

## MORE HOMES DIVISION GUIDANCE NOTE



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**To:** All Local Authorities  
All Registered Social Landlords

**Subject:** Changes to the Open Market Shared Equity (OMSE), Help to Buy (Scotland) Guidance and After Sales shared Equity Procedures

**Issued by:** More Homes Division

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### Note of Changes to the Shared Equity Guidance for Agents - 2018

This guidance note tells you about changes to the following documents

- Help to Buy (Scotland) Administrative Procedures
- Open Market Shared Equity (OMSE) Scheme Administrative Procedures
- After Sales Shared Equity Procedures (ASSEP)
- Help to Buy (Scotland) Post Sale Information Leaflet for Buyers
- Open Market Shared Equity OMSE Information Leaflet for Buyers
- Help to Buy (Scotland) Information Leaflet for Buyers

The changes will apply with immediate effect.

#### Help to Buy (Scotland) Administrative Procedures

- We have removed all reference to aftersales from the administrative procedures as this is all covered in ASSEP so removing duplication.
- We have updated all appropriate template documents with the new shared equity privacy notice as well as updating all data protection references.
- Retention periods for information processed on behalf of the SG has been added, along with confirmation that all information must be stored electronically.
- We have updated the commitment to fund the scheme to 2021.

- Three additional questions have been added to the sales log for which were requested by our analytical services colleagues (B13, B14, B15)
- We have updated the case studies.

### Open Market Shared Equity (OMSE) Scheme Administrative Procedures

- We have removed all reference to aftersales from the administrative procedures as this is all covered in ASSEP so removing duplication.
- We have updated all appropriate template documents with the new privacy notice as well as updating all data protection references.
- Retention periods for information processed on behalf of the SG has been added, along with confirmation that all information must be stored electronically.
- We have clarified the definition of a First Time Buyer (FTB). For the purposes of administering this scheme a First Time Buyer is defined as:
  - A person who does not own nor has previously owned a dwelling in Scotland, the rest of the UK or the rest of the world (All forms of ownership in the legal system of the rest of the UK which are equivalent to ownership in Scotland are treated as ownership)\*

\*this applies whether title was taken either individually, jointly or in common *pro indiviso* (i.e. where ownership of a dwelling is/was held by two or more parties in individual shares) The definition of what constitutes a First Time Buyer aligns with the definition used for the purposes of Land and Buildings Transaction Tax (LBTT) and is set out in further detail on the [Revenue Scotland Website](#)

- Clarification has been provided that where a joint application is received it cannot be processed if one of the applicants is not an FTB (unless the application is from a priority group).
- We have removed the section on monitoring who is housed as the online system is now used and there is only one administering agent.
- We have removed the requirement to collect geo-location information (e.g. Northing and Easting coordinates) for OMSE purchases.
- We have added additional criteria on when people aged 60 and over should be considered as having a housing need. This extends eligibility to people aged 60 and over who are living in the private rented sector and makes clear that the criteria is not exhaustive.

- We have made owning a second property a breach of the shared equity agreement for OMSE, bringing it into line with Help to Buy.

#### After Sales Shared Equity Procedures (ASSEP)

- We have confirmed that no letting under any circumstances will be permitted as letting is not compatible with the new Private Housing (Tenancies) (Scotland) Act 2016. All letter templates and application forms relating to permission to let have been deleted.
- We have made owning a second property a breach of the shared equity agreement for all shared equity schemes.
- We have included instructions for updating HARP for after sales transactions including remortgages, change of owner and home improvement permissions granted.
- We have updated all appropriate template documents with the new privacy notice as well as updating all data protection references.
- We have updated section 3 on remortgaging and additional borrowing to provide greater clarity on how this process should work. The £2,000 flexibility previously offered to those taking additional borrowing has been removed.
- In Annex 2 (B) and Annex 2 (I) 'proposed date of completion' has been added to the forms.

#### Help to Buy (Scotland) Post Sale Information Leaflet for Buyers

- We have confirmed that no letting under any circumstances will be permitted as letting is not compatible with the new Private Housing (Tenancies)(Scotland) Act 2016.

#### Open Market Shared Equity (OMSE) Information Leaflet for Buyers

- We have confirmed that no letting under any circumstances will be permitted as letting is not compatible with the new Private Housing (Tenancies)(Scotland) Act 2016.

#### Help to Buy (Scotland) Information Leaflet for Buyers

- We have confirmed that no letting under any circumstances will be permitted as letting is not compatible with the new Private Housing (Tenancies)(Scotland) Act 2016.