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Target HCA
PO Box 911
Newport, NP20 9PA

Customer Information Pack

Thank you for your recent enquiry. On the following pages you will find information on the loan administration services that Target processes on behalf of the Home and Communities Agency (HCA) and, where applicable, the linked Developer Lender.

Please return any required documentation to us via email using Target.HCA@targetgroup.com, or via post to Target HCA, PO Box 911, Newport NP20 9PA.

Further information is available on our website www.myfirsthome.org.uk or you can contact our Customer Service team on 0345 848 0235. We are open 9am to 5pm Monday to Friday (excluding UK public holidays).

Most of the services require an administration fee to be paid before the service can be processed; these fees are non-refundable. The enclosed Tariff of charges provides details of the fees that apply

If your loan product is called Home Buy Direct or First Buy, your mortgage account is made up of two linked loans. The first loan is with the Home and Communities Agency (HCA) and the second is a Developer Lender loan. Fees are applied per mortgage account; therefore, you are still only required to pay one fee per service requested.

If you are paying monthly Loan Interest and/or a Management Fees, please continue to maintain your payments. Any outstanding payments due must be settled in full before a requested service can complete.

Fees can be paid by contacting us on 0345 848 0235 quoting your account number and the administration process you would like to proceed with. Please have your Credit/Debit card to hand as we will need full details to process your payment.

Please note: before you proceed with any changes to your loan, it is important that you understand the effects of that change. You should consider seeking independent legal and/or financial advice.

Enclosed:

**Customer information pack
Solicitors Details form
Tariff of charges**

If you require this information in another format we offer Braille, Large Print, and Audio format. To request this please contact us on 0345 848 0235.

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* **Staircasing** is the term used when you make a partial repayment of your loan in keeping with the terms of your loan agreement.

Please note:

If your loan product is called **Home Buy Direct** or **First Buy**, your mortgage account is made up of two linked loans. The first loan is with the Home and Communities Agency (HCA) and the second is a Developer Lender loan. Where in this document the term “loan” is used, it refers to both these loans as if they were one. HCA Equity Loans are not subject to the Financial Conduct Authorities (FCA) regulations, whereas Developer Lender Loans are subject to FCA mortgage regulations.

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Redeem: Repaying your loan when selling your property

1. Full Redemption

If you sell the property against which your loan is secured, you will need to repay your loan in full. This is also known as loan redemption.

The repayment amount you will be required to pay is calculated as a proportion (percentage) of either the current market value or the agreed sale price of your home (whichever is higher).

For example, if your loan at outset was 30% of the purchase price, with no part redemptions (staircasing) having taken place, the amount you will have to pay back will be 30% of either the current market value or the agreed sale price of your property (whichever is higher).

Please note: If the product you have is called **Home Buy Direct** or **First Buy**, your mortgage account will be made up of an HCA loan and a Developer Lender loan. You will need to repay both loans in equal amounts.

First Steps

Once you have received an offer on your property that you wish to accept, you will need to have the property valued by an independent surveyor. This valuation is used to calculate the amount required to repay (redeem) your loan. It is your responsibility to pay for the valuation.

Valuations must meet certain criteria and these are listed under the heading 'valuation requirements'.

You will need to let us know in writing when you have instructed the surveyor and the offer amount you have received. Once we are in receipt of the valuation report we will write to you with details of the next steps.

We will ask you to confirm the details of the solicitor acting for you in the sale of your property, as they will arrange for the loan to be repaid on legal completion of the sale. Enclosed is a form detailing the information we will require.

Next Steps

If the property's valuation is approved, we will write to let you know the amount required to repay your loan. If the valuation and the sale price differ, the repayment amount will be calculated on the higher of the two. This is in accordance with the terms of all equity loans.

Fees connected to the sale of your property, such as Estate Agent Fees and Solicitor Fees, are not deducted from the property value. You, as the homeowner, are responsible for paying these fees.

