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1 INTRODUCTION

- 1.1 The Right to Acquire (RTA) was introduced by the Housing Act 1996 on 1 April 1997, and subsequently amended by the Housing Act 2004. This scheme gives some secure and assured tenants of Registered Social Landlords (RSLs) the right to purchase their existing property at a discount and obliges RSLs to maintain a Disposal Proceeds Fund for the purposes of replacing the properties sold under the scheme.
- 1.2 It is a condition for the payment of grant that the RSL complies with these procedures and any subsequent circulars issued by the Corporation.
- 1.3 All RSL applications for confirmation of grant and claims for payment of grant must be submitted via the internet using the Corporation's Investment Management System (IMS). *See www.housingcorp-online.org for guidance*
- 1.4 Scheme submissions must comply with the Funding Conditions as accepted by the RSL and confirmed on line by the RSL's Systems Administrator at the beginning of the financial year, plus any further conditions issued by the Housing Corporation in year. *See GENERAL-1*
- 1.5 The RTA does not apply to all secure and assured tenants or to all property provided by the RSL. Although the scheme shares some of the features of the Right to Buy scheme (Part V 1985 Housing Act) there are important differences in how the scheme operates for RSL tenants. The following guidance summarises the legislative provisions of the scheme, describes the processing requirements for RSLs to follow when dealing with a tenant's application and sets out the Corporation's requirements on the application of sales proceeds. The guidance is not exhaustive and cannot be taken as an authoritative interpretation of the law. RSLs should consult the relevant statutory provisions for the scheme and seek legal advice where appropriate.
- 1.6 The RTA does not provide for any application of a preserved right to buy; rent to mortgage option; right to a loan for payment of service charges or delay procedure.
- 1.7 The Corporation does not provide a RTA lease but a plain English model lease has been prepared by NHF Publications and a copy may be purchased by telephoning the Business Sales and Support Team on 0870.010.7676 or emailing bookshop@housing.org.uk .
- 1.8 Since the introduction of the RTA the discount rules have been amended so that it will not be possible to sell a property at a price below 50% of the value *See paragraph 5.6*
- 1.9 The RTA does not apply where a non public sector body owns the freehold interest.

- 1.10 **NB The RTA is a matter for tenants to discuss with their RSL's and both parties should take their own legal advice about questions such as eligibility. The Corporation is not able to intervene, resolve disputes or provide legal advice.**

2 FORMS

- 2.1 When the RTA was introduced the Corporation produced standard forms including tenant's applications and RSL notifications to assist processing applications. *See RTA-4 paragraph 1 and RTA-6.* Following the changes resulting from the Housing Act 2004 the Housing (Right to Acquire) Regulations 1997 are being revised. In the meantime the existing suite of RTA forms are still appropriate and can be downloaded from the Corporation's website. These are not Statutory forms and RSLs may produce their own, but in doing so must satisfy themselves that they meet any legal requirements.

3 PUBLICITY

- 3.1 The RSL should ensure that all tenants residing in qualifying properties after 1 April 1997 are given information on the RTA. An information booklet (Guide to the RTA scheme) has been produced by the Corporation, which can be downloaded from the Corporation's web site. If required hard copies can be requested from the Corporation's publication team (*see GENERAL-1 para 1.4*).
- 3.2 With effect from 26 July 2005, Statutory Instrument 1735 requires landlords to publish and provide to tenants, certain information relating to RTA. It will not be sufficient for landlords to meet this obligation by issuing the Corporation's information booklet. Landlords should make arrangements to ensure that the requirements of SI 1735 are met. The matters about which information should be given to tenants covered in the SI include:
- An outline of RTA;
 - That initial costs are likely to be incurred upon exercising the RTA;
 - The likely regular payments to be incurred by a homeowner;
 - The risk of repossession;
 - The requirement for and likely expenditure in relation to good repair and maintenance of a property, which may include the payment of a service charge.

4 STATUTORY PROVISIONS

- 4.1 The key provisions governing the tenant's rights are set out in Sections 16 and 17 of the Housing Act 1996. The statutory procedures, discount entitlement and other requirements are governed by Part V of the Housing Act 1985, as amended by s180-189 and 192-193 of the Housing Act 2004, and as it has been modified in relation to the RTA by the Housing (Right to Acquire) Regulations 1997 which are made under Section 17 of the 1996 Act. Schedule

2 to the Regulations sets out Part V of the Housing Act 1985 as modified. A more comprehensive list of statutory provisions is listed below.

- 1996 Housing Act Sections 16 and 17, and 20, 21, 24, 25 and 26.
- The Housing (Right to Acquire) Regulations 1997 (Statutory Instrument No. 619)
- The Housing (Right to Acquire) (Discount) (Amended) Order 2002 - SI 1091
- The Housing (Right to Acquire or Enfranchisement) (Designated Rural Areas) Orders 1997 Nos. 620-625

For further information regarding the above documents please refer to www.hmsso.gov.uk.

5 MAIN FEATURES OF THE SCHEME

- 5.1 The RTA only applies to secure and assured tenants occupying self contained accommodation for rent. Assured shorthold tenancies, those who hold long leases or tenants of shared accommodation will not be eligible for the scheme. *See RTA-2*
- 5.2 Schedule 5 of the Housing Act 1985, as modified by the RTA Regulations, sets out the categories of cases where there is no right to acquire. *See RTA-3*
- 5.3 Schemes that received Grant Confirmation before 1 April 1997 are excluded from the RTA. Allocations received before 1 April 1997 do not exempt schemes from the RTA where Grant Confirmation is on or after 1 April 1997.
- 5.4 Only properties provided through SHG on or after 1 April 1997, including properties provided with the receipts from the Disposals Proceeds Funds and property transferred from public sector landlords on or after that date will be subject to the right. *See RTA-3*. In practice, this generally means:
 - schemes receiving Grant Confirmation from the Corporation or local authority on or after 1 April 1997, (this also includes schemes approved as re-improvement schemes and works only rehabilitation but excludes schemes for major repairs and miscellaneous works);
 - local authority stock transferred to an RSL after 1 April 1997, however funded;
 - properties provided out of the Disposal Proceeds Fund.

