

Homes England Questions and Answers – June 2025

Question 1: Can someone purchase a shared ownership home with cash that previously had a shared ownership home repossessed?

There is nothing in principle within Homes England's shared ownership guidance (see [Capital Funding Guide](#)) which would prevent an applicant who has previously been repossessed from purchasing another shared ownership home. They would of course need to meet all the shared ownership eligibility criteria in the normal way.

It is likely that such an applicant's ability to proceed with a shared ownership purchase would depend upon their affordability assessment and whether they are able to meet the provider's policies in this regard, in particular any adverse credit policy the provider may have adopted.

Providers are required to consider all shared ownership applications they receive according to the following principle.

CFG 6.1.1 Providers should consider all Shared Ownership applications they receive in an impartial, equitable and consistent manner in accordance with Homes England's guidance. They must ensure that no applicant is disadvantaged in their interpretation and application of the guidance. The ultimate responsibility for a decision on whether to accept an application rests with the provider.

So, if an applicant who has had a previous home repossessed but has the means to purchase their share in cash, then they should be allowed to do so where their affordability assessment suggests that they can afford and sustain the purchase and that they meet the provider's policies (including their adverse credit policy if one is in place and published).

More information in respect of provider specific policies and the assessment of cash buyers can be found within CFG sections 6.4 and 6.10 respectively with paragraph 6.10.3 being particularly pertinent to this scenario:

CFG 6.10.3 An exception to this may be if mortgage products are unavailable due to an applicant's adverse credit history. In such cases providers should refer to the feedback from the advisor and to their own policies to determine whether such an applicant is able to proceed and that any purchase is sustainable.

Question 2: Is it sufficient to have our first-come-first-served policy within our SO policy or does it need to be a separate policy? (*The same was asked in respect of a provider's downward staircasing policy*)

In terms of how providers choose to format and present their policies, Homes England has not been prescriptive. Providers have discretion to present their policies as they see fit, providing that they are published on their website, straightforward for a customer or other third-party to find and can be made available in other accessible formats as required. For example, if a policy resides within a larger document, it must be suitably indexed or linked so it can be easily found. In addition, where links to policies are contained within a larger policy document used in provider literature for customers or in the Key Information Documents (KIDs), they must lead to the specific policy or be signposted to the relevant section (chapter/section/page number etc).

Regarding a provider's specific policies relating to the assessment of shared ownership applicants' affordability, chapter 1, paragraph 6.4.3 of the [Capital Funding Guide](#) (CFG) states:

CFG 6.4.3 All policies adopted by a provider must be published on their website and be made available in other accessible formats as required. Applicants and advisors should be signposted to all relevant policies and information relating to the assessment of Shared Ownership applications.

This means that providers must publish their first come first served policy and minimum surplus income policy as well as any others they have chosen to adopt (for example, minimum deposit policy, adverse credit policy, etc).

Furthermore, as previously mentioned, there are other provider policies, beyond those relating to the assessment of shared ownership affordability, which must also be published, namely:

- [Ch 1 Shared Ownership](#) section 5, Leases, paragraph 5.3.22.2 has the requirement to publish your subletting policy and include it in the Key Information Documents.
- [Ch 7 Grant Recovery](#), section 6 Priority use, paragraph 6.1.3.7 states where you offer downward staircasing to your leaseholders, you must publish your policy.
- [Ch 7 Grant Recovery](#), section 6 Permitted use, see paragraph 6.2 for the full list of permitted uses and paragraph 6.3.2 for more information about equity repurchase. Paragraph 6.3.2 includes the requirement to publish a policy on equity repurchase or make clear that you do not operate such a policy. This transparency is

particularly important due to its role helping to address the challenges associated with building safety.

Regarding the above, providers should refer to the relevant CFG guidance and their own policies when responding to customer request.

Question 3: When will you be publishing the new Key Information Documents (KIDs)

Homes England will be making updates to the existing suite of KIDs. We now do not anticipate publishing these until at least Q3 of this financial year. This is because, following feedback, we are aiming to reduce the administrative burden for providers by including as much known work in one update, rather than multiple.