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An administration fee is payable for redeeming your loan (see tariff of charges). To avoid delays, we suggest you contact us to make payment when you forward the valuation report.

What happens if the market value is not enough to repay the loan?

If the market value of your property has fallen, you may find at the time of redemption you are unable to repay the loan in full.

Provided the market valuation you supplied is approved and you have met all the terms of your loan the Lender, will accept a reduced repayment. The amount is calculated by subtracting the outstanding balance on your main mortgage (excluding early redemption penalties) from the sale price or the market value of your property (whichever is higher). We will liaise directly with your solicitor to ensure the correct amount is repaid.

If there are any arrears of interest payments and/or management fees on your mortgage account, there is no obligation on the lenders to accept a reduced repayment. You will still be required to repay the loan and arrears in full.

Redeem: Repaying your loan without selling your property

The information in this section applies if you are looking to repay (redeem) your loan, either in part or in full, without selling your property. There are slight differences, depending on whether you are repaying your loan in full or part and whether or not you are securing another loan on the property to make the repayment.

The term used for a part repayment of your loan is **Staircasing**.

1(a) Full redemption (without another loan being secured on your property)

In this scenario you will be looking to repay (redeem) your loan in full without taking out another loan secured on your property.

Please note: If the product you have is called **Home Buy Direct** or **First Buy**, your mortgage account will be made up of an HCA loan and a Developer Lender loan. You will need to repay both loans in equal amounts.

First Steps

You will need to have the property valued by an independent surveyor. This valuation is used to calculate the amount required to repay your loan in full. It is your responsibility to pay for the valuation.

Valuations must meet certain criteria and these are listed under the heading 'valuation requirements'.

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You will need to send the valuation report to us as soon as possible after you have received it. You will also need to let us know the details of the solicitor you are using for this transaction.

Next Steps

If the property's valuation is approved, we will write to let you know the amount required to repay your loan. From this point on we will liaise with your solicitor so that once payment has been received the legal paperwork is completed.

An administration fee is payable for fully redeeming your loan (see tariff of charges). To avoid delays, we suggest you contact us to make payment when you forward the valuation report.

1(b) Staircasing: (without another loan being secured on your property)

In this scenario you will be looking to repay (redeem) your loan in part without taking out another loan secured on your property.

Please note: If the product you have is called **Home Buy Direct** or **First Buy**, your mortgage account will be made up of an HCA loan and a Developer Lender loan. You will need to repay both loans in equal amounts.

Staircasing has a number of requirements which must be applied:

- The minimum amount you can staircase at one time is 10% (of the total market value of the property at the time you staircase).
- The above requirement means that, when the lenders' equity in your property is less than 20% you can only repay the loan in full.
- You may only staircase in multiples of 10%, that is 10%, 20%, 30% etc.
- You cannot staircase if there are any arrears of interest payments and/or management fees on your mortgage account. Any arrears must be cleared, before a staircase transaction can proceed.

First Steps

You will need to have the property valued by an independent surveyor. This valuation is used to calculate the amount required to staircase your loan as per your request. It is your responsibility to pay for the valuation.

Valuations must meet certain criteria and these are listed under the heading 'valuation requirements'.

You will need to send the valuation report to us as soon as possible after you have received it. You will also need to let us know the details of the solicitor you are using for this transaction and, if staircasing, the percentage (%) amount you wish to repay.

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Next Steps

If the property's valuation is approved, we will write to let you know the amount required to staircase your loan. We will also write to your solicitor confirming the amount you wish to staircase (if applicable), the payment required for this to happen and how to make this payment. From this point on we will liaise with your solicitor so that once payment has been received the legal paperwork is completed.

An administration fee is payable for staircasing your loan (see tariff of charges). To avoid delays, we suggest you contact us to make payment when you forward the valuation report

2(a) Full redemption (by securing another loan on your property)

In this scenario you will be looking to repay (redeem) your loan in full by taking out another loan secured on your property with another lender.

