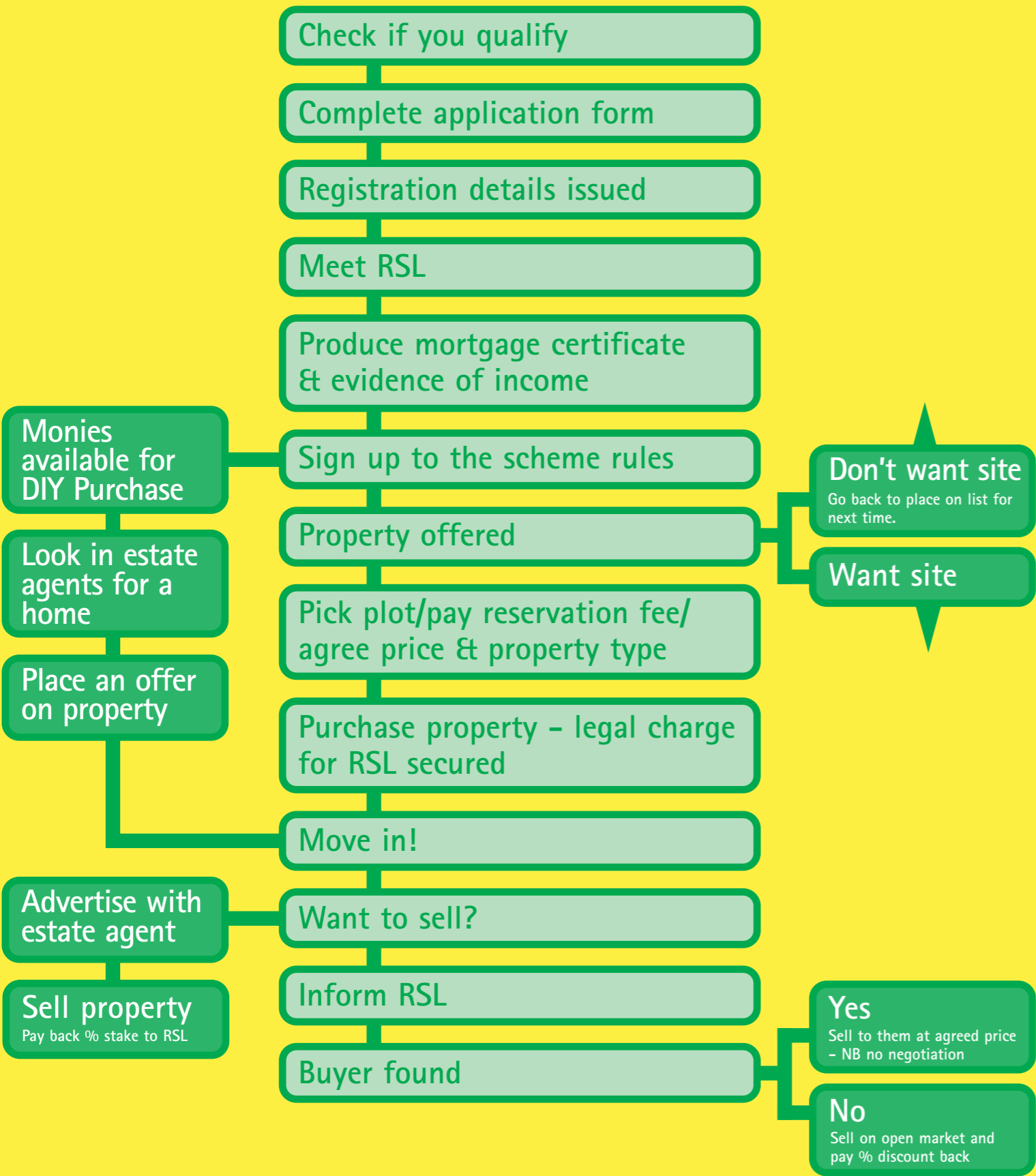




# Summary Flow Chart



## HOW THE SCHEME WORKS

- WHAT IS HELP 2 OWN?
- HOW DOES IT WORK?
- WHO RUNS HELP 2 OWN?
- DO I QUALIFY TO TAKE PART?
- HOW DO I APPLY?
- WHAT HAPPENS NEXT?
- WHAT HAPPENS IF I'M OFFERED A PROPERTY?
- WHAT ARE MY RESPONSIBILITIES IF I BUY A PROPERTY?
- WHAT HAPPENS IF I WANT TO SELL IN THE FUTURE?