- 5.5 Discounts available under the RTA are fixed cash amounts determined by the Secretary of State, based on the geographical location of the tenanted property. The amounts are published as a Statutory Instrument, known as The Housing (Right to Acquire) (Discount) Order. The latest version can be located at www.opsi.gov.uk. Where a tenant has previously received a discount to purchase a property, the discount entitlement for RTA will be reduced by the same amount. Unless the RSL has reason to believe otherwise, the tenants' certification on the RTA1 is sufficient confirmation that a previous discount has not been received.
- 5.6 For RTA applications submitted on or after 2 December 1999, the rules limit the amount of discount where the discount level is greater than 50% of the value of the property.
- 5.7 RSLs should claim the discount amount from the Corporation within 6 months of the date of sale, *RTA-4, para 11 etc.*
- 5.8 Receipts from sales must be retained by the RSL in a ring-fenced fund referred to as the 'Disposal Proceeds Fund'. Proceeds can only be used for such purposes and in such way as the Corporation may determine i.e. the provision of permanent replacement housing for letting. *See the DPF section of this Guide for details.*

1 QUALIFYING PERIOD FOR RTA

- 1.1 For new tenancies created on or after 18.1.2005 the RTA can only be exercised in cases where the tenant has been a tenant of a public sector landlord, *see paragraph 2 below*, for a qualifying period of at least five complete years, (s180, Housing Act 2004).
- 1.2 For tenancies created before 18.1.2005 the qualifying period continues to be two complete years.

2 LIST OF PUBLIC SECTOR LANDLORDS

- 2.1 To be eligible for the RTA on the grounds of residence the applicant must be a tenant of any of the public bodies listed below.

- a district council
- a county council
- a London borough council
- the Common Council of the City of London
- a Council on the Isles of Scilly
- any of the following bodies which were set up when the Greater London Council and the metropolitan county councils were abolished:
 - ⇒ a metropolitan county policy authority the Northumbria Police Authority
 - ⇒ a metropolitan county fire and civil defence authority
 - ⇒ the London Fire and Civil Defence Authority
 - ⇒ a metropolitan county passenger transport authority
 - ⇒ the London Waste Regulation Authority
 - ⇒ the West London, North London, East London and Western Riverside Waste Disposal Authorities
 - ⇒ the Merseyside and Greater Manchester Waste Disposal Authorities
 - ⇒ the London Residuary Body
 - ⇒ a metropolitan county residuary body
- a new town or urban development corporation
- the Commission for the New Towns
- the Development Board for Rural Wales
- a housing action trust
- a Registered Social Landlord which is registered with the Housing Corporation or Housing for Wales (including charitable RSLs and RSLs which do not get public funds, but not fully mutual co-ops)
- The Housing Corporation
- Housing for Wales
- Fire authorities
- Internal drainage boards
- London Regional Transport

- Parish councils
- Passenger transport executives
- Police authorities

- AFRC Institute for Grassland and Animal Production
- Agricultural and Food Research Council
- Area Electricity Boards
- British Airports Authority
- British Broadcasting Corporation
- British Coal Corporation
- British Gas Corporation British Railways Board
- British Steel Corporation British Waterways Board
- Central Electricity Generating Board Church Commissioners
- Civil Aviation Authority
- Electricity Council
- English Sports Councils
- Government Departments+
- Historic Buildings and Monuments Commission for England
- Lake District Special Planning Board
- Lee Valley Regional Park Authority
- Medical Research Council
- National Bus Company
- National Health Service Trusts
- National Rivers Authority
- National Environment Research Council
- Nature Conservancy Council for England
- Peak Park Joint Planning Board
- Post Office
- Science and Engineering Research Council
- Trinity House ++
- United Kingdom Atomic Energy Authority
- United Kingdom Sports Council
- Water Authorities
- Community councils in Wales
- Countryside Council for Wales
- National Library of Wales
- National Museum of Wales
- Sports Council for Wales
- Welsh Development Agency
- Commissioners of Northern Lighthouses
- Highlands and Islands Enterprise Board
- North of Scotland Hydro-Electric Board
- Scottish Homes
- Scottish Natural Heritage
- Scottish Sports Council
- South of Scotland Electricity Board

- Education and Library Boards in Northern Ireland
- Fire Authority for Northern Ireland
- Northern Ireland Electricity Service
- Northern Ireland Housing Executive
- Northern Ireland Transport Holding Company
- Police Authority for Northern Ireland
- Sports Council for Northern Ireland

AND ANY PREDECESSOR OF THESE LANDLORDS

+ Includes National Health Service properties

++ Only in its capacity as a lighthouse authority

2.2 Armed forces accommodation

For the purposes of establishing a qualifying public sector tenancy, time spent in accommodation provided by the armed services qualifies.

Note: RSLs should refer to schedule 4, paragraphs 6-8 of the Housing (Right to Acquire) Regulations 1997.

3 ELIGIBILITY CRITERIA

3.1 Subject to a secure or assured tenant occupying a qualifying property provided by a RSL (*see Chapter RTA-3*), the tenant has the right to purchase the freehold of a house or a lease of a flat (or a house, if the landlord does not own the freehold). NB. The RTA does not apply where the freehold interest is owned by a non public sector body.

3.2 Where a tenancy is a joint tenancy not all the tenants need to exercise their RTA. Provided agreement is reached with other joint tenants the purchase can proceed in the name of one of them, provided it is that joint tenant's only or principal home. In the event of other joint tenants not agreeing to the purchase, the right to acquire cannot be exercised. Where a joint tenant objects to the application proceeding they should do so in writing to the RSL.

4 CIRCUMSTANCES IN WHICH THE RTA CANNOT BE EXERCISED

4.1 The RTA cannot be exercised if the tenant:

- is obliged to give up possession of the tenanted property in pursuance of an order of the court or will be obliged to at a date notified in the order;
- has a bankruptcy petition pending against him/her;
- is an undischarged bankrupt;

- has made an arrangement with creditors the terms of which remain to be fulfilled (that is a formal arrangement under either the Deed of Arrangement Acts 1914 or the Insolvency Act 1986) or
- is the subject of a suspension order, (*see RTA-4 para 10*).

1 ELIGIBLE PROPERTIES

- 1.1 The RTA only applies to secure and assured tenants occupying self contained accommodation for rent. Assured shorthold tenancies, those who hold long leases or tenants of shared accommodation will not be eligible for the scheme. *See RTA-2*
- 1.2 Schemes that received Grant Confirmation before 1 April 1997 are excluded from the RTA. Allocations received before 1 April 1997 do not exempt schemes from the RTA where Grant Confirmation is on or after 1 April 1997.
- 1.3 Only properties provided through SHG on or after 1 April 1997, including properties provided with the receipts from the Disposals Proceeds Funds and property transferred from public sector landlords on or after that date will be subject to the right. In practice, this generally means:
- schemes receiving Grant Confirmation from the Corporation or local authority on or after 1 April 1997, (this also includes schemes approved as re-improvement schemes and works only rehabilitation but excludes schemes for major repairs and miscellaneous works);
 - local authority stock transferred to an RSL after 1 April 1997, however funded;
 - properties provided out of the Disposal Proceeds Fund.
- 1.4 The 1996 Housing Act requires that the freehold interest in the dwelling must at all times have been held by an RSL or public sector landlord. However under provisions of the Leasehold Reform, Housing and Urban Development Act 1993 qualifying tenants of flats (ie those with long leaseholds) were given rights to collective enfranchisement, and when exercised became the new freeholder. Therefore, when a group of RSL leaseholders enfranchise, the other RSL assured tenants in the same block of flats who are not long leaseholders would lose the Statutory Right to Acquire their rented home. This was an unintended consequence of leasehold legislation. From 18 January 2005, Section 202 of The Housing Act 2004 now includes provision to preserve the Rights to Acquire for assured tenants in the above circumstances.