Please note: If the product you have is called **Home Buy Direct** or **First Buy**, your mortgage account will be made up of an HCA loan and a Developer Lender loan. You will need to repay both loans in equal amounts.

First Steps

You will need to have the property valued by an independent surveyor. This valuation is used to calculate the amount required to repay your loan in full. It is your responsibility to pay for the valuation.

Valuations must meet certain criteria and these are listed under the heading 'valuation requirements'.

You will need to send the valuation report to us as soon as possible after you have received it. You will also need to let us know the details of the solicitor you are using for this transaction.

Next Steps

If the property's valuation is approved, we will write to let you know the amount required to repay your loan. From this point on we will liaise with your solicitor.

An administration fee is payable for fully redeeming your loan (see tariff of charges). To avoid delays, we suggest you contact us to make payment when you forward the valuation report.

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2(b) Staircasing: (by securing another loan on your property)

In this scenario you will be looking to repay (redeem) your loan in part by taking out another loan secured on your property with another lender.

Please note: If the product you have is called **Home Buy Direct** or **First Buy**, your mortgage account will be made up of an HCA loan and a Developer Lender loan. You will need to repay both loans in equal amounts.

First Steps

You will need to have the property valued by an independent surveyor. This valuation is used to calculate the amount required to staircase your loan. It is your responsibility to pay for the valuation.

Valuations must meet certain criteria and these are listed under the heading 'valuation requirements'.

You will need to send the valuation report to us as soon as possible after you have received it. You will also need to let us know the details of the solicitor you are using and the percentage (%) amount you wish to staircase.

Next Steps

If the property's valuation is approved, we will write to let you know the amount required to staircase your loan. We will also write to your solicitor confirming the amount you wish to staircase, the payment required for this to happen and how to make this payment. From this point on we will liaise with your solicitor.

Additional points for Staircasing your loan

If you are staircasing your loan we will provide a Guidance Pack to your solicitor who will process the Deed of Postponement document required by your main mortgage lender for this transaction. The Deed of Postponement ensures your lender is ranked as the first charge on your home.

The amount of other lender borrowing permitted is restricted to the amount you need to pay for your staircasing transaction. For example, if you are looking to staircase 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 £20,000 - you may not exceed this amount.

Please note: We cannot confirm the exact amount of alternate borrowing you can obtain until we have the required information. You should not arrange alternate borrowing before we send you confirmation of the amount you can borrow. However, you may contact your lender to ensure it is possible for you to obtain the amount you estimate you require.

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An administration fee is payable for staircasing your loan (see tariff of charges). To avoid delays, we suggest you contact us to make payment when you forward the valuation report.

Deed of Postponement (Remortgaging)

If you want to change your main mortgage lender (remortgage) you will require HCA and, if applicable, the Developer Lender consent. There are certain requirements that must be met for your request to be considered:

- The mortgage term with the new lender must not exceed the unexpired term of your existing mortgage. For example, if remortgaging a 25 year mortgage 5 years into the term, the new mortgage should not exceed 20 years.
- The new mortgage must be no more than the existing loan with the main lender mortgage. The exception to this is if you are going to use the additional borrowing to repay your equity loan.

Before we are able to confirm consent the following information needs to be sent to us:

- A copy of the formal mortgage offer from your new lender
- Details of the solicitor dealing with this remortgage
- A Mortgage Redemption Statement from your current Mortgage Lender
- A copy of the New Mortgage Lenders Deed of Postponement (DOP)

An administration fee is payable for this service (see tariff of charges). To avoid delays, we suggest you contact us to make payment when you forward the information above.

Once the documentation is provided and the remortgage approved, we will provide a Guidance Pack to your solicitor who will process the required deeds for your transaction.

Please note you must inform the new lender of your existing equity loan. If the product you have is called **Home Buy Direct** or **First Buy**, your mortgage account will be made up of two loans, an HCA loan and a Developer Lender loan.

