

Cash Buyer Policy

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The purpose of this policy is to align with section 6B.10 (Cash Purchases) of [The Homes England Capital Funding Guide](#).

Cash purchasers should be assessed in accordance with the general principles set out in section 6B.1, in particular that they are assessed according to their individual circumstances. Such applicants should still be referred to an advisor the same as other Shared Ownership applicants. However, the primary role of the mortgage broker for cash purchasers is to confirm the lack of availability and / or suitability of a mortgage for the applicant.

The following will apply:

1. Credit files on all cash buyers, irrespective of the reason. Adverse policy to be followed at the time. This includes partners/spouses of applicants who must also meet the adverse policy.
2. The reason for needing to be a cash buyer cannot be because they are unable to obtain a mortgage due to adverse credit from a non-high interest rate lender.
3. If buying cash due to age, the assessment also needs to take into account future income changes if still currently working as this will be changing imminently – hence the need to be a cash buyer
4. Budget planner must be completed on all cash buyers. For anyone buying less than a 50% share there needs to be a minimum of 20% net income remaining over. The budget planner must be based on the household composition and include realistic figures for all expenditure, backed up by bank statements where necessary.
5. Income must be considered sustainable
6. Outgoings must be realistic, ONS (Office for National Statistics) data for expenditure may be used in some instances.