

Eligibility, Assessment and Criteria

for Home Reach

24.07.2025



General Eligibility for Home Reach

Home Reach is a shared ownership scheme from Heylo, aimed at helping people who cannot afford to buy a suitable property on the open market.

Purchasers are subject to eligibility and affordability requirements and the general eligibility criteria for Home Reach are as follows:

- Buyers must be at least 18 years old
- Buyers must have a total household income under £80,000 (£90,000 in London)
- Buyers must meet the financial assessments completed on their behalf by a mortgage advisor from our panel
- Buyers are expected to use any savings and assets towards the purchase of their home. This may mean selling assets such as bonds, shares, land, and any other financial investments.
- Self-employed buyers must be able to provide a minimum of 2-years evidence of their income, usually with SA302 tax return forms.
- Household minimum income must be above £12,000. Please note that Job Seekers Allowance and Housing Benefit are NOT regarded as income.

Shared owners can be first time buyers or:

- Not currently own a home suitable for their housing needs
- Sell a home not suitable for their housing needs before buying shared ownership

Buyers must have good credit history and must not have (for more information on acceptable credit for Home Reach please refer to the adverse credit policy):

- A mortgage or rent arrears
- Other bad debts
- County Court Judgements
- Buyers must have a minimum 5% deposit towards the share they are purchasing

Buyers may retain a portion of their savings to cover the costs of purchase and moving home.

This may include:

- Legal fees
- Stamp Duty Land Tax where applicable
- Mortgage application fees
- Valuation fees and any associated moving costs

Adverse Credit

If you are purchasing a Home Reach property with Heylo, all applicants will be subject to a full credit search. We will only run a credit search on you once you have agreed to our privacy policy and have given us consent to do the credit search. If the time lapsed from the initial credit search to exchange of contracts is longer than 3-months, then we may run further full credit searches after this time.

Heylo use external credit reference agencies to run the credit check, all applications are subject to credit scoring, and we reserve the right to decline an application if our internal score cut-off is not met. An application will be declined if one or more of the below are identified on the credit search:

- Any CCJ's or defaults registered in the last 12 months (whether satisfied or not).
- Any satisfied CCJ's or Defaults with balances totalling more than £1,000 (individual or accumulative).
- Any missed payment on a mortgage or related secured loan within the last 12 months.
- Arrears of more than 1 month in the last 12 months.
- Arrears of more than 3 months in the last 24 months.
- Any IVA/DRO/Bankruptcy or mortgage repossession entered within the last 3 years (whether satisfied or not)
- Any outstanding CCJ's or defaults in the last 6 years.
- More than 3 satisfied CCJ's or Defaults.
- Currently bankrupt or subject to a DRO or IVA (i.e. where entered into more than 3 years ago).
- Has taken out a payday loan in the last 12 months.
- Criminal convictions (other than minor driving offences) where the conviction has not been spent under the Rehabilitation of Offenders Act 1974.
- Disqualified directors.

If your application is declined

Where there are two purchasers, and one meets the above credit requirements and one does not, we will review the application if the case meets our affordability checks.

In some exceptional circumstances, where severe life events beyond your control have impacted on your credit history, exceptions may be made, and an appeal can be submitted to Credit Risk with supporting information/documentation. Please discuss with your financial adviser or our National Head of Sales.

Employed

Applicants must be employed for a minimum of 3 months, with probationary period completed. Applicants need to be a UK taxpayer.

Self-employed

All self-employed purchasers must have 2 years of trading accounts, and these should be provided to Heylo at plot reservation stage. If an applicant owns more than a 25% share in a company, they will be assessed as self-employed.

Cash Purchases

If you are wanting to purchase a home via the shared ownership scheme, you may be able to purchase your share in cash if you satisfy the following criteria:

- You are unable to obtain a mortgage (there is no appropriate mortgage product available to you).
- You have sufficient savings.
- You meet the eligibility criteria.

You will be referred to a mortgage advisor to confirm that you are either unable to obtain a mortgage or that a suitable mortgage is not available in the same way as other Shared Ownership mortgage applicants.

However, in this case, the primary role of the mortgage advisor is to confirm if a mortgage is unattainable for reasons such as, but not limited to:

- Older person(s) unable to take out mortgage due their age (applicant/applicants)
- Not able to afford mortgage but able to afford rental and any service charge and other related costs
- Religious beliefs
- You may be eligible if mortgage products are unavailable due to adverse credit history, but you do pass our credit criteria policy

All considered applicants must meet the following criteria:

- Your household income is £80,000 a year or less (£90,000 a year or less in London)
- You cannot afford all the deposit and mortgage payments for a home that meets your needs
- Pass Anti Money Laundering checks

One of the following must also be true:

- You are a first-time buyer
- You used to own a home but cannot afford to buy one now
- You are forming a new household - for example, after a relationship breakdown
- You are an existing shared owner, and you want to move
- You own a home and want to move but cannot afford a new home that meets your needs
- Home Reach will pay attention to affordability and sustainability calculations for cash buyers, particularly to check that the rent, service charge, and any other housing costs. You are expected to have a minimum income of £12k to meet these costs.

