

Important Information

for solicitors about the
Home Reach scheme



About the Home Reach scheme



Home Reach is heylo housing's brand name for the government's 'Help to Buy: Shared Ownership' scheme



heylo housing will become the landlord on completion and will collect the rent and lease management fee monthly by direct debit but do not collect or pay the service charge. The rent and lease management fee is paid monthly by direct debit to heylo



heylo housing uses the standard shared ownership lease which can be found in the Capital Funding Guide



Rent is initially charged at 2.75% of the value of the unsold share, paid monthly, and reviewed annually in April



On completion the buyer pays an apportionment of the rent and lease management fee for the remainder of the month and the whole of the following month



The buyer is required to enter into a deed of covenant with the management company and pay service or estate charges directly to them



Buildings insurance is arranged by heylo, and the buyer will pay a apportion of the premium due for the remainder of the policy year when they complete. If heylo are not responsible for insuring the building then the insurance is included within the service charge, which is usually the case with flats



All shared ownership homes are sold as leasehold. For Home Reach sales the relevant parties are the purchaser (shared ownership leaseholder), heylo housing (registered provider), and the housebuilder (freeholder)

Key Facts for Sales Progression

Things to remember when progressing a Home Reach sale:

1

Housebuilders send all reservation documents directly to homereach@heylohousing.com. Sending any reservation documents to our solicitor will delay the process

- Buyers will need to sign the deed of covenant and their solicitor must confirm they hold a copy prior to completion

2

Housebuilders should not instruct solicitors until they have received an ATP email from heylo and a copy of the MOS. The leases will be issued to your solicitor after the MOS is sent.

6

It is the responsibility of the housebuilder's solicitor to insert the correct consideration and top up/grant figure into panel 9 of the TP1 or premium into the superior lease. Refer to the contract for a guide on calculations

3

heylo will need to approve the mortgage offer prior to exchange and mortgage offers should be sent directly to hrprogression@heylohousing.com via solicitors

7

heylo is funded by investment pods which do not have RP (registered provider) status. Because lenders will not lend on shared ownership purchases unless there is an RP landlord, this necessitates the creation of the intermediate 999-year RP lease. The transfer, the RP lease and the SO lease must all be read in conjunction as all three reference each other

4

heylo are required via their solicitors to approve the transfer from the housebuilder

The SO lease's staircasing schedule makes reference to the relevant clauses of the RP lease, which confirms that on final staircasing the buyer is able to acquire the freehold on request. On final staircasing, the SO lease and the RP lease both fall away and the buyer acquires the freehold and all associated rights and responsibilities of the freehold transfer

5

heylo requires 10 working days' notice for completion and the notice must be valid and include all the attachments required by the contract (See below). You do not need heylo's permission to exchange

- The housebuilder is required to send NHBC cover notes and activation codes to heylo before completion
- Buyers will need to complete and sign a Direct Debit mandate form and their solicitor must confirm they hold a copy prior to completion

Sales Completion

For a completion notice to be valid and for heylo to agree a completion, the following are required in accordance with the contract:



10 working days' notice to be served on heylo solicitors Contracts must be exchanged A copy of the cover note (with the activation code if NHBC) A copy of the Direct Debit mandate completed and signed by the buyers, or confirmation that this is held by their solicitor A copy of the deed of covenant signed by the buyers, or confirmation that this is held by their solicitor Mortgage offer (if applicable) must have been approved by heylo



heylo's approval is not required to exchange however you do need heylo's approval of the mortgage offer before you exchange. The housebuilder's solicitor must provide heylo with 10 working days' notice before completion and must also notify heylo when exchange takes place.

If they wanted to exchange on 01 March with completion on 12 March, they would not need heylo's approval and would just need to notify heylo that they intend to complete on that date.

However, if they wanted to exchange on 01 March with completion on 8 March – they would need to get heylo's approval of the completion date as they would be providing short notice.



On the day of completion, the housebuilder's solicitor must confirm to heylo's solicitors that they have received funds both from heylo and from buyer and confirm to heylo's solicitor that completion took place

How to ensure a smooth transaction

Over the last few years, we have identified a list of common errors. To ensure that the completion is successfully executed, please ensure that the following is correct in your documentation

1. Please find the company numbers below:
 - b. HH No. 1 Limited – 09123811
 - c. HH No. 2 Limited – 11159014
 - d. HH No. 3 Limited – 11159018
 - e. HH No. 5 Limited – 11992843
 - f. Heylo Housing Secured Bond – 11222614
2. Heylo's address is 6 Wellington Place, Fourth Floor, Leeds LS1 4AP
3. All execution blocks should read "EXECUTED as a DEED" and not "SIGNED as a DEED"
4. If a Restriction or charge on the title exist, please provide the applicable restriction consent/RX4/DS1/DS3 within 15 days of completion
5. Restriction consents, that are to be signed by a conveyancer, must include their name, role and firm.
6. Any clause that is applying for a standard form of restriction should be dated
7. The TP1 and Superior Lease should be dated
8. Attorneys should sign and print their full names, matching the Power of Attorney document
9. Signatures should be witnessed
10. Individuals, signing as a Director, must have this position reflected in Companies House