2 EXCLUDED PROPERTIES

- 2.1 All dwellings provided with the benefit of SHG, from the Disposals Proceeds Fund or transferred from a public sector landlord are subject to the RTA unless they are exempt under Part V of the Housing Act 1985 as amended by The Housing Act 2004, The Housing (Right to Acquire) Regulations 1997, or under one of the Housing (Right to Acquire or Enfranchisement) (Designated Rural Areas) Orders 1997.

2.2 RSLs should refer to details in paragraph 2.1 above for the list of exclusions. However, properties excluded from the RTA include the following:

- properties where the landlord has insufficient legal interest i.e. where the property is a house, a lease with a term less than 21 years and for a flat, a lease with a term less than 50 years;
- the landlord is a co-operative housing association;
- properties situated in a rural area designated by order of the Secretary of State under Section 17(1)(b) (Right to Acquire: Supplementary Provisions) of the Housing Act 1996;
- properties let in connection with employment;
- properties designed with special features for letting to people with physical disabilities. To gain exemption the property should be one of a group of properties normally let to people with physical disabilities and a social service or special facility is provided close by wholly or partly to assist the tenants;
- properties with special facilities let to tenants who are suffering or have suffered from a mental disorder. As above the property must be one of a group of properties and a social service or special facility must be provided close by wholly or partly to assist the tenants;
- properties which are one of a group of properties which it is the practice of the landlord to keep for occupation by persons who have special needs and require intensive housing assistance and such intensive housing assistance is provided either directly or indirectly by the landlord;
- properties let to persons of pensionable age. Such properties must be one of a group of properties let to the elderly and have special facilities consisting of or including a resident warden, a non-resident warden with a calling facility and a common room close by;
- properties held on Crown tenancies;
- properties where the attributable loan debt is equal to or greater than its current market value;
- properties that are due to be demolished within 24 months of an RSL serving a final demolition notice, and having followed the prescribed notification process as contained in s182 of the Housing Act 2004. (*See para 3 below*)

- 2.3 RSLs are advised to take their own legal advice in determining whether a property is excluded from the provisions of the RTA.
- 2.4 To determine whether a property is situated in a designated rural area RSLs should refer to the 1977 Statutory Instruments: for The Housing (Right to Acquire or Enfranchisement) (Designated Rural Areas). These can be viewed at <http://www.opsi.gov.uk/stat.htm>. The Statutory Instruments may refer to 'designated rural area maps', which can be viewed at a relevant regional Government Office or at the Housing Corporation. If you wish to view the maps at the Housing Corporation's regional office please make arrangements with the appropriate Regional Informal Officer – telephone 0845.230.7000.

3 PROPERTIES TO BE DEMOLISHED

- 3.1 With effect from 18.1.2005 s183 of The Housing Act 2004 introduces new procedures relating to RTA in respect of properties to be demolished. The following paragraphs provide a brief outline of the new provisions, but RSLs should familiarise themselves with the contents and requirements of this part of the Act, and in particular the publicity requirements.
- 3.2 When an RSL decides to demolish a property within five years an initial demolition notice should be sent to tenants. This notice should include details of the intention to demolish; the reasons for demolition; and the intended timetable. RSLs should also notify tenants of the effects of the initial demolition notice, ie that is while it is in force the landlord's obligation to complete an RTA sale is suspended; it does not prevent new RTA applications being made; and that where a valid RTA claim has been made the tenant may be compensated for expenditure reasonably incurred before the notice was served.
- 3.3 When an RSL subsequently decides not to demolish the property it must serve a revocation notice as soon as is reasonably practical.
- 3.4 If an initial demolition notice expires and demolition has not taken place, no further demolition notice can be served on that property for a period of five years.

1 FORMS

- 1.1 The Housing (Right to Acquire) Regulations 1997 require tenants' applications and RSL notifications to tenants to be in writing although there are no statutory prescribed forms. To ensure consistency in dealing with applications the Corporation has produced a series of application forms and notifications for RSLs use. Supplies of these forms can be downloaded from the Corporation's website. *See RTA-1(2.1) and RTA-6.*
- 1.2 All RSL applications for confirmation of grant and grant payment must be submitted via the internet using the Corporation's Investment Management System (IMS).
- 1.3 RSLs should draft their own standard letters in seeking the tenant's confirmation to proceed with the RTA and when notifying the RSL's lender of a sale.

2 CLAIM TO EXERCISE RTA - ACTION BY THE TENANT

- 2.1 The tenant claims to exercise the RTA by a written notice served on the landlord (form RTA 1). For the purposes of establishing either the two or five year qualifying period of tenancy (*RTA-2 para 1.1 or 1.2*) the date the notice is served will be taken to be the date entered on the notice by the tenant. Where the tenant has already made an application in writing, the RSL should ask the tenant to complete the form, but should accept the date of the letter for the purposes of valuation and establishing the qualifying period.
- 2.2 The notice may be withdrawn at any time by the tenant by serving a written notice on the landlord.
- 2.3 A tenant who has already claimed the Right to Buy or Preserved Right to Buy will not be able to claim the RTA until such time as the Right to Buy/Preserved Right to Buy application is withdrawn or the landlord responds denying the right. The tenant may withdraw an existing Right to Buy claim and submit a claim for the RTA at any time.

Claim to share RTA with members of the family

- 2.4 A tenant claiming the RTA may include up to 3 members of the family (who are not joint tenants but who occupy the dwelling as their only or main residence) in the purchase provided that:
 - the family member is the spouse of or has been residing with the tenant for 12 months prior to the application; or
 - the landlord consents. The landlord's consent is an absolute discretion to allow family members to be included in the purchase where they have not been residing with the tenant for the requisite period.

3 ACTION BY THE RSL

3.1 On receipt of the tenant's application the landlord should check:

- the tenant(s) is/are secure or assured;
- whether it is a joint tenancy;
- the application has been correctly completed and signed by the tenant and others joining in the application;
- the tenant has been a public sector tenant for the appropriate qualifying period;
- whether the tenant is an undischarged bankrupt or has made a compromise or an arrangement with his creditors.
- whether there is an effective possession order;
- whether there is an effective suspension order (on the grounds of anti-social behaviour), *see RTA-4 para 10*;
- the property is not excluded from the scheme;
- the tenant has not already claimed the Right to Buy/Preserved Right to Buy.

3.2 The landlord must respond in writing to the tenant's claim to exercise the RTA, either admitting or denying the right. If the landlord does not consider the tenant has the RTA it must state the reasons in the notice (form RTA 2).

