



Llywodraeth Cymru
Welsh Government

Help to Buy – Wales

Post Completions Guide



www.gov.wales/helptobuy

On the following pages you will find information about all transactions that require our consent following completion. Having read this information, if you need to contact us at any time please use the following contact information:

Post Completions Team

Email: postcompletions@helptobuywales.co.uk

Help to Buy (Wales) Ltd
1 Capital Quarter
Tyndall Street
Cardiff CF10 4BZ

Telephone: 08000 937 937 Option 2

Fax: 029 2080 3451



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Partial and Full repayment

You can repay a proportion or the entirety of your Equity Mortgage without selling your Property. Under the terms of your Equity Mortgage:

- You can make such payments at any time throughout your Equity Mortgage term.
- Following any partial payment, the remaining balance of your Equity Mortgage must be at least 5% of the Market Value of your Property.
- You cannot make any partial or full payments if you are in arrears with your monthly payments to us (if applicable), unless those arrears and any other outstanding fees or expenses are paid off at the same time as you make such payment.

First steps

If you want to either make a partial payment or fully redeem your Equity Mortgage, you should initially apply to us by email using the contact details on page 2.

Your email must indicate either how much you would like to repay if a partial payment or if you would like to redeem your Equity Mortgage in full.

Please note, applying does not commit you to making a partial or full repayment and you can halt the process at any time before a payment is made. However, if you do halt the process, you will be liable for any Valuation or administrative fees that have been incurred. Also keep in mind that if you're using a solicitor or conveyancer, they may charge their own fees for the work they do for you, which you will have to pay.

As your Equity Mortgage is repayable at the current Market Value, the first stage of making a partial or full repayment involves you instructing an independent Valuer who is a qualified member of the Royal Institution of Chartered Surveyors (RICS). They will value the Property and confirm the Market Value, which must be sent to us within 14 days of the valuation (known as “the Market Valuation”).

The Market Valuation will then determine what the full Repayment Sum will be.

The Repayment Sum is linked to the Market Value of your home at the time you wish to repay. If the Market Value of your Property goes up during the term of the Equity Mortgage, so will the amount you have to repay. If it goes down, the total amount you will have to repay will go down too.

For example, if you received 20% of the initial purchase price from us, the amount you will have to pay back will be 20% of either the current Market Value or the sale price of your Property (whichever is higher).

Please note, if you obtained consent for any alterations to your Property, we will disregard the value this has added to the Market Value and sale price. Your Valuer should be provided with the consent letter prior to issuing the valuation report so that they can take this into consideration.

Please note: The RICS Valuation will only be valid for 3 months and therefore if the transaction does not complete within this period of time, you will be required to provide another Valuation.

A 3 month extension may be considered if a desktop valuation from the same surveyor is provided prior to the original RICS expiry date.

For further information on the valuation, see Valuation Guidance on page 17.

Next steps – Partial Payment

Once your Valuation is complete, please send us the following documents via email (as PDF documents) or via post using the contact details on page 2:

- Post Completions Instruction Form
- RICS valuation report

If the valuation report meets our criteria (as defined at page 17) and we are satisfied it accurately reflects the Market Value of your Property, you will receive an indicative Redemption Statement from us confirming how much you have left to pay on your Equity Mortgage (known as the Repayment Sum), the interest due and any associated outstanding fees/outstanding amounts. It will also confirm the amount of your partial payment and how much will be left of the Repayment Sum once the partial payment is made.

Once you have received our Redemption Statement, you can then decide if you want to proceed with the partial payment.

If you decide to proceed with your partial payment, you will need to instruct a solicitor. This is because we need a solicitor to carry out certain checks and proceed with legal processes that are involved.

Your solicitor will need to contact us to confirm they are instructed and what their instructions are in respect of the partial payment. We will send them a list of items they need to carry out including providing us with a legal undertaking, which is the legal agreement they provide us ahead of carrying out their work.

Once we have received your partial payment, we will send you and your solicitor a statement confirming the amount received, the new percentage of the Market Value of the Property which is subject to your Equity Mortgage and confirm the revised amount of Interest payable on your remaining Equity Mortgage balance.

Please note, the minimum remaining balance of the Equity Mortgage must be at least 5% of the Market Value following your partial payment.

You will receive a copy of any correspondence sent to your solicitor/conveyancer.

Next steps – Full redemption

Redemption is the term used for paying off the full amount owing under your Equity Mortgage so that you will no longer owe any money to us.