The source of cash being used to purchase your share will be subject to appropriate money laundering checks and may typically come from:

- The sale of an existing property evidenced by a Memorandum of Sale through which the source of funds to yourself is traceable.
- Inheritance evidenced by a qualified solicitor's declaration or certified copies of relevant documentation.
- Cash sum from pension evidenced by pension statement.
- Relationship breakdown where you are being bought out of your existing property by the other party and will be receiving cash funds as evidenced by a Memorandum of Sale of that property or equivalent legal conveyance documentation evidencing the transfer of title and funds.
- Savings, supported by proof that funds have accumulated over time.
- Gifted deposit: this must be from immediate family (spouse, children, parents, siblings) and will require proof of source of funds, proof of identity of the giftor, a letter from the giftor confirming it is a gift and not repayable and the relationship of the gift or to you as the applicant. There is a maximum of four giftors permitted for any application.

Applications will be assessed on a case-by-case basis,
and we reserve the right to decline your application.

- Assessments will review whether the legal interest you are seeking to purchase is affordable and sustainable for you to own, considering your circumstances and relevant calculations. The rent, service charges, and any other housing costs as well as any debts or expected expenditure will be considered as well as relevant financial or other information that may be disclosed or obtained through this assessment.

Minimum Surplus Income

The purpose of this Policy is to establish guidelines for calculating the minimum surplus income to be included in the assessment of potential customers' ability to afford a shared ownership home.

The policy aims to balance access to shared ownership with customers' ability to sustain the related costs of homeownership, setting a threshold for surplus income contributions beyond essential living expenses. This policy should be read in conjunction with the First Come, First Served Policy which addresses how priority is determined where applicable.

Scope

This policy applies to all applications for Homes England grant-funded shared ownership homes through the Home Reach scheme, both new purchases and resales.

Principles

- The assessment of affordability is conducted by a qualified mortgage advisor with experience of shared ownership.
- The assessment is completed in line with the principles of section 6 of the Capital Funding Guide issued by Homes England.
- The mortgage advisor identifies the appropriate share being purchased through developing the affordability assessment considering sustainability of income and value for money in the use of government grant supporting the shared ownership purchase.
- The minimum surplus income is designed to ensure that customers have an appropriate amount of headroom after known outgoings to meet reasonable levels of unexpected expenditure.
- The appropriate level headroom has been assessed as a proportion of net income after known expenses following discussion with mortgage advisors and has been set at 10%.

Calculation of Minimum Surplus Income

The minimum surplus income will be calculated using Heylo's budget planner which follows the guidance of the Capital Funding Guide as below:

Step 1 – gross household income (A)

Step 2 – deductions from gross income (B)

Step 3 – known commitments (C)

Step 4 – housing costs (excluding mortgage) (D)

Step 5 – net income remaining for mortgage purposes ($E = A - B - C - D$)

Step 6 – mortgage cost (F = no greater than 30% of E)

Step 7 – other essential expenditure (G)

Step 8 – 10% minimum surplus income ($E - F - G$ must be greater than this)

First Come, First Served

The demand for our shared ownership homes far outstrips the supply, so this policy explains how we allocate and offer our shared ownership homes to prospective eligible customers.

In line with Homes England guidance, we must be open in offering our shared ownership homes on a first come first served basis.

Our first come, first served policy at Heylo Housing Registered Provider Limited is based upon the following:

- Whoever is first to pass their financial assessment, submitted their documents and completed a reservation form.

Applicant priority exceptions can be made on the following:

- Serving military personnel and former members of the British Armed Forces discharged in the last two years
- National Parks, Areas of Outstanding Natural Beauty, and rural exception sites where customers are required to meet specific criteria such as having a local connection

Armed Forces Personnel

In line with our commitment to supporting and prioritising Ministry of Defence personnel, we have established the following policy for Shared Ownership schemes:

Regular service personnel (including Navy, Army, and Air Force), clinical staff (excluding doctors and dentists), Ministry of Defence Police Officers, and uniformed staff in the Defence Fire Service will be given priority consideration for these initiatives.

Additionally, ex-regular service personnel who have served at least six years and can provide a Discharge Certificate or equivalent documentation within two years post-discharge are eligible. The surviving partner of deceased regular service personnel may apply within the same time frame.

For more information on eligibility criteria and the application process, please refer to the MOD's Surviving Partners guidance.



Level 6, Design Centre East
Chelsea Harbour
London, SW10 0XF



0203 744 0415

info@heylohousing.com

heylohousing.com

Heylo and Heylo housing are trading names of Heylo Housing group limited (registered in England and Wales with company number 11104403) and its subsidiary companies.

The Registered Office of each of the group companies is
6 Wellington Place, 4th Floor (Ref: CSU), Leeds, LS1 4AP

hhRP is a private limited company (Companies House Number 06573772) and is a for profit Registered Provider (registration number 4668) regulated by the Regulator of Social Housing. hhRP Registered Office is 6 Wellington Place, 4th Floor (Ref: CSU), Leeds, LS1 4AP