3.3 The landlord should respond to the tenant's application within 4 weeks if it has been the tenant's landlord for the previous two years, or 8 weeks in any other case e.g. if the landlord is still seeking clarification over the tenant's records from a previous landlord.

Offering alternative properties for sale

3.4 At this stage of responding to the tenant, the landlord may offer the tenant an alternative property to purchase under the scheme. Where this is the case, the landlord must make clear that there is no obligation placed on the tenant to accept the alternative property. This option is only applicable in cases where the RTA is admitted.

3.5 The level of discount applicable to the alternative property is established by reference to the local authority area in which it is located, **except** where the discount would be greater than the amount the tenant would receive by purchasing their current home, in which case the maximum discount would be the amount applicable to the property where the tenant lives.

3.6 Only naturally occurring voids can be offered as alternative properties; the RSL must not keep homes vacant to use in this way or offer properties in new developments for rent or sale that have been grant funded.

4 ACTION BY THE RSL - OFFER NOTICE

4.1 After confirming eligibility to the tenant, the landlord will be in a position to prepare the offer notice, detailing the terms of sale and establishing the purchase price. A standard form of offer notice has been drafted for use in the scheme based on the provisions of s. 125 (as amended) of the Housing Act 1985. The landlord is required to serve an offer notice on the tenant within 8 weeks (where the tenant has claimed the right to acquire the freehold) or 12 weeks where the tenant wishes to acquire a lease.

4.2 The offer notice must contain the following information:

- a description of the property, sufficient to enable the tenant to identify the property and land to be sold;
 - the sale price and how it was calculated;
 - the value as at the date of the tenant's application;
 - any improvements to the property carried out by the tenant which have been disregarded in the valuation;
 - the tenant's discount entitlement. Where the discount has been reduced to take account of previous discount paid the landlord should provide details;
 - the provisions which, in the opinion of the landlord, should be contained in the conveyance or grant;
 - provide accurate service charge estimates and improvement costs (where they are payable);
 - provide details of any known structural defects;
 - advise the tenant of the effect of sections of the RTA Regulations 1997
- a) 125D and 125E (1) and (4);
 - b) Section 128 (valuation/revaluation)
 - c) Section 136(2) (change of tenant after service of the offer notice)
 - d) Sections 140 and 141 (1), (2) and (4) (landlords' notices to complete and effect of failure to comply), as amended by s184 of The Housing Act 2004.

5 PURCHASE PRICE

5.1 To establish the purchase price of a property under the RTA, the landlord has first to determine the open market value of the property (RSLs may use the services of a qualified independent valuer for this purpose) as at the date of the tenant's claim, and then deduct the appropriate discount (*see RTA-1, para 5.5*), discounts and the areas they apply to, will be subject to review and revised orders will be made from time to time.

5.2 The value of the dwelling must be based on its open market value at the time of the tenant's claim and based on the following assumptions:

- disregarding the tenant's improvements and the failure of the tenant to keep the dwelling in good internal repair;
 - any service charges or improvement contributions payable will not be less than the estimates contained in the landlord's offer notice;
 - for freehold property, the landlord is selling for an estate in fee simple with vacant possession;
 - for leasehold property, the landlord is selling with vacant possession for the appropriate term, i.e. not less than 125 years or, where the landlord's lease has less than 125 years and 5 days left to run, a term expiring 5 days before the term of the landlord's lease is to expire.
- 5.3 Where the RTA discount represents more than 50% of the value of the property the maximum amount of discount available shall be 50% of the value of the property. For example, if the discount entitlement is £9,000 and the property subject to the RTA is valued at £15,000, the maximum discount is £7,500 (i.e. 50% of the value of the property).
- 5.4 Fees associated with establishing a property's valuation should not be charged to the applicant, but deducted from the gross proceeds of sale when calculating the amount to transfer to the Disposal Proceeds Fund, *see DPF-1 para 2.2.*

6 SERVICE CHARGES

- 6.1 Where the RSL is selling flats and maisonettes on a leasehold basis it will continue to be responsible for the repair and maintenance of the building and the provision of services such as lighting in communal areas. The RSL will need to apportion these costs to the individual unit and recover the costs from the leaseholders by way of the service charges.
- 6.2 The RTA requires the RSL to comply with the service charge provisions of paragraphs 16A, 16B, 16C and 16D of Schedule 6 to the Housing Act 1985 as amended and the orders made known to the public thereunder by the Secretary of State.
- 6.3 In summary, legislation requires landlords to provide accurate estimates of service charges for tenants wishing to purchase. In respect of anticipated repairs and improvements RSLs selling flats under the Right to Acquire will need to provide binding estimates for the first five years of the lease. The RSL must also inform applicants of any known structural defects affecting the building and ensure that if they are to be repaired in the first five years they are included in the service charge estimates for repairs. The annual service charge for repairs and improvements can only be increased to take account of inflation (within the first five years of the lease). The formula for calculating the inflation cost is to be the same as it is for the Right to Buy. The formula is set out in the Right to Buy Statutory Instrument (The Housing Right to Buy) (Service Charges) Order 1986.

- 6.4 Estimates of other service charges, apart from repairs and improvements, such as amounts to be charged for caretaking or communal lighting, must also be provided but are not binding.
- 6.5 The RSL may wish to seek their own legal and professional advice on deciding the various elements making up the service charge.
- 6.6 The RTA does not provide for any application to a right to a loan for payment of service charges.

7 APPEAL AGAINST VALUATION

- 7.1 The tenant may appeal against the landlord's valuation within 3 months of receipt of the offer notice. The landlord refers any valid appeal to the District Valuer for a determination.

8 RESPONSE TO OFFER NOTICE - ACTION BY THE TENANT

- 8.1 After the landlord has served the offer notice, the tenant must respond in writing, confirming that he/she will pursue the claim or that he/she wishes to withdraw the claim. The tenant should respond to the offer notice within 12 weeks or if the tenant has applied for a revaluation of the property, within 12 weeks of the notification of the revaluation. A revised offer notice needs to be served on the tenant where the tenant has made a successful appeal to have the property revalued.

9 LANDLORD'S NOTICE IN DEFAULT

- 9.1 In the event of the tenant not responding to the offer notice, the landlord may serve on the tenant a written notice giving the tenant a further 28 days to indicate in writing whether he/she wishes to pursue the claim. The notice served on the tenant should explain that failure to respond within the notice period will lead to the landlord treating the application as withdrawn. The landlord has discretion to extend the period.

10 COMPLETION

Suspension of Right To Acquire due to anti-social behaviour

- 10.1 Sections 192 -193 of the Housing Act 2004 introduce provision from June 6th 2005 for RTA applications to be suspended on the grounds of anti-social behaviour.