Once your Valuation is complete as described at paragraphs 1-4 above, please send us the following documents via email (as PDF documents) or via post using the contact details on page 2:

- Post Completions Instruction Form
- RICS valuation report

If the valuation report meets our criteria (as defined at page 17) and we are satisfied it accurately reflects the Market Value of your Property, you will receive a Redemption Statement from us confirming how much you have left to pay on your Equity Mortgage (known as the Repayment Sum), the interest due and any associated outstanding fees/outstanding amounts.

Once you have received our Redemption Statement, you can then decide if you want to proceed with your full redemption payment.

Following receipt of your redemption funds, we will send you a completion statement confirming receipt of the redemption amount and confirm that we have instructed that our charge registered against your Property can be removed.

Additional Borrowing

If you are making a partial repayment of your Equity Mortgage, and you are funding this through additional borrowing with your First Charge Lender, please inform us as soon as possible as there is an additional process you will need to follow.

Once you have provided us with a Valuation we will provide further information.

Please note, the additional borrowing you can take is limited to the amount you require to fund your partial payment.

For example, if you are making a partial payment of £50,000 you can only take out further borrowing of £50,000.

Before you proceed with a partial repayment we advise that you take independent legal and financial advice on the implications of these changes.



Redemption on Sale

First Steps

The first step is for you to put your Property on the open market. We recommend you consult with several Estate Agents before deciding how much to market your Property for.

Once you have received an offer you wish to accept you should notify us in writing that you are intending to sell your Property.

You will then need to have your Property valued by an independent Valuer who is a qualified member of the Royal Institution of Chartered Surveyors (RICS).

You will also need to instruct a solicitor who will represent you in your sale transaction. We will ask you within the post completions instruction application to confirm the details of the solicitor/conveyancer acting for you in the sale of your Property, as they will arrange for the Equity Mortgage to be repaid on completion.

Please note, if you obtained consent for any alterations to your Property, we will disregard the value this has added to the Market Value and sale price. Your Valuer should be provided with the consent letter prior to issuing the valuation report so that they can take this into consideration.

It is your responsibility to pay for the Valuation. Please note, the Valuation will only be valid for 3 months from date of inspection.

Following your Valuation, please return the below documents together via email or via post using the contact details on page 2:

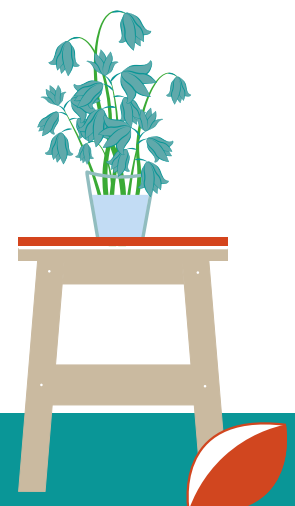
- Post completions instruction form
- RICS valuation report
- Memorandum of Sale to be received from your solicitor.

Next Steps

If we approve the Valuation, within **10 Working Days** of receiving the documents listed on page 7, we will confirm the Repayment Sum to you in writing.

Please note, if the sale price is greater than the Market Value confirmed within the RICS Valuation, the Market Value shall be substituted with the sale price when calculating the amount you must repay us. If the sale price is less than the valuation, you will need to contact us so we can discuss which figure will be used to calculate the Repayment Sum. This is in accordance with the terms of your Equity Mortgage.

Please see Valuation Guidance on page 17.



Negative Equity

If the value of your Property has fallen significantly you may find that you are unable to pay back both your First Charge Mortgage and your Equity Mortgage in full.

If this happens, provided you have complied with all of your Equity Mortgage obligations, we may take a reduced payment to ensure that this does not prevent you from selling your Property.

We will liaise directly with your solicitor/ conveyancer to ensure the correct amount is repaid.

Please note that if you do not comply with the terms of your Equity Mortgage, we may not accept a reduced payment and we will seek to recover all the money that you owe.

Please note: you are responsible for any fees connected to the sale of your Property such as Estate Agent Fees and Solicitor/conveyancer Fees.

We strongly advise that you take independent legal and financial advice before you proceed with the sale of your Property so you understand the full financial implications of doing so.



Remortgaging

Remortgaging is the term used when you would like to switch your First Charge Lender without increasing your borrowing. If you want to proceed with this, you will need our consent.

