS

What if I'm not happy with the service provided? MHO have procedures for compliments, complaints and suggestions should you need to contact us with feedback about your application.

We will send you a copy of our compliments, complaints and suggestions procedure for you to follow upon request.

If, in the case of complaints you are still not satisfied you can contact:

The Housing Ombudsman
Norman House
105-109 Strand
London
WC2R 0AA
Phone: 020 7836 3630

If you have complaints about your mortgage application you should contact the lender direct. If you are still not satisfied you can contact:

The Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London
E14 9SR
Phone: 020 7964 1000



GLOSSARY OF TERMS

APR

Annual percentage rate. A rate that represents the cost of borrowing rather than the interest rate. The APR, for example, will include certain charges as well as the interest rate, allowing you to make comparisons between different forms of borrowing.

Assured tenancy

A tenancy agreement with no fixed end date for when it ends.

Assured shorthold tenancy

A tenancy agreement which is for a specific period of time, usually 6 months. This is also sometimes referred to as short-life accommodation.

Early repayment charges

A fee that you may have to pay if you repay your mortgage earlier than the original period you took the loan for (for example, if you took a 25 year mortgage and wanted to repay it after just 2 years).

Financial advisers

These are advisers who provide advice on a range of financial products. If they only advise on mortgage products, they are often called mortgage brokers.

Priority first-time buyers

Households who have been identified by the regional housing boards as being eligible for help. (Contact your local HomeBuy agent for more details)

HomeBuy

A Government-funded scheme which helps people to own their own homes.

HomeBuy Agent

HomeBuy Agents are housing associations which provide a 'one-stop-shop' and point of contact for affordable housing options in a certain area of England.

Homebuyer's Survey

A fairly detailed surveyor's report carried out on the property you plan to buy, which usually includes a property valuation.

Household

One person living alone or a group of people who share common housekeeping or a living room.

Housing Associations

Housing trusts, housing societies and registered social landlords which provide high-quality and affordable homes for the community in areas which need them most.

Housing Corporation

The Housing Corporation is funded by the Government and provides the money or grants for affordable housing.

Interest-only mortgage

A type of mortgage where the monthly payments are made up just of interest and do not include any capital (the original amount borrowed). The capital is normally repaid at the end of the mortgage term.

Key Facts Illustration (KFI)

An assessment of the risks and features of a particular mortgage, carried out in a way which is relevant to your own circumstances.

Mortgage offer

The formal paperwork which sets out the conditions under which the lender will grant a mortgage.

NHBC Certificate

A warranty that is normally given on brand new properties. The warranty is usually valid for 10 years and only covers faults to the structure of the property.

Registered social landlord (RSL)

The technical name for social landlords who are registered with the Housing Corporation. Of the nine regions in England. They make decisions about housing priorities in their areas.

Repayment mortgage

A type of mortgage where the monthly payments are made up of both interest and capital. If payments are maintained, the mortgage is repaid at the end of the mortgage term.

RICS surveyor

A surveyor that has a qualification from the Royal Institution of Chartered Surveyors.

RPI

Retail Price Index. An important domestic indicator of inflation. It measures the average change from month to month in the prices of goods and services purchased in the UK.

Social tenants and those on the housing register

Tenants of councils and housing associations, and those who are on the housing register, who are waiting for a council or housing association home to rent.

Tranch

An installment of repayment of MyChoiceHomeBuy.

Valuation

An assessment of the current market value of a property, carried out for the benefit of the mortgage lender. It will not include a detailed assessment of the property's condition.

USEFUL CONTACTS

MyChoiceHomeBuy

The MyChoiceHomeBuy Team
MHO
Floor 3
The Grange
Southgate
London N14 6PW

Web: www.mho.co.uk
Email: mychoicehomebuy@mht.co.uk
Call: 0845 602 7184

HomeBuy Agent contact details: The East Midlands (excluding Northamptonshire)

East Midlands Housing Association
Jubilee House
Stenson Road
Whitwick Business Park
Coalville
Leicestershire LE67 4NA

Web: www.emhomebuy.org.uk
Email: emhomebuy@emha.org
Call: 0844 892 0112

London

See MHO details above or visit
www.housingoptions.co.uk.

The North East

Nomad Homes
Number Five
Gosforth Park Avenue
Gosforth Business Park
Newcastle upon Tyne NE12 8EG

Web: www.nomad5.co.uk
Email: info@nomad-homes.co.uk
Call: 0845 712 5690

The North West

Eden (Cumbria)
Eden Housing Association
Blain House
Bridge Lane
Pentrith
Cumbria CA11 8QU

Web: www.edenha.org.uk
Email: enquiry@edenha.org.uk
Call: 0800 3587 1400

Manchester Methodist (Greater
Manchester & Lancs)

Manchester Methodist Housing Association
729 Princess Road
Manchester M20 2LT

Web: www.plumlife.co.uk
Email: enquiries@plumlife.co.uk
Call: 0161 447 5050

Plus Housing Group (Merseyside)

Plus Housing Group
13-15 Rodney Street
Liverpool L1 9EF

Web: www.homeshub.co.uk
Email: homeshub@plusgrouppltd.org.uk
Call: 0845 603 4559

Riverside (Cheshire)

Riverside Housing Association
2 Estuary Boulevard
Estuary Commerce Park L24 8RF

Web: www.riverside.org.uk
Email: ownership@riverside.org.uk
Call: 0845 111 0000

The West Midlands

Mercian Housing Association (for Staffs, Shrops,
W'hton, W'sall, Dudley, B'ham, Sandwell, S'hull,
C'vntry, Warwicks)

Mercian Housing Association
2 The Gardens
Fentham Road
Erdington
Birmingham B23 6AG

Web: www.homebuyagents.co.uk
Email: via website
Call: 0845 607 6726

West Mercia Housing Group (Worcestershire &
Herefordshire)

West Mercia Housing Group
Barnsley Hall
Barnsley Hall Grove
Bromsgrove
Worcs B61 0TX

Web: www.home2own.uk.com
Email: home2own@wmhousing.co.uk
Call: 0845 6585 420

Yorkshire & The Humber

Joseph Rowntree Housing Trust (North Yorkshire
& Humberside)

Joseph Rowntree Housing Trust
The Homestead
40 Water End
York
North Yorkshire YO32 4TZ

Web: www.jrht.org.uk
Email: information@jrht.org.uk
Call: 01904 735000

Yorkshire Housing Association (West Yorkshire &
South Yorkshire)

Yorkshire Housing
Regent House
161 Briggate
Leeds LS1 6LY

Web: www.my4walls.co.uk/
Email: enquiries@my4walls.co.uk
Call: 0113 243 6893

THE NOT SO SMALL PRINT

If you require this information translated into another language or format (such as audiotape or Braille) please contact us.

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