- 10.2 Following an application from an RSL the courts may make a, 'suspension' order in respect of a tenancy. A suspension order may be granted only if the court is satisfied that the tenant or a person living in the property, or visiting the property, has engaged or threatened to engage in anti-social behaviour (which includes using the premises for unlawful purposes), and that it is reasonable for an order to be made.
- 10.3 Once issued, a suspension order will have the effect of suspending existing RTA applications and/or preventing new applications being made during the period the order covers. An RSL may also apply to the courts for an existing suspension order to be extended.
- 10.4 The Act also removes the duty of an RSL to complete a sale (e.g. convey the freehold or grant a lease) whilst an application for a suspension order is pending. Having submitted an application for a suspension order, an RSL is under no obligation to complete a sale until such time as the courts decide not to grant a suspension order, or the RSL withdraws its application.
- 10.5 The existence of a suspension order does not affect the accumulation of a tenant's RTA qualifying period.

Completion Notices

- 10.6 For RTA applications made on or after 18.1.2005 it is expected that the purchase can be completed within a similar time taken by private sellers and buyers to complete sales. Where a tenant fails to progress the purchase within a reasonable time, the landlord may serve on the tenant a 'notice to complete', which shall include a request to specify any matters that may be outstanding. Following the issue of an 'offer notice' in respect of applications made on or after 18.1.2005 (*see para 4.1 above*) a landlord may serve a first 'notice to complete' at any time 3 months after the date the 'offer notice' was served. The first notice should give the tenant a reasonable period in which to complete being at least 56 days and should inform the tenant of the effect of Sections 140 and 141 (*see para 4.2 above*). If the tenant fails to comply with the first notice, the landlord may serve a second notice to complete, giving the tenant a further reasonable period (being at least 56 days), to complete and, again, informing the tenant of the effect of Sections 140 and 141 and failure to comply with the second notice to complete allows the landlord to deem the application to be withdrawn.
- 10.7 For applications made before 18.1.2005 the notice to complete may be issued at any time after 12 months from the date the offer notice was served.
- 10.8 Once the tenant has issued appropriate instructions to its lender and legal representative, the landlord will be in a position to dispose of the property. The landlord should carry out the following checks before completion takes place:
- the tenant is not more than 4 weeks in arrears with rent;

- a possession or suspension order has not been obtained during the period of processing the tenant's application;
- the mortgage offer is from an approved lender (*see paragraph 16 below*) who is entitled to register the tenant's mortgage as a first charge;
- the landlord has consulted its own lender in accordance with the arrangements stated in The Housing (Right to Acquire) Regulations 1997 unless otherwise agreed in writing with the lender. *The Housing (RTA) Regulations 1997 Schedule 2, Section 138(2)*.

11 CONFIRMATION OF GRANT/CLAIM

- 11.1 After the sale of the property, the RSL will be in a position to make a submission for grant to the Corporation. The claim should be submitted within 6 months of the date of sale. The amount of grant claimed should correspond to the relevant cash discount published in the current Right to Acquire Discount Order. The discount should be that current at the date of the service of the offer notice.
- 11.2 The scheme submission must comply with the Funding Conditions accepted by the Committee of the RSL and confirmed on line by the RSL's System Administrator at the beginning of the financial year. *See GENERAL-1*
- 11.3 The RSL's submission must be input via the internet using the Corporation's IMS system. *See RTA-4, para 1.2 and www.housingcorp-online.org*
- 11.4 The RSL must be able to confirm acceptance of the three certifications that appear on screen when the scheme has been submitted.
- 11.5 To ensure RSL conforms to the Corporation's Funding Conditions, the RSL must also be able to confirm acceptance of the following certifications which will appear on the submission screen:

"This property is subject to Right to Acquire under Section 16 of the Housing Act 1996 and has been sold in accordance with the current Right to Acquire regulations as amended."

"The sale of the property has been completed."

- 11.6 Where the Corporation is satisfied with the scheme submission, payment to the RSL will be made within 8 working days of receipt of a valid submission.

12 REPAYMENT OF DISCOUNT

- 12.1 The discount provided for the purchase is subject to repayment in certain circumstances when the property is sold.

- 12.2 For RTA purchases prior to 18.1.2005 repayment is required within the first 3 years from the date of purchase. Discount repayment is on the following terms:
- sale within year 1 all of the discount is repaid;
 - sale within year 2 two thirds (66%) of the discount is repaid;
 - sale within year 3 one third (33%) of the discount is repaid;
 - no discount is repaid after year 3.
- 12.3 For RTA applications made on or after 18.1.2005 the discount is repayable if the property is sold within five years from the date of purchase. The amount due for repayment is to be calculated as a percentage of the resale value equivalent to the percentage of the discount when compared to the purchase price as follows;
- a) sale with year 1, an amount equal to the % value as above
 - b) sale within year 2, 80% of the amount calculated as in a) above
 - c) sale within year 3, 60% of the amount calculated as in a) above
 - d) sale within year 4, 40% of the amount calculated as in a) above
 - e) sale within year 5, 20% of the amount calculated as in a) above
 - f) no repayment is required after year 5.

Example: if the property value at purchase was £160,000 and the discount received was £16,000, the discount would be the equivalent of 10%. If the property value subsequently rose and was sold for £180,000 during year 1 the repayment would be $£180,000 \times 10\% = £18,000$. If the same property sold within year 3 for £220,000 the repayment due would be $£220,000 \times 10\% = £22,000$ and $£22,000 \times 60\% = £13,200$.

Where property values fall the same calculation method is to be followed. Continuing the above example, if the property value dropped to £150,000 within year 1 the repayment would be $£150,000 \times 10\% = £15,000$.

Waiver of discount

- 12.4 S185 of the Housing Act 2004 gives former landlords discretion to waive repayment of some or all of the discount. This discretion applies to all disposals which take place on or after 18th January 2005, regardless of when the property was bought.
- 12.5 Use of this discretion should be only in exceptional circumstances. It is for each landlord to decide whether the circumstances would justify the exercise of discretion (examples are provided at 12.7 below). RSLs will be expected to establish and maintain procedures for decisions, making the process open, fair and transparent, and bearing in mind the possibility of a judicial review or Independent Housing Ombudsman scrutiny. RSLs will decide what procedures to use and whether their decisions should be subject to an internal review process, and if so by what means. Options might include deciding on the basis of written representations or holding formal hearings (in which case allowing the applicant to bring a representative or adviser). Evidence supporting any

decisions should be clear and objective, e.g. from a local police force, doctor, psychiatrist or employer.

