



Update on the General Consent 2008

This is the Corporation's response to feedback received during the first two months of operating the General Consent 2008.

Form HACON 6 (now re-numbered version 4.1)

Box A11 has been amended to clarify that the Corporation does not wish to see a copy of the minute from the governing body approving the charge. In box 13 of the form, an RSL should simply certify that such a minute exists.

For solicitors and finance companies dealing with the restriction on varying the terms of a shared ownership lease

The Corporation receives many unnecessary approaches about this restriction. A new link now connects to guidance on when the Corporation's consent is needed.

Valuations

RSLs may be interpreting condition 3 of Part II of the General Consent (requirement for a valuation) more strictly than the Corporation intends.

The General Consent 2008 aims to reduce paperwork whilst ensuring that, when property does need to be sold, the RSL gets the best price. Against that background, our interpretation, which we would prefer RSLs to adopt, is that:

- (a) where nil or nominal consideration is permitted, the circumstances are such that they override the objective of obtaining best price. No valuation would be needed to establish that nil was the best price in categories 7c, 8a, 8b, 8d, 10a, 10b and 10d.
- (b) In other circumstances, establishing best price is not always a relevant criteria. In category 1b, provided the valuation/price agreed for staircasing reflects the simultaneous grant of the freehold/new lease, we would not expect a separate valuation for the transfer of the freehold/grant of a new lease at nil consideration. In categories 6a, 6b and 6c, when charges are imposed to secure compliance with an agreement or to secure potential recovery of a financial input, we would consider that a valuation was not needed. In three other categories which technically may count as disposals (7e, 7g and 10f) an RSL is not really losing land and these transactions would proceed at nil or nominal consideration, for which we would not expect RSLs to obtain a valuation report.