Before we will consider any remortgage we require the following information:

- Completed Post Completions Instruction Form.
- A copy of the formal mortgage offer or decision/agreement in principle from your proposed new First Charge Lender.
- The new First Charge Lender must be a qualifying lending institution (e.g. a bank or building society) registered with us. The new First Charge Mortgage must be a repayment mortgage (meaning that you must be required to make payments of interest and capital which are designed to repay the mortgage over the stated time). It is not permitted to have an interest only First Charge Mortgage under your Equity Mortgage. The new First Charge Lender must also confirm that they will not allow additional borrowing without our prior consent.
- Details of the solicitor/conveyancer dealing with your remortgage, as we will contact the solicitor/conveyancer to instruct them on any of our remortgage requirements as per the terms of your Equity Mortgage.
- A Mortgage Redemption Statement from your current First Charge Lender.
- A form of Deed of Priority (DOP) to regulate the respective priorities of the new First Charge Mortgage and your Equity Mortgage. The form of DOP may be provided by your solicitor/conveyancer or the new First Charge Lender. The standard form DOP of certain lenders may be acceptable to us. If it is not, then we will provide our own required form of DOP and the new First Charge Lender must accept this form.

Please send all this information to us via the contact details outlined on page 2.

In addition, please make sure that you inform the new First Charge Lender about the loan you received through the Scheme. You should also seek independent legal and financial advice.

Please note: If you are looking to change your First Charge Lender AND increase your borrowing, please notify us as this is a different process and it may not be permitted.

If you are changing mortgage product and wish to remain with your current First Charge Lender (without additional borrowing), this is a rate switch and our Consent is not required.

Fees and Interest payments

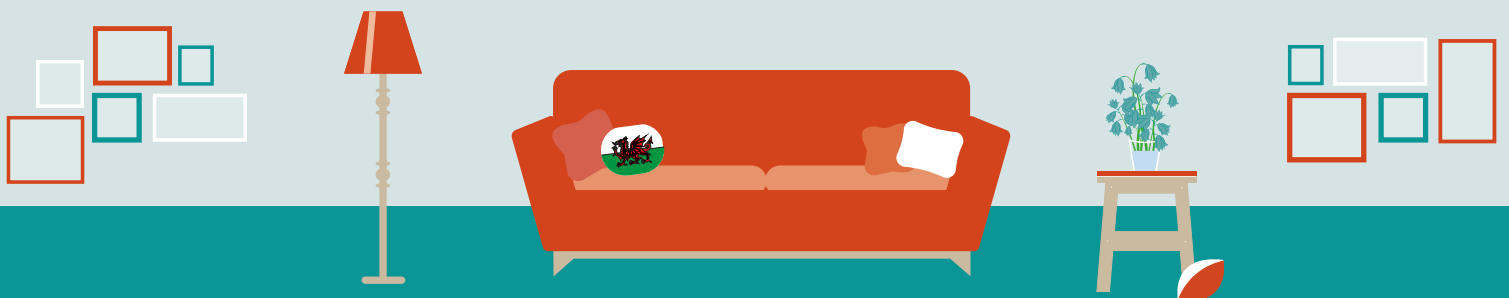
As you are aware, there is a £1 monthly management fee to be paid on your Equity Mortgage each month. The management fee is deducted from your nominated bank account via the direct debit instruction on the payment date that is agreed between us.

From the fifth anniversary of you purchasing your property, you will also have to pay monthly Interest as indicated in your personal worked example (provided on completion).

We will write to you closer to the time to remind you of the increase in your monthly direct debits to collect both the management fee and the interest payments.

It is important you do not cancel your Direct Debit.

If you are in arrears, you may not be able to partake in certain transactions (such as making partial payments, re-mortgaging or additional borrowing, etc.)



Additional Borrowing

Under the terms of your Equity Mortgage we must approve any additional borrowing.

It is our policy to only consider further borrowing for one of the following reasons:

- You are using the additional borrowing to make a partial payment of your Equity Mortgage – (you do not need permission to take out further borrowing if you are paying back your Equity Mortgage in full). In cases where you are making partial payments, please refer to page 4 which refers to the repayment process.
- You are using the additional borrowing to fund Alterations. Please note, Alterations are only permitted in exceptional circumstances where a case for hardship can be made; for example, if modifications are required to make your home more accessible for a disabled person living in the Property.