- 12.6 Landlords should clear discount waiver decisions with their auditors, bearing in mind the net cost to the public purse (the Corporation's Regulatory Code obliges housing associations to protect public investment).
- 12.7 Use of discretion is most likely to be justified in circumstances where demonstrable personal hardship would otherwise result. In each case it will normally be necessary to establish both the facts justifying a move, and that such a move could not take place unless part or all of the discount were to be waived. Examples of such circumstances include the following.
- (a) where an owner of the property wishes to move because otherwise he or she and/or other family members (especially children) face a demonstrable threat of violence or of significant harm; for example, due to:
 - relationship breakdowns involving actual or threatened domestic violence;
 - racial, faith, homophobic or any other kind of harassment;
 - extreme anti-social behaviour, such as persistent drug dealing in an adjoining or nearby property;
 - (b) where the sudden onset of a severe medical condition or serious deterioration of an existing condition makes a move essential on medical grounds;
 - (c) where an early move is essential to return to employment; for instance where an individual has a firm offer of a job in another area and would thereby be able to return to work, either:
 - after long term unemployment; or
 - after having been made redundant, when his/her skills are such that there is no prospect of getting another job locally.
 - (d) where a traumatic personal event (for example, sudden bereavement) makes a move essential for emotional or psychological reasons.

Disregard of improvements value

- 12.8 Where an RTA application was made on or after 18.1.2005, s186 of the Housing Act 2004 introduces provision whereby any increase in a property's value attributable to improvements made by the owner after acquiring it, will be disregarded if the property is sold within the five-year period. The resale value is treated as net of the value of those improvements. Where the value of any improvements is disputed, consideration may be given to referring the question to the District Valuer for a determination - where is it reasonably practicable to do so. Any costs associated with reference to the District Valuer are to be borne by the person disposing the property. Where agreement cannot

be reached regarding the value of any improvements, and the District Valuer does not make a determination no disregard for the value of improvements is allowed.

Deferred resale agreements

12.9 To avoid situations whereby tenants enter into transfer agreements with third parties to buy properties, immediately sell the property to that third party, but transfer ownership at a later date to avoid repaying any discount, s187 of the Housing Act 2004 now treats these transfer agreements as a relevant disposal. This has the effect of triggering the discount repayment from the date of the transfer agreement and not the date of the property transfer and affects all applications in progress on or after 18.1.2005.

12.10 **Exempted disposals** are to be the same as set out in S.160 of the Housing (Right to Acquire) Regulations 1997 as amended. A summary of exemptions from the repayment provisions is listed below:

- disposal to any member of the family who joined in the original application or who has resided in the property 12 months immediately before the date of disposal;
- disposal to a spouse;
- disposal to a person under the terms of a will or on an intestacy;
- disposal arising from compulsory purchase by a public body;
- disposal of the whole of the property in pursuance of an order under Section 24 of the Matrimonial Causes Act 1973.

Repayment Covenant

12.11 The RSL must ensure that a conveyance of freehold or grant of a lease includes an appropriate repayment covenant. A model repayment of discount clause is given in paragraph 12.12 below, however the RSL should satisfy itself following its own legal advice that the repayment covenant is adequate for its purposes. The requirement to repay discount will rank immediately after the approved lending institution that has provided the tenant's mortgage (*see paragraph 16 for list of approved lenders*). Where further lending is needed to fund works to the property the RSL may postpone its charge in favour of the lender. The charge should not be postponed for any other reason.

12.12 (1) The Purchaser/Transferee/Lessee hereby covenants for himself and his successors in title that if within a period of 5 years from the date hereof there shall be a relevant disposal, which is not an exempted disposal, (the terms relevant and exempted disposal being defined, respectively, in sections 159 and 160 of the Housing Act 1985), the Purchaser/Transferee/Lessee will pay to the Registered Social Landlord on demand such as the Registered Social Landlord demands, not being greater than an amount (hereinafter "the maximum amount") to be calculated on the basis of (2) below but reduced by 20% for each complete year which shall elapse between the date hereof and the

date of such disposal PROVIDED THAT if there is more than one such disposal the Registered Social Landlord shall be entitled to demand payment only on the first of them.

(2) The maximum amount is a sum equal to $x\%$ of the value of the Property on the relevant disposal, where the value is the price or premium paid for the Property on the said disposal less such amount (as may be agreed or determined in accordance with section 155C of the Housing Act 1985) of that price or premium paid as is attributable to improvements made to the Property by the person by whom the disposal is or is to be made between the date hereof and the said disposal.

NOTE 1: RSLs' Solicitors will need to define the Purchaser/Transferee/Lessee, Registered Social Landlord and Property.

NOTE 2: The repayment of discount covenant will take effect as a charge on the property by virtue of sections 156 of the Housing Act 1985 and is protected by entry of a notice or caution on the register of the purchaser's title.

NOTE 3: Section 155 of the Housing Act is modified as it applies to Right to Acquired by means of Schedule 2 (Regulation 2(2)) of The Housing (Right to Acquire) Regulations 1997.

NOTE 4: RSL's solicitors must calculate the % figure to be used in clause (2) above. This figure must equate to the percentage value of the available discount compared to the property's sale price.

Example – Property sale price = £150,000
 Available discount = £ 10,000
 Percentage value = 15%, (£150,000 divided by £10,000).

13 CONVEYANCE OF FREEHOLD AND GRANT OF A LEASE

13.1 The RSL must refer to The Housing (Right to Acquire) Regulations 1997 which contain the statutory requirements for conveying the freehold or granting the lease. The Corporation does not produce a model lease for the RTA scheme but a plain English model lease can be purchased from the National Housing Federation, *see RTA-1, para 1.7*.

Right of First Refusal

13.2 Where an RTA application is made on or after 18.1.2005, s188 of the Housing Act 2004 introduces provision for a covenant to be inserted into all conveyances requiring that, during the period of 10 years from the date of conveyance the tenant (purchaser) or any successor in title, must make an offer of first refusal to the former landlord. The Housing (Right To Acquire) Regulations 1997 are to be amended appropriately in due course when further guidance will be published.

- 13.3 The covenant must be a local land charge and must be entered into the property's register of title by the Chief Land Registrar. This should avoid the covenant being overlooked at the point of resale.

14 LEGAL CHARGES

- 14.1 The RSL is required to dispose of the property to the tenant free of any legal charge on the property e.g. a secured mortgage. There is however a requirement placed on the RSL and its mortgagee to reach an agreement over whether the RSL redeems the mortgage or provides alternative security for the loan. Full details of the requirement are set out in The Housing (Right to Acquire) Regulations 1997; the notification process is summarised below.

