Pathways

Allocations Policy

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Scope

This policy applies to all prospective shared ownership customers of Citra Pathways Limited (Pathways).

Policy Statement

This document defines our process for assessing customer eligibility and determining priority for purchasing a shared ownership home through Pathways. It sets out:

- Eligibility criteria
- Our approach to affordability and our assessment of surplus income
- Our first come, first served approach to allocation.

This policy is aligned with the regulatory standards published by the Regulator of Social Housing, and the requirements for allocations specified in the Capital Funding Guides published by Homes England.

Where there are special local conditions for a particular development, we will follow them.

Shared ownership

Shared ownership offers households the opportunity to buy a share of a home whilst paying rent on the part they do not own. Initial shares sold will be between 10% and 75% of the value of the home. If the lease allows it, households can usually choose to buy larger shares until they own all the equity in the their home.

Eligibility

To be eligible for a Pathways shared ownership home, applicants must:

- Have a household income of less than £80,000 (£90,000 in London)
- Be unable to buy a home that meets their needs on the open market
- Be able to afford their purchase and sustain all their housing costs
- Be at least 18 years of age
- Have sold any existing owned property before or whilst buying through shared ownership
- Not knowingly given false or misleading information.

Shared ownership buyers must meet one of the following criteria:

- Be a first time buyer
- Have previously owned a home but can no longer afford to buy one
- Are forming a new household, e.g. after a relationship breakdown
- Be an existing shared owner who wants to move home
- Be an existing owner who wants to move but cannot afford a new home that meets their needs.

Pathways will not facilitate the acquisition of second homes through its Shared Ownership sales. Intending buyers who already own a home must:

- Have formally accepted an offer for the sale of their current home (commonly referred to as sold subject to contract)
- Provide written confirmation of the sale agreed, which includes the price and the owner's intention to sell (the memorandum of sale)
- Complete the sale of their home on or before the date they complete buying their shared ownership home.

Credit history and source of funds

Applicants with a poor credit history will not be eligible for a Pathways Shared Ownership home. Applicants are considered to have poor credit history if:

- They have been declared bankrupt within the last 6 years;
- Are in arrears with rent or service charge payments or have a poor payment history;
- Are in arrears with a mortgage payment or have a poor payment history;
- There is a County Court Judgement (CCJ);
- Any active Individual Voluntary Credit Agreements in place; or
- Have had their home repossessed in the last five years.

Prospective owners will also be subject to Know Your Customer checks, so that we can meet our obligations under the Money Laundering Regulations.

If applicants are unable to obtain a mortgage (for reasons other than adverse credit history), or there is no mortgage product available for their needs, they can buy the share in cash, using sufficient savings. The applicant should be referred to a financial advisor to confirm that they are either unable to obtain a mortgage or that a suitable mortgage is not available to them. It is for Pathways to determine the suitable share to be purchased, and to ensure the correct anti–money laundering due diligence is carried out.

Joint applications

If a joint application is made, both applicants must become joint owners which means they will both be named on the lease and they must jointly meet the eligibility criteria. The assessment of affordability will be based on the circumstances of both applicants.

A joint application must be made where couples are married or in a civil partnership. In instances where one joint applicant is assessed as ineligible, the remaining joint applicant may be allowed to proceed as a sole applicant.

Separated couples

Where couples have separated but this has not yet been recognised legally by means of a divorce or legal separation, a statutory declaration should be obtained via a solicitor.

The statutory declaration must confirm:

- That the applicant is separated and give the date of separation
- That the applicant intends to live in the property by themselves or with declared dependents and/or with a declared joint applicant
- That the applicant does not own or have any legal/financial/equitable interest in another property (in the UK or abroad) or is aware of any payment due in the next 24 months as a result of any such interest.

Affordability

Pathways or agents acting on our behalf, will assess whether applicants are able to afford the mortgage, rent and other costs of being a homeowner without hardship. The lender will carry out credit checks on all applicants and the initial affordability assessment will be carried out by an independent financial advisor.

The approach to assessing affordability is set out in the Capital Funding Guide (section 6) which can be found here.

Surplus income

In line with the guidance in the Capital Funding Guide, an affordability assessment will be carried out by an independent financial advisor who will ask the applicant to complete a full budget planner. This will ascertain the applicant's surplus income. An applicant's surplus income must be a minimum of 10% of their net income. Full guidance and calculations can be found in section 6 of the Capital Funding Guide here.

Other surplus income amounts may be considered, depending on individual circumstances.

Applications

Households must apply for the specific home they would like to buy. All our homes for sale will be advertised through our website www.lloydsliving.co.uk and rightmove.co.uk.

Applicants should indicate their interest in specific Pathways home or homes via the contact details on our website or via our sales agent. Viewings will be arranged for potential applicants by our sales agent.

Households wishing to apply for a home should first complete and submit an application to an independent financial advisor with experience in shared ownership sales. The financial advisor will conduct an affordability assessment. Pathways can provide a list of independent financial advisors on request.

There is no restriction on the number of applications a household can make for Pathways homes.

We will not accept further applications for a home after it has been allocated.

First come, first served

Where there are no restrictions imposed by planning or funding conditions, allocation and prioritisation of homes will be completed (for eligible applicants only) on a first come, first served basis. The only prioritisation will be given to current or ex-serving Ministry of Defence personnel.

A completed application is one which has been approved by the independent financial advisor and is accompanied by all the required supporting information.

In some instances, there may be a planning condition known as a section 106 agreement (or another agreement with the local authority) which applies to certain developments or homes. These agreements may specify that applicants must have a connection to the local area, or that priority must be given to such households.

Fees

When applicants have been offered a new build home and wish to proceed, we will ask for a reservation fee of £500. This is fully refundable within 14 days, following the financial interview, to allow a cooling off period for the customer. This will be deducted from the purchase price when the sale exchanges.

Time scales

For sales of new build homes, we expect exchange of contracts within 28 days of issuing the legal pack. Estimated completion dates will be agreed between Pathways and the buyer, subject to the completion date of the development. Pathways may withdraw an offer of sale if timescales are unreasonably delayed by the buyer.

For resale homes, the timescales will be agreed between buyer and seller.

Leases

All shared owners will be issued with a standard shared ownership lease with an initial term of 990 years unless a lease of this length cannot be granted. The minimum lease length that would be offered is 125 years.

Lettings and sales to staff, board members or their relatives

Pathways is a subsidiary of Lloyds Living, if a Lloyds Living or Pathways member of staff, board member or close relative applies for accommodation, board approval must be given before an allocation can be made. A report will be made to the board to support them in their decision making.

Persons by whom decisions are made

Decisions under this Allocation Policy, and any discretion shown in the Allocation Policy as belonging to the board, may be taken by officers of Lloyds Living or other organisations who have been given the appropriate delegated authority by the board.

Appeal

If an applicant wishes to appeal an allocation decision, including a decision not to make a sale, their representation will be dealt with in line with the Pathways complaints procedure.

Review schedule

This policy will be reviewed every three years or more frequently as a result of an incident occurring, feedback obtained, internal/external audits and change in legislation/regulatory requirements. This process ensures the policy's continuing suitability, adequacy, and effectiveness.

The Pathways Chief Strategy Officer has responsibility for this policy, and ultimate responsibility for performance and compliance sits with the Pathways Board.

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1.1	16.12.2025	By 16.12.2028	Craig Luttman

For more information, please visit:

www.lloydsliving.co.uk/pathways

This policy relates to Pathways only.

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