Adverse Policy

- No CCJ's or Defaults that remain unsatisfied, of any age
- No CCJ's or defaults within last 2yrs over £300 in total
- IVA's or Bankruptcy discharged 3yrs ago acceptable, or registered over 6 years ago and satisfied, with no further issues
- Debt management plans paid off over 12 months ago acceptable
- No mortgage arrears in last 12 months
- Previous repossession over 3yrs ago acceptable, provided no outstanding debt to lender and no other credit issue in last 3yrs. (requires letter from repo lender to confirm no outstanding debt)

Snugg Homes will not dictate which lenders buyers use. However, Snugg Homes will seek to ensure arrangements are affordable and sustainable – this will involve means testing.

There will inevitably be a variance in interest rates and deals buyers can obtain depending on their circumstances and deposit size. In some situations, applicants may only be able to obtain finance at a rate that is notably higher than average mortgage rates for shared ownership. This can be for multiple reasons, including employment situation or credit history. Whilst such applicants may be able to satisfy Affordability and Sustainability, the higher interest rate at commencement creates a vulnerability in terms of the potential greater impact of changes to base-rate in future that can create additional risk for Snugg Homes and the purchaser.

For this reason, particular attention will be given to any interest rate that is 2% above the average rate for the closest equivalent mortgage (considering loan to value, length of fixed rate term) of five mainstream shared ownership lenders (e.g. Leeds, Halifax, Nationwide, Santander, Barclays). The HA may decide to set a higher parameter in terms of remaining net income on the budget planner, and take an overall view of the case to decide if it can proceed.