

# Changes to Co-Own criteria



From time to time we review our criteria to make sure that it aligns with what is happening in the market. Given the current circumstances surrounding COVID-19 we have had to make some changes to our criteria to ensure that home ownership is sustainable for people. We have also reviewed feedback from some of our stakeholders and customers and provided additional criteria clarification where possible.

## Changes as a result of COVID-19

Section	Change
Employment	If you are under notice of termination or redundancy you are not eligible to apply to Co-Own.
Furlough income	<p>If you are furloughed, we will take into account your furloughed income (not including any additional amount paid by your employer). We will require a letter from your employer confirming the amount being paid under the furlough scheme as well as your last 3 months payslips.</p> <p>If you have subsequently returned to work, we will take into account your usual income. We will require a letter from your employer confirming that you have returned to work and the amount of your usual income as well as your payslips for at least the last 3 months.</p>
Self-employed	<p>If you're self-employed you'll need to provide SA302 summaries for the last 3 years. You will also need to have been trading with no breaks for at least the last 3 months. In addition, company directors must provide 3 months' payslips.</p> <p>If you have experienced a significant change in your income/company income in the last 6 months we may not be able to support your application. You should contact us before applying to help us understand your current situation. We may require further information such as your last 3 months business bank statements.</p>

## Clarification on existing criteria

Feedback	Clarification
Provide clarity around joint applications	If you are married, civil partners or couples living together or intending to live together in your new home, then we will expect you to apply together.
Provide more clarity on levels of earnings to be eligible for Co-Own	We accept income earned from overtime, bonuses, commission and allowances up to 50%, where sustainable. More narrative guidance has been added with the results of the calculator.
Provide more clarity around unsecured debt	We have added a new section to our criteria called Managing your accounts. We will review 3 months bank statements as part of the application. If these show any unauthorised overdrafts, returned Direct Debits, or bank charges for unauthorised usage, you will not be eligible for Co-Own. If you are heavily reliant on credit or an overdraft to pay your household costs and other outgoings, you may not be eligible for Co-Own.
Provide more clarity around other income	We have provided more guidance in the 'Other income' section of our criteria. If your monthly income is heavily reliant on benefits or other unearned income, we recommend that before you apply to Co-Own you speak with a Financial adviser / lender as your type of income may impact on your ability to get a mortgage.
Provide more clarity on how we use the credit report	We have provided more guidance in the 'Credit assessment section of our criteria' which states:  When you apply to Co-Own we will perform a full credit assessment to determine your affordability. Part of this assessment is to look at your credit file, not your score, using the Experian credit reference agency. We will look at your credit history which will include things like, if you have any credit cards or loans, the amounts of these, your repayments of these, and if you have any missed or late payments. Your credit history shows how you have managed your credit up to now and is taken into account as part of our decision. We recommend you get a copy of your credit report before applying and check it.
Provide more clarity on the types of property we will accept	We have provided more clarity on our property criteria by including examples of the type of properties we can accept.

This document only provides an overview of the criteria changes. We recommend that you review the full Co-Own criteria and use the tools on our website before applying. If you are no longer suitable for Co-Own, we have another product called Rent to Own which may be suitable. More information is available on our website.

Question? Call us  
on **028 9032 7276**