

1. What is the purpose of this policy?

This policy ensures that bpha colleagues and customers have information around the circumstances in which bpha may consider purchasing a property (equity repurchase), or a percentage of a property (downward staircasing), from a current bpha homeowner or shared owner.

2. Who is the policy for?

This policy applies to all leasehold customers of bpha – those who have 100% leasehold interest in the property (homeowners), and those who are shared owners.

You are a **homeowner** if you have 100% leasehold interest in the property and bpha is your landlord under the lease.

You are a **shared owner** if you have a percentage of less than 100% leasehold interest in the property under the terms of your lease.

3. What are the main principles of this policy?

This policy applies only to customers of bpha.

This policy provides information to colleagues and customers in relation to both downward staircasing or equity repurchases. It ensures transparency and consistency, providing a framework to support decision making.

Downward staircasing and equity repurchase are non-mandatory and at the **discretion of bpha** (unless stipulated within our lease agreement with you).

bpha will not consider requests for equity repurchase or downward staircasing if you are in negative equity or have a higher loan to value (LTV) than when you bought the property.

4. Under what circumstances will bpha consider either downward staircasing or equity repurchase?

bpha may consider purchasing a property from a homeowner in cases of **exceptional financial hardship**; for its **own operational or strategic reasons**; or in instances whereby **building safety concerns** are preventing the customer from being able to sell their property.

If we buy your home via equity repurchase, you will have no right to repurchase and we cannot guarantee that you'll be able to continue to live in your property as a tenant.

5. If I am experiencing financial hardship, how do I know if I am eligible?

To be eligible to be considered for downward staircasing or an equity repurchase due to exceptional financial hardship, you will need to be a **current bpha shared owner**; and in contact with the **bpha Money Advice team**.

You must meet the one of following criteria:

- be able to demonstrate mortgage arrears/difficulty in paying and facing repossession by your mortgage lender;
- be able to demonstrate that that your current home, including any service charges and personal charges is unaffordable and unsustainable for you.

6. How do I get considered for downward staircasing or equity repurchase?

If the criteria for exceptional financial hardship set out above is met, bpha may consider either:

- Purchasing your home and providing you with a tenancy agreement under which you would pay bpha rent, or;
- Offering you an option to downward or ‘reverse’ staircase.

Downward staircasing is where bpha changes the terms of your lease so they have a greater ‘share’ in the equity of your home. This would mean you pay more rent to bpha, and you would be required to reduce your mortgage by any amount bpha pays to you. This is only considered an option where it is sustainable and affordable for you to remain in your current home. We would need to be comfortable that you would be able to afford the new mortgage, rent and any service charge payments.

Before we consider either of these approaches, you must also be able to show that **all other reasonable options have been exhausted**, such as mortgage holiday, extending the term of your mortgage, or selling and moving to cheaper property within a reasonable travel to work area; and/or **any proposed rental option is affordable for you** - you will need to take advice from an independent debt-counselling agency, who will advise on future sustainability and should include consideration of housing benefit eligibility.

bpha will prioritise customers who have a need to remain in their current home, for example:

- Families with young children or children in education and your home is their main residence.
- If your home has been specifically adapted or you need to stay in your home due to a disability or illness.
- You need to remain close to your support network.

In considering allocation of budget and priorities, bpha will recognise the diverse needs of its customer base to ensure that equality and inclusion is fundamental to this policy.

Each case will be considered on its individual merits.

How would this work

- You must meet our criteria and be referred by our Money Advice team. We’ll need some documents and will complete Anti-Money Laundering checks.
- You will need to engage with us, your debt counsellor, and your mortgage lender for the repurchase to be possible.
- Your lender must agree to any downward staircasing, which can only be used to help you stay in your home.

- If you have mortgage arrears, your lender may ask you to repay a shortfall. This would be your responsibility.
- We will check the estimated value of your home and whether the repurchase is affordable. If it looks possible, we'll arrange a full valuation.
- If we don't own the freehold, we may need the freeholder's approval.
- Once we have all the indicative information, it will be put forward for approval by bpha, this will be subject to agreement from your mortgage lender and market valuation. If there are significant changes during the process, we may need to gain a further bpha approval before proceeding.
- A RICS valuation will confirm the current market value of your home. You will be unable to negotiate with bpha in relation to this valuation.
- Our Property Services team will inspect your home. If repair costs are too high, we may not continue.
- If bpha is taking on repairs (equity repurchase), we may let you keep items like flooring or white goods. We'll confirm what you are responsible for.
- Once the valuation is confirmed, we'll tell you how much we can buy, how much we'll pay for the share we are buying (in line with the RICS valuation and repairs cost deduction), and any rent or service charge you'll be required to pay.
- If approved, both you and bpha must instruct a solicitor. For downward staircasing, choose a solicitor who knows shared ownership.
- You will need to pay for the valuation and your solicitor (sometimes these costs can be taken from completion funds).
- Your solicitor will pay your mortgage lender on completion.
- **If you downward staircase:** you stay a shared owner with the same rights and responsibilities.
- **If we repurchase your equity:** you will become a tenant on a starter tenancy.

7. Under what circumstances would you make a purchases for operational or strategic purposes?

bpha may also buy property for its own operational or strategic reasons. Examples of this may be where bpha wish to carry out regeneration work, or where a scheme would operate more efficiently as a rental only scheme.

Any purchase will need to align to our charitable purpose which is providing homes for those in need, due to low income, age or disability.

We may purchase properties on the open market or through negotiation and consultation with an individual homeowner. Any value agreed would need to be a maximum of the market value taking account of any potential future costs which bpha may need to incur.

8. How can further support, advice and assistance be obtained?

We are committed to providing customers with support, advice and assistance.

If you need to speak with us in relation to downward staircasing or an equity repurchase, you can contact us on 0330 100 0272 or make a request for support through the customer portal at www.bpha.org.uk/my-account/.

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Our Money Advice service provides, free and impartial help to anyone looking to improve their financial situation. You can find more information about this service by visiting <https://www.bpha.org.uk/living-in-my-home/money-matters/>. You can find our contact details by visiting <https://www.bpha.org.uk/contact-us/>, or you can call us on 0330 100 0272.

If customers have a vulnerability or require an adjustment to our services, we offer support in line with our Customer Reasonable Adjustment Policy and/or our Vulnerability Policy.

9. How will this policy be communicated to customers?

This policy is made readily available and easily accessible on the bpha website.

10. What legislative and regulatory requirements is bpha required to consider?

A range of legislation and regulation supports this policy, including: Data Protection Act (DPA) 2018; General Data Protections Guidelines (GDPR) 2018; Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017(MLR); Homes England Capital Funding Guide (CFG).

This policy supports the delivery of the Regulator of Social Housing's (RSH) Consumer Standards: Transparency, Influence and Accountability Standard.

11. How will this policy be monitored and reviewed?

This policy will be reviewed every three years, or sooner if there is a change in regulation, legislation or guidance in relation to items that this policy covers.

We will monitor performance through a range of performance indicators including the Tenant Satisfaction Measures, customer surveys and any customer complaints relating to the content of this policy.

Policy Number	Approved by	Date Approved	Policy Owner
SM029	ELT	15/01/2026	Assistant Director – Marketing and Sales