15 NOTICE TO LENDERS

- 15.1 When the tenant responds to the offer notice notifying the landlord of his/her intention to proceed with the purchase, the RSL must, within 7 days of receipt of the tenant's notification, give written notice to the lender. The notice should contain information about the purchase price and value and set out whether the loan applicable to the property is to be redeemed. If it is not to be redeemed the notice should give the lender the option of either taking alternative security or being paid the market value of the property. Any property offered as alternative security must have sufficient equity to cover the market value of the property being sold. Where the RSL's notice states that the RSL does not intend to redeem the charge and gives the lender the options referred to above, the lender has 14 days to respond setting out which option is acceptable.
- 15.2 RSLs and their lenders may agree alternative arrangements for dealing with notification of sales, providing the arrangement is in writing and has regard to the 21 day period mentioned below.
- 15.3 Where the lender accepts the option of alternative security in the form of a property, the lender must be given 21 days to secure a charge. Where the 21 day period is insufficient, the lender either accepts that it will secure the charge after the sale has been allowed to complete or if the landlord RSL has failed to take reasonable steps to enable a charge to be secured, the lender can insist on payment of the equivalent to the RTA property's market value within 7 days. In circumstances where the lender rejects an alternative property as security, it may require the RSL to pay an amount equal to the market value of the RTA property within 21 days of the lenders notice rejecting the alternative property, or at the date of the RTA purchase whichever is the later. Any disputes over the lenders security should not be allowed to delay the sale beyond the notice periods stated above. The RSL's obligations under the terms of the loan agreement with the lender will continue to apply after the sale.

16 LIST OF APPROVED LENDERS

- 16.1 The institutions listed below are Approved Lending Institutions specified either in Section 156 of the Housing Act 1985 or in Orders made under that Section (or previously under Section 8(5) of the Housing Act 1980). Whilst the Corporation reviews the list when publishing this chapter, the most up-to-date list can be viewed on the Department for Communities and Local Government website which can be located at <http://www.communities.gov.uk/index.asp?id=1500031>.

SPECIFIED IN SECTION 156

The Housing Corporation
 Institutions authorised under the Banking Act 1987
 Building Societies Friendly Societies
 Insurance Companies
 Trustee Savings Banks

<u>SPECIFIED IN ORDERS</u>	<u>YEAR</u>	<u>SI</u>
Abbey Life Executive Mortgages Limited	1987	1810
Abbey Life Funding Limited	1987	1810
Abbey Life Home Loans Limited	1987	1203
Abbey Life Home Service Limited	1988	85
Abbey Life Mortgage Finance Limited	1988	1726
Abbey Life Mortgage Loans Limited	1988	1726
Abbey Life Mortgage Securities Limited	1988	85
Abbey Life Residential Loans Limited	1988	85
Albion Home Loans Limited	1991	619
Alliance & Leicester Mortgage Loans Limited	1993	2757
Alliance & Leicester Mortgage Loans (No.2) Limited	1994	1762
Alliance & Leicester Mortgage Loans (No.3) Limited	1994	1762
Alliance & Leicester Mortgage Loans (No.4) Limited	1994	1762
Amber Homeloans Limited (formerly Stroud & Swindon Mortgage Company (No.2) Limited		
Bank of England, The	1984	1554
Barshelfco (No. 16) Limited	1991	2052
Barshelfco (No.39) Limited	1992	2317
Barshelfco (No.40) Limited	1992	2317
Barshelfco (No.41) Limited	1992	2317
Barshelfco (No.68) Limited	1995	2066
Battersea Park Mortgage Funding Limited	2001	205
Blemain Finance Limited	2003	1083
BNP Mortgages Limited	1989	2329
Bradford and Bingley Homeloans Limited	1992	2317
Bradford and Bingley Homeloans Management Limited	1992	2317
Bradford and Bingley Loans Limited	1991	162

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Bradford and Bingley Management Limited	1996	162
Bradford and Bingley Mortgages Limited **	1992	2317
Bradford and Bingley Mortgage Management Limited	1992	2317
Bradford & Bingley Secured Loans Limited	1996	162
Bradford & Bingley Secured Loans Management Limited	1996	162
Britannia Mortgage Company Number One Limited	1994	1762
Britannia Mortgage Company Number Two Limited	1994	1762
Capital Home Loans Limited	1990	2390
Capital Bank Mortgages Limited	1998	2015
Chelsea Mortgage Services Limited	1996	162
Cheshire Mortgage Corporation	2005	92
Cheval Property Finance plc	2006	1263
Church House Trust plc	2006	1263
CIBC Mortgages plc	1989	2102
CIS Home Loans Limited	1993	2757
CIS Mortgage Finance Limited	1993	2757
CIS Mortgage Maker Limited	1988	1726
CIS Residential Mortgages Limited	1993	2757
City Mortgage Corporation Limited	1996	162
CL Mortgages Limited	{ 1987 { 1995	1203 2066
Collateralised Mortgage Securities (No. 16) PLC	1994	1762
Confederation Mortgage Services Limited	1987	1203
Consumer Loans Company Limited, The	1991	2052
Credit Agricole Personal Finance plc	1989	2102
Credit Agricole Mortgage Company No.1 Limited	1989	2102
Credit Agricole Mortgage Company No.2 Limited	1989	2102
Credit Agricole Mortgage Company No.3 Limited	1989	2102
Darlington Mortgage Services Limited	1995	211
Derbyshire Home Loans Limited	1993	303
Derbyshire Mortgages Limited	1993	303
Distinct Mortgages Limited	1998	2015
Equity and Law Home Loans Limited	1989	2102
E-Mex Home Funding Limited	2001	3874
Finance for Mortgages Limited	1991	2052
Finsbury Park Mortgage Funding Limited	1999	952
First National Mortgage Company		957
First National Home Finance Limited	2004	1071
Furness Mortgage Services Limited	1995	211
Future Mortgages 1 Limited	1998	2015
GE Money Home Lending Limited (<i>was iGroup 5 Limited</i>)	2001	3219

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General Portfolio Finance Limited	1988	85
GMAC-RFC Ltd (formerly RFC Mortgage Services Ltd)	1998	2015
Gracechurch Mortgage Finance plc	1991	2052
Gracechurch Mortgage Finance (no.5) Limited	1995	211
Green Park Mortgage Funding Limited	1997	2327
Halifax Loans Limited	1989	2329
Halifax Loans (No.2) Limited	1990	1388
Halifax Loans (No.3) Limited	1990	1388
Halifax Loans (No.4) Limited	1990	1388
Hanley Mortgage Services Limited	1997	945
Hinkley and Rugby Mortgage Services Limited	1997	945
HMC First Home National PLC	1989	958
HMC Group PLC	1989	958
Homeloans Direct Limited	1995	211
Household Mortgage Bridging Limited	1989	958
Household Mortgage Corporation PLC	1989	958
HSMS	1997	2327
Hyde Park Mortgage Funding Limited	1997	2327
Ipswich Mortgage Services Limited	1995	211
IGroup mortgages limited	2001	3219
igroup uk loans limited	2001	3219
Igroup2limited	2001	3219
Igroup3limited	2001	3219
Igroup4limited	2001	3219
Igroup5limited (<i>now GE Money Lending Ltd</i>)	2001	3219
LBS Insurance Services Limited	1995	211
LBS Mortgage Services Limited	1995	211
Leamington Mortgage Corporation Limited	1995	211
Leeds and Holbeck Mortgage Corporation Limited	1991	619
Leeds and Holbeck Mortgage Funding Limited	1995	211
Leek United Home Loans Limited	{1996	2479
	{1997	945
Legal and General Mortgages Limited	1995	2066
Legal and General Mortgage Services Limited	1991	619
Lombard Home Loans Limited	1985	1979
London and Manchester (Mortgages) (No.1) Limited*	1988	1726
London and Manchester (Mortgages) (No.2) Limited	1988	1726
London and Manchester (Mortgages) (No.3) Limited	1989	958
London and Manchester (Mortgages) (No.4) Limited	1989	958
London and Manchester (Mortgages) (No.5) Limited	1992	2317
London and Manchester (Mortgages) (No.6) Limited	1992	2317
London Scottish Finance Limited	2005	92
Market Harborough Mortgages Limited	1995	2066