Additional Borrowing for Partial Payment

If you are looking to make a partial payment and have not yet informed us, it is important you contact us using the contact details on page 2 as we will need to start the following process:

- You will need to obtain a Valuation of your Property, carried out by a surveyor registered with the Royal Institute of Chartered Surveyors (RICS). This Valuation should be sent to us and will be valid for 3 months from the date of inspection.
- You will need to inform us how much you would like to repay if a partial payment.
- You will need to provide:
 - A copy of the formal mortgage offer from your new First Charge Lender.
 - Details of the solicitor/conveyancer dealing with the partial payment and Additional Borrowing.
 - A Deed of Postponement (DOP) from your solicitor/conveyancer or First Charge Lender. We will accept the DOP of certain qualifying lenders. If we do not accept the First Charge Lenders DOP format, a standard DOP will be used, and the First Charge Lender must accept this format.

The level of further borrowing you can obtain is restricted to the amount you will need to pay for your partial payment transaction. For example, if you are looking to part repay 10% and your Property is worth £200,000 you will need to pay £20,000. In this example the further borrowing you can take out is restricted to a maximum of £20,000.

For further information on the partial payment process please refer to page 4.

Please note: For you to secure the additional borrowing which will be part of the mortgage offer, we first need to inform you of your Repayment Sum as you can only obtain additional borrowing that does not exceed this amount.

Additional Borrowing for alterations

If you are looking to carry out structural Alterations and have not yet informed us, please contact us using the contact details on page 2.

We will only consider Alterations to your Property in cases of hardship (for example if modifications were required to make your home more accessible for a disabled person living in the Property).

If we approve your request for Alterations we will then evaluate your request for additional borrowing.

You may only take out additional borrowing for Alterations if there is sufficient equity in your Property. For this to be calculated we will require a market valuation of your Property carried out by a RICS registered surveyor. The total level of borrowing you can take out is calculated using the following method:

Original contribution (mortgage + deposit)
+ (overall increase of property value)
x (your percentage x 75%).

This means if the value of your Property **has** risen you should calculate 75% of the increase in Property value. You can then borrow up to an amount equivalent to the percentage you invested in the Property, as you own this share of the Property outright. This ensures you are not borrowing against your Equity Mortgage. Please see an example on page 12.

If the value of your Property **has not** risen, then only borrowing equal to your original contribution will be permitted.

Equity Mortgage percentage	20%
Customer(s) percentage (deposit plus mortgage funds)	80%
Property value at time of purchase	£100,000
Property value at time of remortgage	£150,000
Customer(s) original mortgage	£75,000
Increase in property value	£50,000
75% of increase in property value	£37,500
Customer(s) percentage of the 75% of the increase	£30,000
Maximum mortgage amount (customer(s) percentage of increase + original mortgage amount)	£110,000

Please note: we cannot confirm whether additional borrowing is permitted until your request for Alterations has been considered. In addition to this, if your request is approved, we cannot confirm the amount of further borrowing (if any) permitted until we have seen a Valuation of your Property.

Therefore, you should not arrange further borrowing for a specific amount before this point.

However, you may contact your First Charge Lender to ensure it is possible for you to borrow the amount you estimate you require.

If you need assistance with this, please contact us using the details on page 2.

Change of Ownership

If you are looking to change the ownership of your Property, you will need our permission.

We will allow a substitution of ownership or someone to be added or removed from the Property as long as one original owner of the Property remains. **However, please be aware that, as a general rule, a change to the ownership of the Property will only be permitted once.**

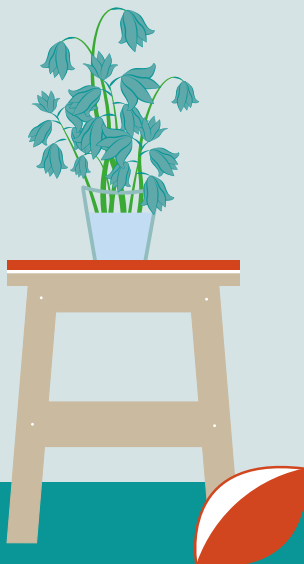
If you are changing the ownership of your Property, you will need a new mortgage offer from your First Charge Lender, who must be a qualifying lending institution (e.g. a bank or building society), registered with the Scheme. You will also enter into a new Equity Mortgage with us.

Please note: before you proceed with the change in ownership of your Property, we advise that you take independent legal and financial advice on the implications of these changes.

