**Shared Ownership Event – Metro Finance 7th October 2016**

**Overview:**

Currently 17 shared ownership lenders.

7 of which are offering 95% lending

From 17 lenders there are 155 products.

95% lend there are 25 products

85% there are 116 products.

Exposure:

Each lender will take roughly 20-25% of a site, exposure only really an issue on high rise development.

Brexit – no effect.

Products – no change

Interest Rates are down

Lender numbers – no change

LTV’s – Up

Message is lenders want to lend on Shared Ownership.

**Providers at the event:**

**Kent Reliance – No to Rural Restricted Lease**

Will lend 100% on shared ownership

5-35 year mortgages

Must be able to 100% staircase, not Rural/Local Connection

Min 25% share, Max 75% share on new build.

4.49% on 95% product, 4.79% on 100% product.

Don’t do shared ownership for learning disabilities

Will lend x4.49 of income, there is potential for this to be more, but would need evidence of an income increase in the future.

Flats – (outside London) will only lend if they are up to 6 floors.

Bad debt – need to be 3 years clear CCJ’s, less if below £300

Exposure – 20-25% of sites

Don’t do direct business, go through mortgage broker.

Min loan size £70k.

**Halifax – Yes to Rural and Restricted Leases**

1 in 4 first time buyers, 1 in 4 new build have mortgages with Halifax

S/O min 25%, max 85% share.

Depends on customer but generally:

Non new build – 90% mortgage

New build – 80% mortgage

Exposure – no cap treat each site individually, and flexible on phased schemes.

Deposit – flexible, no different from S/O to OM, will accept family gift of deposit, but not builder.

Affordability and income cap – 4.5 x income, but depends on circumstances, will accept self-employed as long as have been so for 1 year.

S106 – happy to do local connection, as long as can sell on OM within 20 weeks without clause.

Can staircase in 5%’s and once at 85% need to then fully staircase to 100%.

Rural – yes 80% cap and local connection will look at exposure on these.

Will lend to older people, and flats – no limit on storeys.

Min property value £40k, no min loan.

**Newbury – No to Rural Restricted Lease, and not in our area.**

Not currently lending in our area, Southern based

Possibly move into our area, but will be gradual and only generally in high value areas.

Rural – not keen to go into this area, have done it before, but not interested at moment.

**Mansfield – very keen, Yes to Rural Restricted Lease.**

See presentation – happy to come to open events.

**Tipton – No to Rural Restricted Lease.**

Re-entered S/O market 2 weeks ago.

No geographical restrictions Countrywide.

Products will change

Lent at 90% possibly 95% in future.

Only new houses, not flats or apartments.

Min OMV £100K

No to restrictions on stair casing.

Manual credit checking if defaults less than £250 will ignore.

Can only do half their mortgage lending on fixed rate.

S/O rates slightly higher than normal

Up to 35 year term.

Up to 75 in age.

**Santander – Not to Rural Restricted Lease**

Head of new build likes to get involved in site build to advice if they are going to be mortgageable.

Free valuation up to £2.5m

Offers of mortgage last 6-9 months

Advise applicants not to take credit out in this time as seen as a debt, wait until mortgage is through before buying a new sofa!

Lend 90% 2nd hand properties, 85% new build houses, 80% flats same for OM and S/O

Min share 25%

Only deal with registered HA

Until the property is owned outright they will only additional lend for extra shares or to buy someone out.

No to Rural – 80% stair casing restriction, issues re the clauses, more labour intensive and solicitors will say no to anything different in a S106, more complex. Risk factor and they won’t change their minds.

Exposure – 20% per phase.

**Leeds Building Society – No to Rural Restricted Lease.**

90% business through intermediary’s side.

Standard valuation is free with product.

Lend up to 95%

Exposure 25% on a site.

If client staircases 100% will lend up to 95%

Min share 25% max 75%

Mortgage term 5-40 years

Max age 70 years

Fee 3.5% at 80% LTV 3.99% at 95% LTV for 2 years fixed rate.

Don’t offer help to buy.

No to rural S106 and stair casing 80%.

S106 restrictive covenants will accept local connection if disappears on possession by lender.

Won’t do 80% rural stair casing as too much risk!

They find not many staircase at all – only 3%

**Nationwide – Yes to Rural Restricted Lease**

Min 25% share

Will lend up to 90% of that share – not new build

Existing customers will lend 95%

85% new build, 75% flats new build.

Rural Leases – Yes

Will lend to remortgage and additional borrowing.

£999 fee with a cheaper loan rate, or higher loan rate and no fee.

Day 1 employment accepted, zero hour contracts as long as been doing it for 12 months, probationary periods.

Fixed term contracts if done 12 months and have another year to complete.

Term 40years max

Max age 70 years

Cash back for FTB not had a mortgage in last 5 years - £500, Nationwide customers extra £250.

Free standard valuations on all properties.

Deposit doesn’t have to be from family member

FAQ section on website

5-7 days turnaround.

**TSB – Yes to Rural Restricted Lease**

Will take other income into consideration – tax credits, child benefit, and overtime.

Self-employed – 1 year trading

Mortgage offer lasts longer.

Exposure – no limits at moment, but they are new to lending in this market.

Will do restricted, and S106

New build – 80% lend with 20% deposit houses and flats.

Min 25% share

Max age 70 years, or 75 with pension forecast.

40 year term max.

Min property value £40k

Below £200k free fees then scaled up with value of property.

No upper limit on flats storeys unless ex council.