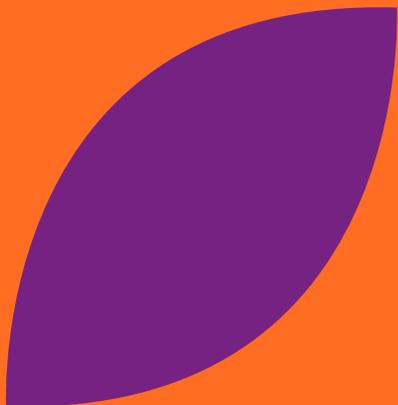
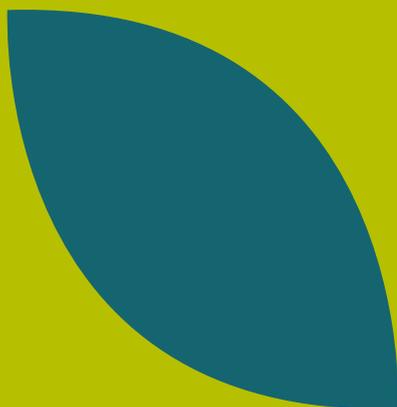


**PRESERVED RIGHT
TO BUY**



**Pre-qualification
checklist for the
Preserved Right to Buy**

**Creating homes
shaping places**





Buying your home is a big decision for you and your family. Owning your own home may provide opportunities for you to make the changes you want to your home, but there are lots of things to consider.





HOW TO USE THIS CHECKLIST

This pre-qualification check list has been created to help you in deciding if home ownership is right for you. Use this checklist in conjunction with the government's booklet 'Right to buy could open the door' so you are clear on what you need in place before you apply to buy your home. This booklet can be found online at www.righttobuy.gov.uk.

Once you have completed the checklist and feel you want to go ahead with applying, please call 0300 555 0500 to make an appointment to see our Home Ownership Coordinator. We will review the checklist, along with your documentation, and help you complete the RTB1 application form to start the process.

CONSIDERING BUYING YOUR HOME?

At the back of this checklist is a list of Frequently Asked Questions which may help to answer any queries you might have at this stage of the process.

You could be eligible for the Preserved Right to Buy if:

- You were previously a tenant of Chelmsford Borough (now City) Council whose home was then transferred to us on 11 March 2002;
- You have had a continuous secure (assured) tenancy with us since 11 March 2002;
- You succeeded to the tenancy that qualified under the point above;
- It's your only or main home.

If your tenancy has ever been demoted, you will have lost your Preserved Right to Buy but may be able to buy through the Right to Acquire scheme. Let us know if you would like information on the Right to Acquire scheme.





PROOF OF IDENTITY AND RESIDENCY

For each applicant, we need to see **one form** of photographic identification for proof of identity and **two forms** of identification that prove that each applicant has lived at your home for at least 12 months.

Below is a list of identification that we will accept:

Photographic proof of identity

- Current signed passport;
- EEA member state identity card (which can also be used as evidence of address if it carries this);
- Current UK or EEA photocard driving licences;
- Photographic registration cards for self-employed individuals in the construction industry - CIS4;
- Firearms or shotgun certificate;
- National identity card bearing a photograph of the applicant.

Proof of residency

- Utility bill (gas, electric, satellite television, or landline telephone bill);
- Local authority council tax bill for the current and previous council tax year;
- Bank, building society or credit union statement or passbook;
- HMRC self-assessment letters or tax demand.

Documents we will not accept include, but are not limited to:

- Provisional driving licence;
- Mobile phone bills;
- Credit card statements;
- Store card statements.

Please tick the appropriate box for each applicant to make sure you have the appropriate documents for applying:

I've got suitable ID and proof of residency for the lists above for Tenant Applicant one.





I've got suitable ID and proof of residency for the lists above for Applicant two.

I've got suitable ID and proof of residency for the lists above for Applicant three.

I've got suitable ID and proof of residency for the lists above for Applicant four.

BANKRUPTCY CHECKS

As part of the buying process, we undertake bankruptcy and insolvency checks for everyone who wishes to take part in the purchase your home. Should any of the applicants be bankrupt or have an insolvency agreement in place, they will **not** be eligible to be part of the application.

Tenant applicant one

Are you registered as bankrupt?
Yes No

Do you have an insolvency agreement in place?
Yes No

Applicant two

Are you registered as bankrupt?
Yes No

Do you have an insolvency agreement in place?
Yes No

Applicant three

Are you registered as bankrupt?
Yes No

Do you have an insolvency agreement in place?
Yes No

Applicant four

Are you registered as bankrupt?
Yes No

Do you have an insolvency agreement in place?
Yes No

Please note that CHP also has to check for any current court orders against your home, for example, for rent arrears or anti-social behaviour – if one of these exists, you will not be able to complete your purchase.





FINANCING YOUR PURCHASE

Buying your home is a big financial commitment. Please indicate how you are going to purchase your home:

Mortgage / loan

If you have ticked the mortgage / loan box:

Have you used the Money Advice Service's mortgage / loan calculator (www.moneyadviceservice.org.uk/en/tools/mortgage-calculator) to work out what your monthly payments could be?

