

Policy Name:	Shared Ownership Assessment Policy
Lead Directorate:	Development
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Reason for change:	Shared Ownership Code (SOC)
Date:	May 2026

APPROVAL PROCESS FOR CURRENT VERSION

Presented to:	Development
Date:	May 2026
Decision:	Approved

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1. Introduction

The Shared Ownership Affordability Financial Assessment confirms that applicants cannot reasonably afford outright home ownership but can afford the costs of shared ownership sustainably. It is carried out in line with GLA and Homes England guidance to ensure responsible allocation, long-term affordability, and effective use of affordable housing.

2. Affordability Assessments

We have a two-stage approach to assessing the applicants affordability and the suitable share which could be purchased, provided by a regulated Qualified Mortgage Advisor from Poplar HARCAs panel and upon the applicants given authority. The assessments will be free of charge, and the details of the nominated Qualified Advisor will be provided for the development that the applicant is interested in.

Stage 1: The Initial Assessment

The Qualified Mortgage Advisor will request details of the applicants income and expenditure and will assess, based on the current mortgage market and the monthly rent and service charge of the property of interest, what share is affordable to the purchaser. If the purchaser passes this stage, they will be formally invited along to view the shared ownership home. If the purchaser wishes to reserve a home thereafter, upon reservation our sales team will issue an Offer letter that will be based on this professional advice. Upon reservation, the purchaser is offered a 14-day cooling off period where the purchaser can at any time during these times pull out and receive a full refund.

Stage 2: The Full Assessment

Once we provisionally offer the purchaser a home, the purchaser will then proceed to complete Stage 2: The Full Assessment. This is a more detailed assessment of the purchaser's income and expenditure, the purchaser's circumstances and preferences, including any known or future changes that will impact on the purchaser's income and/or expenditure. This more detailed assessment will also involve a budget planner. This must be completed by the nominated Qualified Mortgage Advisor. Poplar HARCA's staff are not qualified to provide financial advice and so will always advise that the purchaser obtains advice from someone who is suitably qualified and experienced in shared ownership mortgages. **For further information please refer to our Guide to Shared Ownership or speak with a member of our Sales Team.**

The sign off completed by the panel mortgage advisor is the one which is final. Should the purchaser decide to go with an independent mortgage advisor, bank or building society, they must adhere to figures on Poplar HARCAs panel mortgage advisor.

The sign off and Budget Planner provided is the requirement of Homes England and the Greater London Authority to demonstrate compliance with the Capital Funding Guide and S106 requirements and all legislative and regulatory requirements.

Monthly Minimum Surplus Income Policy In line with regulative guidance, Poplar HARCA has determined that the purchaser should have available each month a minimum of 10% of their income as a surplus. i.e., the amount left after all housing costs and other commitments and expenditures are paid.

3. Fraudulent Applications

To guard Poplar HARCA against the possibility of fraudulent applications, offers will only be made following the conclusion of the financial assessment and on receipt of the following information which will be collected by our panel mortgage advisor on behalf of Poplar HARCA:

- Identification (current passport or driving license).
- Proof of addresses (a Utility bill, Council Tax).
- Proof of existing landlord, if applicable (rent book or letter of confirmation).
- Household income (last three months wage slips, P60).
- savings or gifted deposits (building society/bank savings statement).
- A mortgage agreement in principle (where applicable).
- Completion of anti-money laundering (AML) checks.
- Completion of a budget planner completed with the mortgage advisor.
- Mortgage advisor, customer, and Poplar HARCAs application approval.

Poplar HARCA rely on accurate information being supplied to them by customers when making allocation decisions. Offers of homes will be withdrawn if information is later found to be misleading or incorrect.

4. Unsuccessful Applications

Applicants will not be eligible for a Poplar HARCA property if they have a poor credit history, defined as having:

- Been declared bankrupt within the last 6 years (IVA/bankrupts who have been discharged over three years ago and who have no residual debt may be accepted subject to Individual Assessment).
- Any active Individual Voluntary Credit Agreements in place; or
- An unsatisfied Default or County Court Judgement (CCJ) registered against them (CCJs will be accepted if satisfied more than 3 years ago – proof required).
- Arrears with any tenancy payments within the last 6 months or mortgage repayments; or
- Had their home repossessed in the last 5 years.

We do not accept adverse credit lenders for reasons of poor credit history. The lender should be a high street bank or building society, adverse credit lenders will be considered only on production of a satisfactory credit file from a recognised credit referencing agency such as Equifax, Trans Union or Experian.

5. Exceptional Circumstances

Applicants may purchase their share in cash if they are unable to obtain a mortgage but have sufficient savings. Acceptable reasons for an application to cash purchase a share will be considered on the grounds of:

Age
Religion
Disability
Low income

Cash purchase requests will be subject to internal approval and is based on a case-by-case scenario. We will need to ensure that the purchase is affordable for the applicant, and that they have the means to afford and sustain Shared Ownership in the longer term, as well as them meeting the normal eligibility requirements for the home that they are purchasing.

If mortgage products are unavailable due to the applicant's poor credit history, the application to purchase a cash share will be refused. We are obliged to ensure the client has a good history of making payments to be confident that rent and service charge will be paid. A credit report will be required for every cash purchase request.

6. Our commitment to Equality, Diversity and Inclusion

In applying this policy, Poplar HARCA, is committed to ensuring no discrimination against any colleague, customer, or stakeholder on the grounds of their sex, sexual orientation, gender reassignment status, ethnic origin, age, religious belief, disability, marital status, and pregnancy/maternity.

7. Policy review

Policies are reviewed every 5 years or sooner if they no longer reflect best practice.

Appendix - Impact assessment

<p>How does the policy contribute to Poplar HARCA's aims?</p>	<p>The Shared Ownership Affordability Financial Assessment policy supports Poplar HARCA's aims by ensuring that shared ownership homes are allocated in accordance with GLA guidance to households who cannot afford outright home ownership but can afford shared ownership on a sustainable basis, thereby safeguarding public investment and supporting stable, mixed communities.</p>
<p>Which group(s) of people will benefit from the policy?</p> <p>If any group could be disadvantaged, what is the mitigation or justification?</p>	<p>Existing Poplar HARCA tenants and leaseholders. People with a strong local connection. First Time Buyers. Households seeking long-term housing stability. Those that may otherwise be under-represented or disadvantaged groups.</p>
<p>How have residents been involved in developing the policy?</p> <p>If they have not been involved, why not?</p>	<p>N/A</p>
<p>How will the policy be monitored and measured? (e.g. performance indicators?)</p>	<p>The Shared Ownership Affordability Financial Assessment policy will be monitored through regular quality assurance of completed assessments, review of affordability outcomes, and tracking of post-sale sustainability indicators such as arrears and early resales. Monitoring will ensure the policy is applied consistently and remains aligned with GLA requirements, with findings informing periodic review and reporting through Poplar HARCA's governance arrangements.</p>
<p>If any, what are the Value for Money implications?</p>	<p>The policy supports value for money by ensuring shared ownership homes are allocated sustainably, protecting public investment and reducing the risk of arrears, failed sales, and resales, with minimal additional delivery cost.</p>

Will personal data be collected, stored, used, or shared?	Yes
If yes, has a privacy impact assessment been carried out.	Yes