

Shared Ownership Adverse Credit Policy

Policy ref:

Policy author /holder Sales & Marketing Director

Date approved: 22 October 2025

Approved by: Executive Directors

Effective date: 5 November 2025

Review date: 22 October 2026

1 Purpose and anticipated outcomes

- 1.1 LiveWest is committed to ensuring a fair, transparent, and inclusive approach when assessing applicants for shared ownership homes, including those from individuals with a history of adverse credit.
- 1.2 We understand that financial circumstances can vary. The adverse credit policy is designed to assess each applicant on a case-by case basis, taking into consideration the overall financial stability and ability to sustain homeownership. This policy applies to applicants who are using a mortgage or where a suitable mortgage product is not available and they are using cash savings.
- 1.3 This policy covers applicants for new build and resale shared ownership homes and it reflects the changes introduced by Homes England through the Capital Funding Guide, effective from 1 August 2024.

2 Definition of Adverse Credit

Adverse credit refers to a history of missed payments, defaults, County Court Judgments (CCJs), Individual Voluntary Arrangements (IVA's), bankruptcy, or any other significant negative financial circumstances that may impact an individuals' ability to get a mortgage.

Assessment Criteria:

Credit History

- Applicants will be assessed using their income, employment stability, and overall affordability. determination will be made on an applicant's ability to meet mortgage, rent, service charge payments and any associated costs. This will be considered alongside our Minimum Monthly Surplus Income Policy Shared Ownership Minimum Monthly Surplus Income policy (Newbuild & Resale Homes).
- Deposit: A minimum 5% deposit is required to apply for any shared ownership home with LiveWest. In some cases, a larger deposit will be required. For example, where applicants have an adverse credit history. This is to mitigate risk and to demonstrate an applicant's commitment to meeting the financial obligations of home ownership.
- Financial Advice: LiveWest are not authorised to offer financial advice. Instead, applicants with an adverse credit history may be sign posted to appropriate services to help them manage their finances effectively.
Sign-posting to such a service should not be seen as a recommendation. Applicants should consider that independent financial and/or mortgage advisors may charge a fee for the advice that they are providing. Applicants are responsible for checking this before engaging any advisor.
- Recent Credit Events: We will assess any adverse credit events that have occurred within the past 36-months prior to the application. Applicants who have experienced financial challenges will be asked to provide additional information or documentation to help us understand their current financial situation and their ability to manage homeownership responsibly.

3 Policy statement

- 3.1 The policy outlines specific criteria for accepting applicants with adverse credit in addition to the Shared Ownership Minimum Monthly Surplus Income policy. The following criteria applies:

County Court Judgements (CCJ's) or registered defaults	• Applicants must not have had any in the last 24 months. All or any County Court Judgments (CCJs) must be satisfied, and applicants must be able to provide a Certificate of Satisfaction prior to submitting a mortgage application. The following exceptions may be considered: • All CCJ's were registered more than 3 years ago and satisfied prior to a mortgage application. • All CCJs/defaults were satisfied more than 12 months prior to application regardless of date of registration.
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	The CCJ's/defaults in aggregate amount to less than £300, regardless of date of registration , and satisfied prior to mortgage application.
Registered Defaults	• Defaults must have been registered over 24 months prior to an application being made for a shared ownership home.
Individual Voluntary Arrangement (IVA)/Bankruptcy	• Where relevant, applicants must have been discharged from the IVA/bankruptcy for more than 6 years and have no remaining debt. This will be reviewed in the context of overall affordability assessment, made by LiveWest's chosen adviser.
Registered Defaults	• Defaults must have been registered over 24 months prior to an application being made for a shared ownership home.
Individual Voluntary Arrangement (IVA)/Bankruptcy	• Where relevant, applicants must have been discharged from the IVA/bankruptcy for more than 6 years and have no remaining debt. This will be reviewed in the context of overall affordability assessment, made by LiveWest's chosen adviser.
Debt Management Plans (DMPs)	• All debt management plans must be satisfied over 12 months. This will be scrutinised as part of the application process and will be considered in line with and applicant's overall affordability.
Repossessions	• Previous repossessions over 6 years ago are acceptable providing there is no outstanding debt to the lender and no other credit issues within the last 3 years. A confirmation letter from the Repossession lender may be required.
Rent/Mortgage Arrears	• No significant mortgage/rent arrears within the last 12 months. • No significant outstanding unsecured arrears in the last 24 months. Will be reviewed and considered with overall affordability assessment. • Minor (such as small amounts or brief delays) will not normally be considered adverse may be accepted.

3.2 Assessments will be carried out by LiveWest's nominated external mortgage brokers. They will consider any adverse credit history in line with the above criteria.

3.3 **Supporting documentation**

Applicants may be required to submit the following where applicable:

- Certificate (s) of Satisfaction for Satisfied CCJs
- Confirmation letters from lenders (e.g post-repossession)
- IVA/Bankruptcy discharge documentation
- DMP summary and account breakdown
- 12/24-month history of rent/mortgage repayments

4 **Monitoring and review**

4.1 We will monitor the effects of this policy and will review any customer feedback received

4.2 This policy will be reviewed in two years from the date it is published, or earlier, in line with any legislative, regulatory, or good practice changes.

5 **Legal considerations**

5.1 Consumer Credit Act 1974 (as amended by the Consumer Credit Act 2006)

6 **Linked / associated policies and other references**

Below is a list of linked or associated LiveWest policies and procedures and to which our employees, contractors and other individuals are required to comply, as appropriate:

- Shared Ownership First Come First Service Policy (Newbuild & Resales Homes)
- Shared Ownership Minimum Monthly Surplus Income policy (Newbuild & Resale Homes)
- Anti Money Laundering Policy
- Homes England Capital Funding Guide – Shared Ownership
- Shared Ownership Cash Buyer Policy (New Build & Resale Homes)

7 Conclusion

At LiveWest, we believe in providing affordable homeownership while managing risk responsibly. Our Shared Ownership Adverse Credit Policy reflects our commitment to assessing each applicants individual circumstances fairly and supporting individuals who may have faced financial difficulty in the past.

Version control

Version Ref	Date	By Whom?	Reason
1	22 Oct 2025	Sales and Marketing Director	New Policy