Please note that as a homeowner you would not be eligible for housing benefit. Your home could be at risk if you aren't able to keep up your mortgage or loan repayments.

Cash

If you have ticked the cash box:

Are you able to prove, for money laundering regulation purposes, that this cash is either your own savings, an inheritance or a gift?

Please note that because of money laundering regulations you will have to provide your solicitor with evidence of where the cash came from.

Please be careful of any company or person who is offering to help you buy your home as they may be offering a deal which is far better for them than it is for you.





INITIAL COSTS IN BUYING YOUR HOME

Buying your home involves a number of items you will have to pay for during the buying process (before completion) in addition to the usual ongoing costs once you become a home owner. Some examples are shown below:

One of costs	Information	Approximate cost	When
Mortgage advice	Costs vary and there may be a set fee or percentage of the loan you require	Always ask your advisor for their costs before you commit to anything	May be before or after purchase (depending on your mortgage providers rules)
Survey	Costs vary depending on the type of survey. If you are getting a mortgage to fund your purchase they may require a full structural survey	Between £250 and £600	On application for a mortgage
Legal fees	You are responsible for hiring a solicitor or licensed conveyancer for legal aspects of the purchase	£850 - £1,500	May be before or after purchase (depending on solicitor)
Stamp duty	This is a one-off cost you pay if your property value is above a certain price	Depends on the value of your home	At completion

We recommend you visit the [Money Advice Service website](http://www.moneyadviceservice.org.uk/en) (www.moneyadviceservice.org.uk/en) as they provide free, unbiased advice.





ONGOING COSTS OF HOME OWNERSHIP

These include home insurance, maintenance of your home, utility bills etc.

To help you work out what these costs could be, complete pages 14 and 15 of the government's ['Right to Buy could open the door' booklet](#).

I've looked at these costs and understand how they might affect my finances.



ADVANTAGES AND DISADVANTAGES OF RENTING AND BUYING

Below are a few examples of advantages and disadvantages to renting and buying. See if you can think of any more and list them on page 15 of the government's 'Right to Buy could open the door' booklet.

Advantages of renting

- CHP is responsible for the repair and maintenance;
- Emergency repair call out 365 days per year;
- Cheaper than paying a mortgage or loan;
- Can move home more easily.

Advantages of buying

- Carry out minor changes and improvements without obtaining permission from us;
- Pride in owning your home;
- Could be a good investment for the future.





Possible drawbacks of renting

- Can only move to certain areas;
- No financial interest in your home.

Possible drawbacks of buying

- You are responsible for all repairs and maintenance;
- Long-term financial commitment;
- Stable income needed;
- Might not be easy to sell;
- Service charge payments due regularly in addition to mortgage / loan if buying a leasehold home;
- Additional costs of home insurance.

I've considered the advantages and disadvantages of home ownership.





FREQUENTLY ASKED QUESTIONS

Is there any charge applying for the Right to Buy?

We will not charge you for applying for the Right to Buy. However you will incur some charges if you decide to go ahead with the purchase, such as solicitors fees, surveyors fees, a mortgage fee, stamp duty and land registry fees.

Can I share my Right to Buy with anyone else?

You can share the Right to Buy with up to three family members who have lived with you for at least the past 12 months (even if they don't share your tenancy). Qualifying family members include a parent, grandparent, child, grandchild, brother sister, uncle, aunt, nephew or niece.

You can only share your Right to Buy with a spouse, civil partner or partner if they are currently living with you at the property. If your partner is not your spouse or civil partner, they must have been living with you for at least 12 months.

Family members can give you the money to buy your home but the purchase will be in your name (the tenant) only. Family members who are giving you the money, but do not live with you, will not be included in any of the Right to Buy documentation. You will also need to be able to prove to your solicitor that the money has come to you legally.

Please be suspicious if someone else you do not know contacts you regarding buying your home or offers you money to buy it. They may be trying to persuade you to do something that benefits them rather than you. If this happens we strongly recommend that you seek legal advice.

We have a joint tenancy, but only one of us wants to buy. Will that be okay?

Yes, provided the tenant not wanting to buy gives their consent on the application form (RTB1). However, we will still need to meet with them before we can admit the application.





Why might we deny a Right to Buy application?

Your Right to Buy may be denied if:

- You do not have a Preserved Right to Buy, i.e you haven't been an assured tenant continuously since before transfer to us on 11 March 2002;
- Someone other than the named tenant has applied;
- A joint tenant hasn't given their consent for the other tenant to buy without them;
- We're unable to verify your, or other applicants', identity;
- The property isn't your main home;
- We do not hold sufficient interest in the property i.e a lease for less than 50 years for a flat or less than 35 years for a house;
- There's a court order for possession of your home against you or someone at your home;

- The court has suspended your Right to Buy because of anti-social behaviour;
- You are an 'un-discharged bankrupt';
- You are being declared bankrupt;
- You have made a voluntary arrangement with creditors i.e. an individual or company voluntary arrangement;
- We plan to demolish your home and you've been served a demolition order.