Money Partners Limited	2005	407
Money Partners Finance Limited	2005	407
Mortgage Business Public Limited Company, The	1991	2052
Mortgage Corporation Limited, The	1989	2102
Mortgage Express Limited **	1989	958
Mortgage Funding Corporation PLC	1990	2390
Mortgage Marque Limited	1997	945
Mortgage Services Funding plc	1991	2052
Mortgage Services Limited	1991	2052
Mortgages 1 Limited	1999	2919
Mortgages 2 Limited	1999	2919
Mortgages 4 Limited	1999	2919
Mortgages plc	1989	2102
Mortgages PLC	1998	320
N & P Mortgages Limited	1995	211
N & P Mortgages Limited Series A Limited	1995	211
N & P Mortgages Limited Series B Limited	1995	211
N & P Mortgages Limited Series C Limited	1995	211
National Home Loans Corporation plc	1985	1979
National Mutual Home Loans plc	1987	1203
National Westminster Home Loans Limited	1984	1554
Newbury Mortgage Services Limited	1995	2066
Northern Rock Mortgage Services Limited	1992	2317
North Yorkshire Mortgages Limited	1992	2317
Norwich & Peterborough (AMC) Limited	1993	303
Norwich Union Mortgage Finance Limited	1991	2052
Ocwen Limited	1998	2015
Paribas Lombard Mortgages Limited	1990	2390
Pickering Finance Limited	1996	162
Platform Funding Ltd - <i>formerly The Money Store</i> (No1) Ltd	1999	320
Platform Funding Ltd - <i>formerly The Money Store</i> (No2) Ltd		320
Platform Funding Ltd - <i>formerly The Money Store</i> (No3) Ltd		320
Portman Financial and Mortgage Services Limited	1993	303
Portman Land Services Limited	1993	303
Portman Loans Limited	1993	303
Portman Mortgage Services Limited	1993	303
Post Office	1984	1554
Preferred Mortgages Limited	1997	945
Providence Capitol Home Loans Limited	1989	2102
Providence Capitol Mortgage Services (No. 1) Limited	1990	1388
Providence Capitol Mortgage Services (No.2) Limited	1989	2102

Regent's Park Mortgage Funding Limited	1997	2327
RFC Mortgage Services Limited (<i>now GMAC-RFC Ltd</i>)	1998	2015
Richmond Park Mortgage Funding Limited	2001	205
Royal London Homebuy Limited	1988	85
S.A. Mortgages No. 1 Limited	1995	211
Saffron Walden Mortgage Services Limited	1994	1762
Scotlife Home Loans (No.2) Limited	1991	2052
Scotlife Home Loans (No.3) Limited	1989	2102
Secondary Marketing Investment Conduit (No.3) Limited	1997	945
Secured Residential Funding plc	1989	2102
Silhouette Mortgages Limited	1997	2327
Skipton Mortgage Corporation Limited	1997	945
Skipton Mortgages Limited	1997	945
Skipton Premier Mortgages Limited	1997	945
Southern Pacific Mortgage Limited	1997	2327
Stroud and Swindon Mortgage Co (No.2) Limited <i>now Amber Homeloans Limited</i>	1994	1762
St. James Park Mortgage Funding Limited	1997	2327
Sun Life of Canada Home Loans Limited	1990	1388
Swift Advances plc	1996	162
Swift Securities plc	1996	162
The Money Store Limited	1998	320
The Money Store Company (No.1)Ltd <i>now Platform Funding</i>	1998	320
The Money Store Company (No.2)Ltd <i>now Platform Funding</i>	1998	320
The Money Store Company (No.3)Ltd <i>now Platform Funding</i>	1998	320
Transamerica Lending Company	1997	2327
UCB Home Loans Corporation Limited	1989	2102
Universal Credit Limited	1991	2052
Wesleyan Home Loans Limited	1989	958
West Bromwich Mortgage Company Limited	1995	2066
Yorkshire Bank Home Loans Limited	1987	1203

* Note: London and Manchester (Mortgages) Limited was named in SI.1985 No.1979, but amended to London and Manchester (Mortgages) (No. 1) Limited in the SI. 1988 No.1726.

** Bradford & Bingley Mortgages Limited and Mortgage Express Limited were re-registered at Companies House as unlimited companies on 2

September 1997. The word 'Limited' no longer forms part of their name. They retain their status as approved lending institutions.

1 REPORTING ON ANNUAL OUTPUTS

- 1.1 The RSL is required to provide the Corporation and local authorities with monitoring information on RTA transactions. With effect from April 2001 the RSL will be required to record data via the internet using the Corporation's IMS system. The RSL will be required to record all income and expenditure data concerning the Disposal Proceeds Fund, together with details of replacement properties. This annual return should be a national return for each RSL showing all RTA transactions and the required data must be input to IMS. The RSL should provide a copy of the return to each local authority in which sales have taken place.

Certifications

- 1.2 The information provided by the RSL on the annual return is the means by which the outputs will be monitored. Therefore the Corporation is reliant on RSLs certifying compliance with the RTA procedural requirements and ensuring that a print off of the annual return is shown to the RSL's external qualified auditor and signed by the RSL's authorised signatory.
- 1.3 The annual return should be completed by no later than 20 working days after the end of the Corporation's financial year to which it applies.
- 1.4 The RSL's external auditors will report on this annually in their consolidated regularity report. *See circular R2-40/98 and GENERAL-9.*

2 DISPOSAL PROCEEDS FUND (DPF)

- 2.1 Details of how to calculate contributions to the DPF, permitted uses of the DPF and accounting and administration arrangements are set out in the Disposal Proceeds Fund Section of this guide.

1 FORMS

1.1 The following forms can be downloaded from the Corporation's website.

1.2 Form RTA 1

Tenant's Notice Claiming the RTA

1.3 Form RTA 2

Landlord's Notice in Response to Tenant's Claim

1.4 Form RTA 3

Landlord's Offer Notice

1.5 Form RTA 4

Landlord's Revised Offer Notice

1.6 Form RTA 5

Landlord's Prior Notice to Complete the Purchase

1.7 Form RTA 6

Landlord's Notice to Complete