## What is Help 2 Own?

Help 2 Own is a new way to make owning a home affordable in Torfaen. The scheme is intended to target people who can access and afford a mortgage but are struggling to get a foot on the property ladder. The scheme has been developed by Torfaen County Borough Council, Eastern Valley Housing Association, Fairlake Properties and Gwerin Housing Association.

## How does it work?

- Help 2 Own properties are made available at discounted rates, typically around 30% below the market value (although the discount may vary from area to area).
- The discount occurs because either when the house was originally built the developer transferred a stake in the property to a registered social landlord (RSL) or the local authority has received monies from the Welsh Assembly Government to subsidise purchases. This stake is what is known as an 'equity share'.
- The reason it is passed on to an RSL is to ensure that the discount stays with the property in the future for others to benefit. This is called 'ensuring affordability in perpetuity'.
- You will not have to pay any interest or rent to the RSL, all you will have to do is pay back the equity stake, if you should decide to sell the property.
- You will be the freeholder of the property; you will pay your own mortgage and other costs associated with being a home owner.

## Who runs Help 2 Own?

- The Help 2 Own scheme is administered by Torfaen County Borough Council. This means the Council will deal with all initial applications and all associated monitoring of the waiting list.
- The RSL's will receive nominations from the list. They will then carry out in-depth eligibility checks and ensure you can afford to purchase a property.
- The RSL will support you through-out the process.
- The RSL will then ensure you understand how the scheme works and what your home ownership obligations are.

## Do I qualify to take part?

- Are you struggling to buy on the open market?
- Are you a 1st time buyer?
- Do you have a connection within Torfaen?
- Are you able to obtain a mortgage?

If you answered 'yes' to the above – you may be eligible for the scheme.

## How to apply

Pick up an application form, fill it out and return to Help 2 Own Officer, Housing Strategy Torfaen County Borough Council, Civic Centre, Pontypool NP4 6YB  
Tel: 01495 766200.

All completed forms are to be returned to **Torfaen County Borough Council, Help 2 Own Team, Civic Centre.**

## What happens next?

On receipt of your application you will receive a unique registration number.

Your position on the list will be dependant upon date of registration.

When a site is nearing completion, or monies become available from WAG for DIY Help 2 Own; applicants from the list will be nominated to the relevant RSL. The RSL will contact you to arrange an interview and carry out a full financial appraisal. They will then confirm whether you meet the eligibility criteria.

## What happens when I'm offered a property?

- You will have to provide – An 'in principle' mortgage offer certificate from an approved lender, along with copies of evidence of income.
- You will have to confirm that you understand how the scheme works, and that you can afford the property.
- The property price, location and purchase price will be agreed up front.

- You will be offered a property type i.e. size.
- You will be able to choose your plot (subject to availability).
- You will have to pay a £250.00 reservation fee (non – refundable. If you are unable to proceed with the purchase, the fee will be deducted from the final charges should the sale proceed).
- A legal charge confirming that the RSL owns an equity share in your home will be registered at the land registry.
- You sign to accept that the RSL will retain the equity stake in your home.
- When the house is purchased, you pay the discounted price and move in!
- If you say no to the property, you won't lose your place on the list.

## Your responsibilities if you buy the property

- You will be responsible for all legal and other costs e.g. stamp duty and housing associations charges.
- You will have to pay your mortgage.
- You will have to pay council tax.
- You will have to pay all utility bills e.g. gas, electricity, water, telephone etc.
- You will have to pay for all maintenance works.
- You will have to keep the property up to a good standard.
- You will have to pay for buildings and contents insurance.
- Remember, your home is at risk if you do not keep up your payments on a mortgage or a loan secured on it.

## What happens if you want to sell in the future?

- If you have moved into a new build low cost home:
- You will have to inform the RSL when you want to sell.
  - You cannot put the property on the open market

- The RSL will have 2 months to nominate a buyer (from the list that you were on).
- The selling price will be dependant upon an independent valuation.
- You must then repay to the RSL the 30% equity stake.

If the housing association can't find a buyer you can sell the house on the open market, but you must pay the % discount sum back to the RSL. You are responsible for any estate agent fees.

If you have purchased with assistance on the open market:

- You must inform the RSL when you want to sell.
- Sell your property through an estate agent
- When sold, you must pay back the RSL their % stake.
- You will be responsible for all estate agent fees and associated costs.

## ABBREVIATION KEY

**Local Authority Outlet**  
Area offices, customer care centres

**LCHO**  
Low Cost Home Ownership

**RSL**  
Registered Social Landlord or  
Housing Association

**DIY**  
Do It Yourself