Is my home eligible for the Right to Buy?

Your home may not be eligible for the Right to Buy. We may not be able to sell the property if:

- We are not the freeholder of your home and hold a lease on a flat of less than 50 years in term;
- Some homes that are particularly suitable for elderly or disabled people, including those where support is provided.





- Homes being provided as temporary accommodation;
- Homes that are due to be demolished within 24 months.

Can I buy the garage I rent from CHP?

We have a policy of not selling individual garages so if you are paying a separate rent for a garage, you will not be able to buy this with your purchase of your home.

How much is my home worth?

We value our homes every year so we have been able to give you a guide¹ price in the covering letter that you can use as a rough guide to help you decide if you can afford to buy. If you decide to go ahead with your Right to Buy application (RTB1) and it is agreed by us, we will then arrange for your property to be valued by an in-dependant valuation company.

We will ask you what, if any, improvements you have made to your home and pass this information to the valuer who will

assess the market value of your home as if the improvements have not taken place.

We will then write to you with an offer notice stating the current full market value, less the discount you are entitled to which will be the amount you will have to pay to buy your home.

How much discount will I get?

Discount is calculated based on the length of time you have been an assured or secure tenant based on a sliding scale up to a maximum of 70% of the purchase price or £80,900 - which ever is the highest. Visit the government's website [Right to Buy discounts](#) for more information.

¹NB: The value given in the covering letter is for information only.





Where can I get advice on buying my home?

The government's Right to Buy agent service offers free and impartial advice on Right to Buy and, if you decide home ownership is the right choice for you, can help you through the process of buying your home, including providing information on finding a mortgage, appointing a solicitor and arranging a survey.

Right to Buy advisers are available from Monday to Friday, 9am to 6pm. You can phone them on 0300 123 0913 or chat online with them at [Right to Buy Agent Service \(www.righttobuy.gov.uk/agent-service/\)](http://www.righttobuy.gov.uk/agent-service/).

You may also want to look at the information we have on our website (www.chp.org.uk/right-to-buy)

Can I buy my home with cash or do I have to have a mortgage?

It's up to you how you fund the purchase, whether by cash or mortgage. However, we will ask you to declare how you intend to do so.

Any large cash purchase is subject to money laundering regulations and both your and our solicitors will carry out the relevant checks. We would strongly recommend that you seek professional financial advice before going ahead with the purchase.

You would need to discuss any specific funding issues with your lender directly. For example, if you wanted to use your discount as a deposit for a mortgage or if you are able to borrow additional money to make improvements to your home.

If you have rent arrears you can still apply to buy your home. However, you must make any outstanding payments before completion.

Can I buy a different property to the one I live in?

Under the Right to Buy you can only purchase the home you currently live in. You will not be able to purchase any other of our properties.





I'm thinking about moving on a mutual exchange, will I be able to buy my new home?

If you have a Preserved Right to Buy because you have been an assured (secure) CHP tenant since before 11 March 2002 you will keep this preserved right if you are moving to another CHP home (other than a starter tenancy).

If the tenant you are exchanging with does not themselves hold a Preserved Right to Buy, they will not gain this on exchange.

If you are exchanging with a home that is not owned by us, you will lose your Preserved Right to Buy.

The home you are moving to must be owned by us and must also be eligible for the Right to Buy home - see 'Is my home eligible for the Right to buy' on page 10.

What is the difference between freehold and leasehold?

If you live in a house your home is likely to be a freehold property. This means that you will buy your home and the land. We will show this to you on a plan at the offer stage.

If you live in a flat or maisonette you will be buying your home as a leasehold property which will usually include any sheds or storage areas that are included in your tenancy. This means that if you buy your home, we will give you a full 125 year lease. We will still own the freehold of your home.



Please contact us if you would like a copy of this document in large print, on CD or in another language.

Proszę się z nami skontaktować, żeby otrzymać ten dokument w wersji dużym drukiem, na płycie CD lub w innym języku. (Polish)

倘若您需要本擋以大字體、音頻格式(CD)或另外一種語言提供、請聯絡我們。(Cantonese)

Bu belgeyi büyük boyutlu baskı olarak, CD ortamında veya başka bir dilde edinmek istiyorsanız lütfen bizimle irtibata geçin. (Turkish)

Kreipkitės į mus, jei norėtumėte gauti šio dokumento kopiją stambiu šriftu, jo garso įrašą kompaktiniame diske arba jei norėtumėte jį gauti kita kalba. (Lithuanian)

আপনি যদি এই নথিটির একটি কপি বড় অক্ষরের ছাপায়, সিডি তে অথবা অন্য একটি ভাষায় পেতে চান, অনুগ্রহ করে আমাদের সাথে যোগাযোগ করুন। (Bengali)

IF YOU HAVE ANY QUERIES PLEASE CONTACT US:

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Text relay 18001 0300 5550 0500
Email enquiries@chp.org.uk
Write to Myriad House,
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Chelmsford, CM2 5LB