We suggest that you should seek independent legal and/or financial advice before remortgaging.

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Home Improvements

By home improvements we mean significant structural changes to adapt your home for a disability. Under the terms of your loan certain types of home improvement are not permitted. If you wish to discuss what home improvements may be permitted, please contact the Customer Service team on 0345 848 0235.

Decorating, kitchen/bathroom re-fitting, solar panel installation or window replacements are not considered home improvements and are permitted without our approval.

The restriction on home improvements does not apply to adaptations to the property required by an owner with a disability or family member living there. If such work is required, you will need to contact us to discuss the next steps.

To support any home adaptations for the purpose noted above you will need to provide evidence that the adaptation to the property is necessary. This could be by supplying a General Practitioners (GP) letter, or third party medical evidence.

If you do decide progress this type of application you will be required to pay an administration fee, listed in the tariff of charges. It is suggested you contact us to discuss your case before progressing.

Subletting / Move Away From Base

Under the terms of your loan you are not allowed to sublet your home. However, permission to sublet will be considered in the following circumstances:

- The homeowner has been temporarily relocated by their current employer and is not receiving sufficient payments to pay for their mortgage and the housing costs associated with temporary relocation.
- The homeowner has a medical condition that means they are unable to remain in their property for a temporary period of time.
- The homeowner must temporarily relocate to look after an ill family member.
- The homeowner is a serving member of the Armed Forces whose tour of duty requires them to serve away from the area in which they live (a distance of at least 50 miles or 90 minutes travelling time) for a fixed period of time.

If you are looking to sublet your property under any of the above circumstances you will need to provide us with the following information:

- Written confirmation from your mortgage lender that they are willing to permit you to sublet.
- Confirmation from on how long you want to sublet for and your intentions once your period of subletting has expired.

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- Evidence supporting your case.

Once you have provided us with the required information we will seek permission from the lenders on your behalf. We will notify you of the outcome of your request in writing.

If you do decide progress this type of application you will be required to pay an administration fee, listed in the tariff of charges. It is suggested you contact us to discuss your case before progressing.

Transfer of Equity (Change of Ownership)

This process is related to the removal of a borrower from the title of the property, for example changing from a joint to a single ownership. In order to proceed with your request, we will require the following:

- Written confirmation of the Solicitors acting in the Transfer of Equity (please complete the **Solicitor Details Requirement** form).
- An administration fee (£75 Home Buy Direct & First Buy; or £50 for all other loan types) which can be paid online using the following details:

Account Name:	Elderbridge re:HCA
Sort Code:	40-05-30
Account Number:	14290879
Reference	Please use your Target HCA Customer Reference or Surname and Postcode.

Once we have received your documents and administration fee we aim to process your initial request within 7-10 working days and will contact you and your solicitor accordingly.

We are unable to add another party onto an existing agreement under our administration or provide advice on alternative options. We recommend you seek independent financial or legal advice to discuss your options.

If you any further questions, please see our Frequently Asked Questions found on the www.myfirsthome.org.uk website. Alternatively you can contact our Customer Service Team Monday to Friday 9am to 5pm (excluding UK bank holidays) on 0345 848 0235.

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Valuation Requirements

For many of the transactions outlined in this document you will need to provide a valuation report. You will need to instruct an independent surveyor and pay for their services. You should instruct a Royal Institute of Chartered Surveyors (RICS) valuation surveyor to value the property.

To help you locate a RICS surveyor, please use this link: www.rics.org/uk

When instructing the RICS valuation surveyor please ensure you inform them that:

- The Valuer must be registered with the recognised qualification of RICS.
- The Valuer must be independent to an estate agent.
- The report must be on headed paper, signed by the RICS surveyor and addressed to Target HCA.
- The Valuer MUST provide at least 3 comparable properties and sale prices.
- The comparables provided must be like for like in terms of property type, size, and age and within a 2 mile radius to the property that is being inspected.
- The Valuer must not be related or known to you.
- The Valuer must inspect the interior of the property and provide a full valuation report.
- Valuations carried out for bank or mortgage purposes are not acceptable
- A copy of the valuation report must be supplied to Target; the inspection date must be shown on the report.

