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## Shared Ownership Arrears Policy

**Policy Number: HM08**

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<b>Prepared By</b>	Customer Services		
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## **1. Introduction**

- 1.1 Clyde Valley Housing Association will always act to prevent our shared owners from building up arrears and will recover them fairly and effectively.

## **2. Legislative and regulatory framework**

- 2.1 We will comply with all relevant legislation, standards and targets set down by the Scottish Housing Regulator in terms of shared ownership arrears management.

## **3. Aims and objectives.**

The aims of our Shared Ownership Arrears Policy are to always manage our income effectively so that CVHA is a financially viable and sustainable organisation. We will promote financial inclusion and deal with any shared ownership arrears in a proportionate way, considering the specific circumstances of the sharing owner and household.

Our objectives are to manage shared ownership arrears in a manner that:

- fulfils our legal obligations.
- is firm, fair, sensitive, and efficient.
- is personal.
- focuses on prevention of shared ownership arrears and encourages early intervention; and
- is confidential.

## **4. Corporate fit**

### **4.1 Legislation and best practice**

When managing shared ownership arrears, we will comply with the law and the principles contained within performance standards and guidance notes issued by the Scottish Housing Regulator.

Our Shared Ownership Arrears Policy complies with legislation, guidance and good practice including:

The Housing (Scotland) Act 2001. Debtor's (Scotland) Act 1987.

### **4.2 Equalities, Diversity, and Inclusion**

At Clyde Valley we value people and their diversity and strive to be inclusive. We respect others, regardless of personal differences, and we listen to people to understand their needs and tailor our service accordingly. We will strive to promote equal access to our service for all members of the community and provide fair and equal treatment, promoting human rights in line with our Equality, Diversity and Inclusion Strategy and Policy.

### **4.3 Confidentiality & Data Protection**

We recognise that confidentiality is important to shared owners and will treat their

information in the strictest confidence in terms of all applicable data protection legislation.

#### 4.4 Business Plan and risk management

Our Business Plan depends significantly upon generating revenue from the properties that we rent. We therefore seek to mitigate business risk through minimising our shared ownership arrears. Managing arrears in an efficient, effective, and economic manner should minimise our rent loss through non-payment of rent.

#### 4.5 The Board

The Board will monitor the implementation of this policy to ensure that it is properly operated, that there is appropriate officer involvement in the arrears control processes and that there is effective scrutiny of the Shared Ownership Arrears Policy.

The Board will ensure that the Shared Ownership Arrears Policy is meeting its intended objectives and that monitoring and reporting of activities takes place in accordance with the Performance Standards and monitoring as detailed below.

In implementing the Association's Shared Ownership Arrears Policy certain functions are the responsibility of the Board or nominated committee, although staff have delegated authority to undertake many tasks. Examples of key functions / tasks are summarised below.

<b>Function / task</b>	<b>Responsibility</b>
Shared Ownership Arrears Policy - review, amendment, and approval	Board responsible for approving the Shared Ownership Arrears Policy.
Shared Ownership Arrears Procedures - development, monitoring and review	Customer Services Director and Customer Services Manager to develop operational procedures that reflect the principles set out within the Shared Ownership Arrears Policy.
Monitoring of Arrears Cases	Customer Services Director and Customer Services Manager to oversee the effective monitoring of individual cases.
Repossession Actions	Customer Services Director and Customer Services Manager to make recommendations on individual cases to the Chief Executive Officer, who has delegated authority to approve evictions.

## **5. Method of Payment and Mortgage Protection Scheme**

### **5.1 Shared owners will:**

- be provided with full details of their specified rent charge and building insurance charge, as well as any management fee or other service charges.
- be encouraged to make payment by Standing Order or Direct Debit; and
- be encouraged to take out mortgage protection insurance.

## **6. Sharing Arrears Information with Mortgage Lender**

6.1 Clyde Valley Housing Association and the lender will not know details of respective rent and mortgage payments. However, details of the individual's accounts will be retained. These will include mortgage roll number and branch contact person.

6.2 Subject to data protection requirements, where a shared owner fails to make payment of rent for two or more months then Clyde Valley Housing Association will advise the lender. Likewise, the lender will notify Clyde Valley Housing Association if mortgage payments are two months in arrears.

## **7. Escalation of debt recovery**

7.1 The first arrears letter will be issued 10 days after debit raised. The second arrears letter will be issued one week after the first letter. Following the issuing of the first two letters a home visit would be arranged before the next monthly charge was due. If rent is 2 months in arrears, then a specific notice will be issued advising the shared owner that they are in breach of their occupancy agreement. If arrears continue to rise without the co-operation of the shared owner, then Clyde Valley Housing Association will instruct our solicitors to start the necessary action for recovery.

7.2 Clyde Valley Housing Association recognises that shared owners may require independent financial advice and signposting to relevant advice agencies will be provided as appropriate. Where arrangements are to be put in place for the staged repayment of debt, the level and pace of repayment will be based upon a schedule considered mutually reasonable, affordable, and sustainable to the Association and shared owners.

## **8. Default and Repossession**

8.1 The action for repossession will be raised in the name of both Clyde Valley Housing Association and the mortgage lender.

8.2 Where the shared owner is still in occupancy at the time of repossession, Clyde Valley Housing Association will inform the Homeless Persons Section of the relevant local authority in advance of the repossession. Where possible/practicable Clyde Valley Housing Association will provide the shared owner with advice and assistance about finding alternative housing, which might include details of the Scottish Government's Mortgage to Rent scheme.

### Policy Change History

<b>Version No:</b>	<b>Substantive Change</b>	<b>Author of Change</b>	<b>Approval</b>	<b>Date</b>	<b>Website</b>
1.0	New front cover & version history applied	Anne Cavinue		01/06/23	Y
2.0	Legislative and/or administrative changes	Angela Cairns	Board	26/08/24	Y