



Flexible tenure

This leaflet explains how shared owners may apply for flexible tenure, also known as downward staircasing.

What is flexible tenure?

Flexible tenure is the re-purchase of some of a resident's share in their home. The scheme is only available to L&Q shared owners who are in severe financial difficulty, who have exhausted all other options and require this option as a last resort.

What other options are available to me?

If you are in financial difficulty and have trouble paying your mortgage, you should contact your lender. There may be the possibility that your lender can work with you to reduce your mortgage payments.

You should also seek professional help, most local authorities offer free debt advice or they will be able to put you in touch with independent debt counselling agencies. In addition you can seek advice from them regarding any benefits you may be entitled to such as; housing benefit, tax credits or job seekers allowance.

Who is eligible for flexible tenure?

- You will need to be an L&Q shared owner, currently owning less than 100% of the property. You must be paying rent on the unsold equity in the property. The term 'rent' excludes ground rent and service charges.
- Flexible tenure may be offered to those who are currently in, or expect to face financial difficulties. This could be as a result of:-
 - 1) Reduced work hours
 - 2) You or your partner have recently lost their job
 - 3) You have experienced a relationship breakdown which has reduced income into the household
- Your income must not exceed £60,000 per annum.
- Your mortgage debt should be less than the value of your share.
- It will be necessary for you to repay your rent arrears from any proceeds. The more you are in negative equity the less likely this will be able to occur.
- Flexible tenure is not available to pay off credit cards, secured debt or any other debt and may only be used to pay off some or the whole of a mortgage.
- Shared owners do not have the given right or entitlement to flexible tenure. Any offer of flexible tenure is purely at the discretion of L&Q.
- Flexible Tenure should reduce monthly outgoings - L&Q have set a minimum saving limit of £150 per month as anything under this level would not provide much of a benefit. The amount of money saved each month will vary from case to case.

How it works

Step one – We will ask you to supply the following information as evidence to support your case:-

- A copy of your most recent mortgage redemption statement
- One written valuation for your property from estate agents/ or internet comparables.
- Completion of Monthly Financial statement for us to assess your financial commitments.
- Full details (in writing) of your current financial situation explaining why you wish to be considered for flexible tenure – Flexible Tenure Application Form
- Your application should provide evidence that other options, such as loan re-scheduling, have been exhausted.

Much of the information included in the application should be based on communication with your lender and advice from an independent financial debt counselling agency. The debt counselling agency should also be able to advise you upon any eligibility you may have for housing benefit and this should also be included.

Step two - We will review your case once we have received ALL of the above information. Our assessment will consider your ability to meet all of your financial obligations after flexible tenure completes. We will also look at ways to maximise your income through the take up of welfare benefits. Further information may be requested.

Step three - Once we have assessed your application we will contact you in writing with our decision.

Step four - We will need to obtain a property valuation from an independent qualified surveyor. You will be liable for the cost of this valuation report.

Step five - On receipt of the valuation report we shall complete financial checks before issuing you with a formal offer, At this point you will need to liaise with your lender and instruct a solicitor.

Step six - Once the conveyance process has been completed we shall amend your rent level.

**Contact Us**

L&Q, Marlowe House,
13th Floor,
109 Station Road,
Sidcup, Kent, DA15 7EU

or email to **LQDirect@lqgroup.org.uk**

If you have any questions regarding Home Ownership please call **0844 406 9000** and ask to speak to the **Conveyance team**.

This information is available in large text, on audio tape, or electronic format. We offer Language Line services to people whose first language is not English. Please call us if you require these services.

Your home is at risk if you do not keep up rent and mortgage repayments or payments on other loans secured on it.

Please note that the value of properties can go down as well as up.

Frequently asked questions

Q. How can I apply for Flexible Tenure?

A. You can follow the six easy steps as outlined above. You must ensure that you have done everything else possible, as Flexible Tenure is a last resort. We may reject applications if it is clear little effort has been made by you to improve your financial situation.

Q. Do I have to pay for my legal costs?

A. Yes however, it may be possible for L&Q to pay this on your behalf and for the cost to be added to the loan.

Q. Who will negotiate with my lender?

A. This will be you or your debt advisor. When we make a formal offer to you, you shall have to speak to your lender to ensure they will accept this. You may be able to ask your debt advisor to assist you in this matter and should book an appointment as soon possible.

Q. Am I able to staircase up again in the future?

A. Yes you will have the option able to staircase up after one year, but we shall complete affordability checks to ensure you are not over stretching yourself.

Q. Will you help to pay off my credit card and personal loan debt?

A. No, flexible tenure can only be used to pay off your mortgage. It is not available for debt consolidation.

Q. Will you pay off my entire mortgage?

A. No, L&Q has set a maximum limit that we will re-purchase. This will be to leave you with a minimum share of 20%.

Q. How do you work out my eligibility?

A. Flexible tenure can only take place if the outcome is financially sustainable. Once we have received all your information, we will work out how much of your mortgage could be paid (if any) whilst leaving you with a reasonable income to live on.

Q. How long will it take to process the application?

A. Once all the required information has been received, the application process can take up to 3 months.