Before permitting a change in ownership we require the following:

- Written confirmation from the registered Property owners agreeing to the transfer.
- Completed Change of Ownership and Exiting Party Consent Forms.
- A copy of the formal mortgage offer from your First Charge Lender.
- Redemption statement (if changing First Charge Mortgage providers).
- Income evidence (remaining and incoming – if applicable).
- If a full mortgage is being applied for, a form of Deed of Priority (DOP). Please refer to page 9 for further information on remortgaging.
- Details of the solicitor/conveyancer you will be using to register this change at the Land Registry.

Once we have received this information and the application meets our criteria, we will provide a copy of a new Equity Mortgage to your solicitor/conveyancer which you will need to sign.



Alterations

Our policy on alterations prohibits significant structural works, such as loft conversions, extensions, and conservatories.

However, alterations are permitted in **exceptional circumstances**, for example:

- modifications are required to make your home more accessible for a disabled person living in the Property
- modifications such as solar panels and electric charging ports (we will require confirmation that independent advice has been obtained to ensure the solar panels are a beneficial option for the Property and circumstances).

If you are looking to undertake any alterations you will need to pay back your Equity Mortgage before you can go ahead with them, unless we have given our consent in writing to the alterations being made.

There is nothing to prevent you from undertaking small DIY jobs to make your home more comfortable. This includes the laying of new carpets, the painting of walls, and the purchase of curtains or any other small improvements you may wish to make.

These rules exist because the value of your Equity Mortgage and the amount you will need to pay back to us is directly linked to the value of your Property, known as the Repayment Sum.

Therefore, we want to protect you from making significant investments in your home when this could also increase the value of your Repayment Sum.

The Repayment Sum is linked to the Market Value of your home at the time you want to repay. If the Market Value of your Property goes up during the term of the mortgage, so will the amount you have to repay. If it goes down, the total amount you will have to repay will go down too. This means if you make Alterations to your Property, such as adding a conservatory, the Market Value is likely to increase meaning your Repayment Sum would be higher.



Subletting and Lodgers

It is our policy to only approve subletting in **exceptional circumstances**, generally restricted to:

- Where you have been **involuntarily and temporarily** relocated by your current employer and are not receiving sufficient payments to pay for your mortgage in your temporary employment up to a maximum of 12 months.
- Where you have a medical condition which means you are unable to remain in your Property for a temporary period of time.
- Where you have to temporarily relocate to look after an ill member of your family.
- Where you are a serving member of the Armed Forces whose tour of duty requires you to serve away from the area in which you live for a fixed period of time (please note, “Away” means a distance of at least 50 miles or 90 minutes travelling time), up to a maximum of 3 years on the condition that we receive evidence from your employer confirming the same.

If any of the above apply to you, it may be possible for you to sublet your Property. We will require you to provide evidence to support the exceptional circumstances which require your home to be sublet, such as:

- Confirmation that your First Charge Lender is willing to consent to a sublet.
- Confirmation of how long you would like to sublet.
- An indication of your intentions after the sublet period.

- Correspondence/contact address during the sublet period.
- Signed tenancy agreement.
- Evidence of Rent Smart registration.
- Evidence of Armed Forces Posting.
- Evidence involuntary and temporary relocation by employer.
- Evidence of Medical condition.

If you wish to sublet, you should contact us using the contact details on page 2. If we agree to the sublet, you will need to sign a sublet agreement.

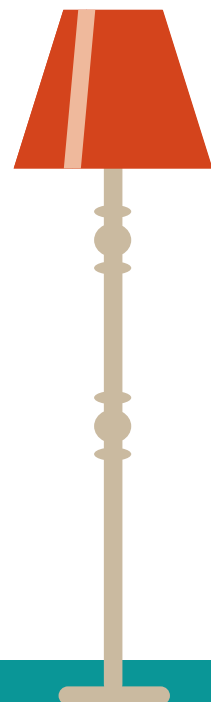
Please note: before you proceed the maximum sublet term allowable is 12 months (unless Armed Forces), after this time you will need to submit a further application.

Freehold Purchase

Freehold purchase is where you own a leasehold house and wish to purchase the Freehold.

Leaseholders who own a house can purchase the freehold of their house under the law if they meet certain criteria, or by asking the freeholder if they are willing to sell the freehold informally. You would need to finance the purchase of the freehold property yourself, either out of savings or through a further advance from your First Charge Lender. We will not fund the purchase, but you will need our consent in order to do so. This will also be taken into account when we calculate the Repayment Sum when you wish to redeem your Equity Mortgage. We recommend you get professional help from a solicitor and surveyor with experience in this area.

