

# Right to Buy

## Frequently asked questions

### Will there be a separate Right to Buy (RTB) product range?

Yes. Please see the residential mortgages product guide.

### What is the adverse credit policy?

Right to Buy applicants will be accepted in line with the core residential mortgages credit policy. Please refer to the residential mortgages product guide for full details.

### What is the 'discounted purchase price'?

This is the actual purchase price of the property. It will be the Open Market Value of the property less the discount the tenant is eligible for.

### What percentage of the discounted purchase price will Precise Mortgages lend to?

Products at 90% and 100% of discounted purchase price available

### Is there a maximum LTV limit on Right to Buy products?

Yes, we will lend a maximum of 75% of the open market value as determined by one of our panel surveyors. Please note the loan can not exceed 100% of the discounted purchase price, excluding product fees.

### Is the LTV based on Open Market Value or the discounted purchase price?

Open Market Value.

### Can the Precise Mortgages' product fee be added to the overall loan?

Yes.

### Can a customer capital raise on a Precise Mortgages' Right to Buy product?

No.

### Will second charges be allowed within the Right to Buy pre-emption period?

No.

### Will both flats and houses be acceptable property types for Right to Buy products?

No, the products are only available for Right to Buy houses.

### Where can the properties be located?

Only properties in England are acceptable.

Continued overleaf...

INTERMEDIARIES ONLY.

Call us	0800 116 4385
Visit us	<a href="https://www.precisemortgages.co.uk">precisemortgages.co.uk</a>
Follow us	  



## What are the acceptable construction types?

They are the same as the standard policy. Please refer to the residential mortgages criteria guide for full information.

## What about PRC properties that have been repaired with available guarantees and certificates?

These would be classified as non-standard construction and would not be acceptable.

## Are there any additional underwriting requirements?

You will need to submit the relevant Right to Buy paperwork (Section 125 Notice) as issued by the applicant's landlord together with proof of the last 12 months' rent payments and confirmation of satisfactory conduct.

## What if the applicant has had rent arrears or been in receipt of Housing Benefit?

Missed rent payments will be treated in the same way as missed mortgage payments. Please see individual products for full details.

The customer should check with their landlord if they are eligible for the Right to Buy scheme if they are in rent arrears.

We cannot accept applications where the customer has been in receipt of Housing Benefit during the last 12 months.

## What is the maximum number of applicants?

Precise Mortgages will allow up to two applicants.

## Does the mortgage application have to match the RTB paperwork (Section 125 Notice) ie. If there are two names on the RTB documents, do the same two names have to be on the mortgage application?

Yes, the mortgage application must mirror the RTB paperwork (Section 125 Notice).

## Some RTB schemes also combine affordable housing options such as Social HomeBuy will Precise Mortgages allow these schemes?

Not at this time.

## Can the products be used for remortgages?

No. The products are available for purchases only.

For more information on the government Right to Buy scheme please visit <https://righttobuy.gov.uk/>

Call us	0800 116 4385
Visit us	<a href="https://www.precisemortgages.co.uk">precisemortgages.co.uk</a>
Follow us	  