There are three minor changes which we have previously discussed:

- Clearer signposting to the Leasehold Advisory Service and Housing Ombudsman Service
- Reference the potential responsibility of a beneficiary to pay rent when they inherit a shared ownership home
- The affordability guidance requirement to signpost key policies integral to the applicant assessment e.g. FCFS, minimum monthly surplus income, adverse credit, minimum deposit, etc (as appropriate)

We are aware that we may need to make some further amendments, particularly to enhance clarity around service charges. We are also taking the time to consider whether there are any other content changes we should make to the KIDs in this next update.

We will continue to keep both the NSG and The S/O Exchange sighted on progress of this work, but do not anticipate this being published before Q3. As with previous changes, providers will be given 8 weeks to make the administrative changes to their own systems once we publish the updated KIDs.

Question 4: In respect of the possible changes to affordability assessments being carried out and signed off by non-panel advisor, are you able to provide any indication of when such changes may come in?

We anticipate publishing these updates during week commencing 9th June.

The updates are in response to feedback gathered in the sessions with advisors and providers in April. The aim of these updates is to provide more transparency for customers, a more streamlined route for resales outside of nomination, and reduced duplication for mortgage advice firms.

Resales outside of the nomination period

We will be setting out a more pragmatic approach to sales where the customer is using an external agent and therefore the provider is not in control of the sales leads. We have heard feedback that it is more typical for providers to only be involved much later in the process, often after a mortgage application has been made. It is causing delays and frustrations for buyers to have to revisit their finances with a panel broker.

As there is no requirement for the existing shared owner to sell above the share percentage they own, the principle of 6.1.6 does not apply, so we are making this process more streamlined for these cases. Whilst buyers should be informed that they can purchase a higher share, this is not a requirement.

We will change our guidance to include a resales sign off form for the customer's chosen mortgage advisor to complete. This will centre on whether the provider's published policies and free income criteria has been met, which they can give to providers along with supporting documentation as required.

Applications where there is a material change between sign off and mortgage

We updated our guidance earlier this year to clarify that a new sign off is not required when non-material changes take place between sign off and mortgage. We have heard feedback that in cases where the applicant is using a non-panel advisor and there has been a material change (for example a significantly different mortgage amount has been applied for), that panel advisors are being asked to re-assess the applicant. This is causing delays and an undue administrative burden for panel advisors.

We are updating our guidance and introducing a new sign off form for this scenario. This can be used where a mortgage advisor from the provider's panel has conducted the relevant sign-off form (at either stage 1 or 2). However, the applicant has chosen to move forward with a non-panel advisor for their mortgage application, who has a different view of the suitable share purchase level for the applicant. In such circumstances the non-panel advisor should explain how and why they have arrived at a different position to the panel advisor, and provide supporting evidence as required. The decision to either accept or decline the rationale provided by the non-panel advisor rests with the provider.

Where the provider is willing to accept this rationale, the applicant may proceed at the suitable share purchase level determined by the non-panel advisor. Where the provider is unwilling to accept this rationale, they have two options: (i) the applicant can be mandated

to proceed at the suitable share level as originally determined by the panel advisor, or (ii) if the applicant is not willing to proceed on this basis, the provider can decline the application.

To support this new affordability guidance content in section 6 of the [Shared Ownership chapter](#) we will also update the sign-off sheet guidance notes document, which explains our requirements and expectations.

Enhanced information for applicants

We have had feedback that there can be confusion from applicants as to who is responsible for which part of the process. There is a lack of clarity about the role of the panel advisor, including uncertainty about the changing role of an advisor from assessment (when they act on behalf of the provider and the activity is unregulated), to a mortgage application (when they work on behalf of the applicant and the activity is regulated). This has caused dissatisfaction from applicants and meant complaints have not been dealt with through the correct route.

To support with full transparency and clarity for applicants, we are introducing guidance on the assessment process. We will set out minimum requirements for providers to give specific information to all prospective applicants at the point that they are referred for their affordability assessment. This includes links to their policies and an explanation of the responsibilities of the provider and advisor in the assessment process.

Next steps

To coincide with the publication of the new CFG content, an email communication will be sent to all Investment Partners and key stakeholders including the NSG and The S/O Exchange. We also encourage members, if they have not done so already, to [sign-up to receive regular email alerts](#) from GOV.UK, which include the publication of CFG content updates.