[The Leasehold Advisory Service
\(lease-advice.org\)](https://www.lease-advice.org)



Valuation Guidance

What is Market Value?

Market Value means the price (established in accordance with current RICS Valuation Standards) at which your Property would have sold if the sale had been an arm's length unconditional cash sale on the open market which had occurred on the date on which your Property was valued, with such Valuation disregarding:

- any additions or Alterations (other than decorative improvements) made to the Property by you with our written consent;
- the existing First Charge Mortgage over the Property in favour of your First Charge Lender;
- any tenancy and/or any other right of occupation affecting the Property.

But assuming:

- willing seller and willing buyer;
- that both parties to the transaction have acted knowledgeably, prudently and without compulsion;
- that all the covenants on your part in the Equity Mortgage have been fully complied with; and
- that the Property will be vacant upon the completion of any disposal of the Property.

Valuation guidelines

You must instruct your own RICS Valuer (registered member of the Royal Institute of Chartered Surveyors) to carry out the Valuation and confirm the Market Value.

When instructing the Valuer please ensure you inform them that the following must be confirmed within their report:

- The Valuer must have experience in the valuation of residential properties in the region.
- The Valuer must confirm the Market Value of the Property as defined in this guide.
- The Valuer must be registered with the recognised qualification of RICS.
- The Valuer must provide 3 comparable properties and sale prices within the last 6 months of similar property types within a 5 miles radius of the subject property postcode area (or best available).
- The Valuer must not be related or known to you. The Valuer must also be independent from the estate agent marketing or handling the sale and acknowledge this within their report.
- The Valuer must inspect the interior of the Property and provide a full valuation report confirming the inspection date.
- Valuations carried out for bank or mortgage purposes are not acceptable.

- The report should be produced on company headed paper and in a PDF format or as a non-editable document.
- Signed (e-signature acceptable) by the Valuer and include the RICS panel number. Help to Buy (Wales) Ltd will require a copy of the valuation report and this should include the inspection date, signature of the valuer and the RICS panel number.

If the valuation report does not meet the above guidelines, you will be required to liaise with the RICS valuation surveyor for rectification; any additional costs incurred for this will be your responsibility.

Post Valuation

Following the Valuation, you must provide us with the completed valuation report along with the post completions instruction form using the contact details on page 2.

NB: Memorandum of sale also required when selling the Property.

Following receipt of all documents we will provide a provisional Redemption statement via email to yourself (as customer) and your nominated solicitor within 10 Working Days of receipt.

Validity Period

The Valuation will be **valid for 3 months** from the date of inspection.

If the transaction does not complete within this time you will need to provide another Valuation at your own cost.

It is possible, this further Valuation can be a Desktop Valuation from the surveyor who originally inspected your Property.

Desktop Valuation Criteria

Desktop Valuations are allowable after the original Valuation has expired.

A Desktop Valuation report will extend the original report for a further 3 months.

The Valuer must be the original surveyor from the first inspection.

The Valuer does not need to reinspect the Property, but they must make reference to the original report and confirm the updated report is a Desktop Valuation.

If the property has increased or decreased in value, the Valuer must provide 3 more comparable properties in addition to the 3 properties used in the original valuation and sale prices within the last 12 months.

If the Desktop Valuation expires and a total of six months has been reached and you are yet to complete the transaction you will need to instruct a Valuer to re-inspect your Property and provide a new RICS valuation report.

If it is considered that the Valuation does not accurately reflect the Market Value, we will contact you and may also wish to speak to your Valuer. This may result in a revised market valuation.

We have the discretion to extend a Valuation in exceptional circumstances only, usually where completion is imminent. You will need to refer to us and discuss this when required.

Complaints

If you have a problem with your Equity Mortgage, please try to resolve it with us in the first instance. If you are not happy with the way in which we handled your complaint or the result, you may be able to complain to the Financial Ombudsman Service. If you do not take up your problem with us first you will not be entitled to complain to the Ombudsman. We can provide details of how to contact the Ombudsman.

Help to Buy (Wales) Ltd

For more information, our contact details are below:

Help to Buy – Wales

1 Capital Quarter
Tyndall Street
Cardiff, CF10 4BZ
T: 08000 937 937 F: 029 2080 3451
postcompletions@helptobuywales.co.uk

www.gov.wales/helptobuy

Please contact us if you would like a copy of this document in large type or Braille.

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Unless otherwise defined in this guide, terms defined in your Mortgage Deed shall have the same meaning when used in this guide.