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.

Please note: the RICS valuation will only be valid for 3 months. If the transaction does not complete within this time you will need to provide another valuation at your own cost. This further valuation can be a Desktop Valuation from the surveyor who originally inspected your property. It must be conducted and sent to Target within 2 weeks of the original valuation expiring and will only be valid for a further 3 months.

The criteria for this Desktop Valuation are:

- The Valuer must refer back to the original report and confirm the updated report is a Desktop Valuation.

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- The Valuer must be the original surveyor from the first inspection. They do not need to re-inspect the property, but they must make reference to this original report.
- The Valuer must provide at least 3 comparable properties and sale prices within the last year if the property has increased or decreased in value.
- The report must have a new date on it and be signed by the Valuer.
- The report must be on headed paper and provided in a PDF format or a non-editable document.

Only one desktop valuation will be allowed after the original valuation has expired. If the desktop report expires before the transaction completes the property will need to be re-inspected and a new RICS valuation report provided.

If it is considered that the valuation does not accurately reflect the market value, Target will contact you and may also wish to speak to your RICS valuation surveyor. This may result in a revised market valuation.

RICS valuation surveyors

To assist you in locating a surveyor regulated by the Royal Institute of Chartered Surveyors (RICS).

www.rics.org/uk

Please note that Target does not endorse any particular company and you are free to choose a RICS valuation surveyor of your choice.

Solicitors

For any of the above transactions we strongly suggest you instruct a solicitor to undertake the legal conveyancing.

The web link below may assist you in locating a Solicitor who has detailed knowledge and experience in the processing of the various transactions as listed in this pack.

www.lawsociety.org.uk

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Solicitor Details requirements

Please indicate in the table below which process you would like to complete;

Partial redemption/ Staircasing	
Redemption without sale	
Redemption with sale	
Transfer of Equity (Change of Ownership)	

If requesting Partial Redemption /Staircasing please indicate what percentage equity share you wish to redeem (minimum allowable is 10%): _____ %

My solicitor's contact details are:

Solicitor's Company name: _____

Solicitor's address: _____

Telephone number: _____

E-mail address: _____

Solicitor's Contact name: _____

Your details:

Client name/s: _____

Client's Property address: _____

If your correspondence address is different from the property address:

Contact number: _____

Mobile number: _____

E-mail address: _____

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Signed: _____

Date: _____

We recommend you always ask your solicitor for an estimate of their fees that they will charge you to process your legal requirements.

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Home and Communities Agency (HCA) Loans and linked House Developer loans are administered by Target Servicing Limited Authorised and Regulated by the Financial Conduct Authority. Calls may be recorded for training, security and litigation purposes.



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Tariff of charges

Loan Type	Redemption	Staircase	Deed of Postponement (Re-mortgage)	Subletting	Move Away From Base	Home Improvements	Management Fees	Transfer of Equity (Change of Ownership)
HomeBuy Direct	£250	£250	£115	£75	Not Applicable	£75	Not Applicable	£75
FirstBuy	£250	£250	£115	£75	Not Applicable	£75	Not Applicable	£75
First Time Buyers Initiative (FTBI)	£200	£200	£50	£50	Not Applicable	£50	Not Applicable	£50
Armed Forces Home Ownership Scheme (AFHOS)	£200	£200	£50	Not Applicable	£30	£50	Not Applicable	£50
Help to Buy	£200	£200	£115	£50	Not Applicable	£50	£1 per month	£50
London Wide Initiative (LWI)	£200	£200	£50	£50	Not Applicable	£50	Not Applicable	£50

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