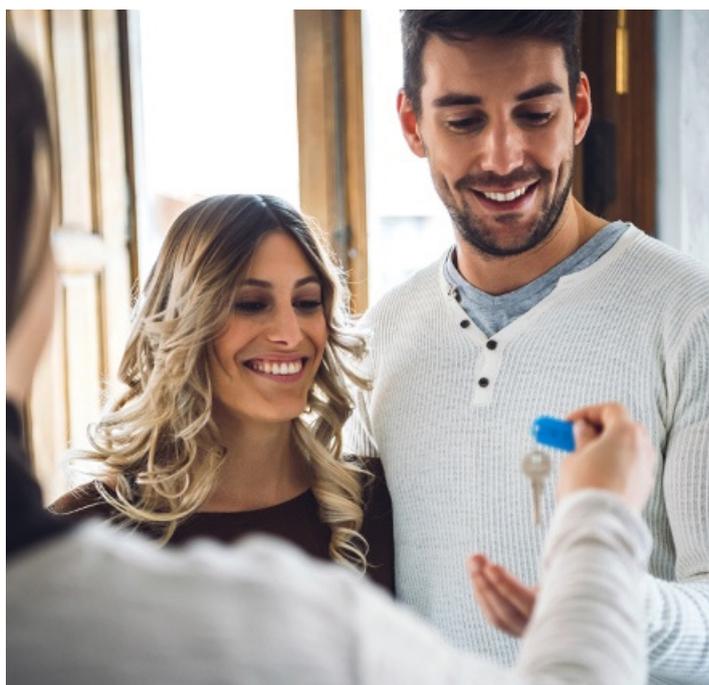


# Changes to Rent to Own criteria



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 Rent to Own criteria. 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      | You must not be under notice of termination or redundancy.  |
| 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 full year. 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 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 Rent to 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 Rent to 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 your ability to get a mortgage when you take up the Option to Purchase.   |
| 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:<br><br>When you apply to Rent to 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. |

This document only provides an overview of the criteria change. We recommend that you review the full Rent to Own criteria and use the tools on our website before applying.

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