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| **Procedural Compliance****Mortgage Rescue****2011 - 15**V1.0 – June 2014 (transferred from excel format) | Description: http://www.homesandcommunities.co.uk/sites/default/files/aboutus/brand/hca_3282_sml_aw.png |
| **For use by ‘Independent Auditors’ undertaking self-assessment compliance audits under the Framework Delivery Agreement (FDA) procedures** |
| The purpose of this checklist is to identify specific checks to be undertaken in order to determine whether all procedural requirements, relevant funding conditions and FDA conditions as set out in the Affordable Housing Capital Funding Guide have been met. |
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| **Audit Year** |       | **Date of audit visit** | Click here to enter a date. |
| **Partnership / offer name** | Enter bothEnter both | **Partnership / offer I.D.** | Enter bothEnter both |
| **Lead Provider name** | Enter both | **Lead Provider HCA registration code** | Enter both |
| **Scheme name and address** |       | **Scheme IMS number** |       |
| **Interim payment event date** | Click here to enter a date.If N/A enter comment - (enter latest interim payment event recorded in IMS or N/A) | **Final cost event date** | Click here to enter a date.If N/A enter comment - (enter latest final cost event recorded in IMS or N/A) |
| **Developing Provider name** |       | **Developing Provider HCA registration code** |       |
| **Tenure of housing** | e.g. sale, rent etc. | **Development type** | e.g. newbuild, refurbishment etc. |
| **Independent auditor business name** |       | **Full contact details of checklist completer** |        |
| In addressing the checks set out below please answer either 'Yes' or 'No' as appropriate. Where checks are considered not to be applicable to the scheme then a 'No' response should be inserted and justifying comments made. The Comments box should also be used to explain deficiencies or shortfalls in supporting documentation.**The Auditors report should summarise all of the findings and instances where specific checks were considered to be not applicable.** |
| **Item** | **Timeliness of Grant Claim** | **Y / N** | **Comments** |
| 1 | Ensure the relevant procedural requirements and funding conditions outlined in the FDA, CFG and more specifically in the MRMtR / MRSE chapter/s have been met***Auditor notes****Check on file and IMS for evidence* | Choose an item. |       |
| 2 | The applicant has been assessed as eligible and has been referred to a money adviser to provide debt counselling and advice***Auditor notes****Check that a referral letter from the Local Authority is on file* | Choose an item. |       |
| 3 | An up to date financial statement from Money Advice demonstrates that mortgage rescue is potentially viable | Choose an item. |       |
| 4 | There are no outstanding charges, other than those proposed to be cleared by mortgage rescue, or ownership on the property | Choose an item. |       |
| 5 | The Money Advice Provider and the Lender have been notified of the referral to the RP provider | Choose an item. |       |
| 6 | The applicant has been allocated a named LA case-worker for liaison purposes. | Choose an item. |       |
| 7 | Applicant has a Loan to Value in excess of 90% and the LA has confirmed to the RP provider that the lender/s are willing to consider writing down overhanging debt | Choose an item. |       |
| 8 | The total household income is less than £60.000 | Choose an item. |       |
| 9 | The applicant owns the home in question***Auditor notes****Check the title of the property to ensure ownership* | Choose an item. |       |
| 10 | The applicant's lender supports the application for mortgage rescue | Choose an item. |       |
| 11 | The applicant is in priority need and eligible for homelessness assistance; and the local authority has statutory duty to house them when homeless. | Choose an item. |       |
| 12 | The Loan to Value of all debt secured on the property does not exceed 120% and is no less than 75% of the value of the property***Auditor notes****Check against final valuation* | Choose an item. |       |
| 13 | The applicant has a maximum initial equity of 40% and a minimum of 25%***Auditor notes****Check against final valuation* | Choose an item. |       |
| 14 | A request has been made to the applicant's lender to freeze the interest and any repossession action | Choose an item. |       |
| 15 | The provider has referred the applicant to an FSA approved financial adviser***Auditor notes****Check that the local authority referral letter is on file* | Choose an item. |       |
| 16 | An Assured Shorthold Tenancy agreement granted at intermediate rent for a 3 year fixed period signed and dated at the point of completion is on file***Auditor notes****Ensure the agreement is on file signed and dated* | Choose an item. |       |
| 17 | The applicant has made an equity contribution of • 3% of the value of the property (equity loan option)• 10% of the value of the property (mortgage to rent option)***Auditor notes****Ensure that the correct equity contribution percentage has been applied by checking the scheme files and IMS* | Choose an item. |       |
| 18 | The property in question meets the HCA procedural criteria with respect to mortgage rescue principles | Choose an item. |       |
| 19 | The provider has claimed for repairs and a certified estimate of the cost and grant split of repairs to bring the property up to decent homes standards is on file***Auditor notes****Check the estimate/invoice against IMS to ensure any grant funding is within the estimated costs* | Choose an item. |       |
| 20 | The 'Energy Performance Certificate' for the property in question is on file***Auditor notes****Ensure the certificate was obtained before the commencement of the tenancy* | Choose an item. |       |
| 21 | Mortgage Rescue is a permissible purpose of the RP in question as set out in their rules. The Statutory Instrument 1999 No. 985 (Social Landlords (Additional Purposes or Objects) Order) refers.***Auditor notes****Check the RSL rules* | Choose an item. |       |
| 22 | A full and valid valuation at market value based on vacant possession is on file***Auditor notes****Ensure the valuation was carried out by an independent RICS accredited valuer; check data input in IMS is correct* | Choose an item. |       |
| 23 | The market value of the property in question is within the regional property cap as set out by the Agency***Auditor notes****When property value in IMS exceeds the published regional cap ensure HCA approval evidence is on the scheme file and a relevant record of decisions entered in IMS to justify the variation. The regional property value caps are published in the AH CFG Property Value Caps chapter 5.2* | Choose an item. |       |
| 24 | The total grant claimed in IMS is in accordance with documentary evidence on the property file***Auditor notes****Check that the IMS data entered in the payment calculation screen matches documentary evidence of file* | Choose an item. |       |
| 25 | The provider holds a current Consumer Credit Licence issued by the OFT***Auditor notes****Ensure that the OFT section 60 (3) Direction is relevant to the Equity Loan Mortgage Rescue product* | Choose an item. |       |
| 26 | Copy of NHBC or equivalent insurance (in cases of newly built properties) | Choose an item. |       |
| 27 | Have the special conditions shown in IMS been complied with***Auditor notes****Check details on paper file against data entered in IMS approval screen* | Choose an item. |       |
| 28 | The provider has complied with the advertisement regulations issued under the Consumer Credit (Advertisement) Regulations (2004) | Choose an item. |       |
| 29 | The RP lodged a claim in IMS after receiving confirmation from the lender that it had issued consent to register a charge and had received a Certificate of Title and appropriate undertakings from the applicant's solicitor***Auditor notes****Check for evidence on file and IMS that grant was paid to the RP on or after the charge was granted to the RP* | Choose an item. |       |
| 30 | The RP lodged a grant claim in IMS on/after exchange of contracts***Auditor notes****Check that the grant was not paid in advance of the completion event* | Choose an item. |       |
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| **Independent Auditor (IA) signature** | Checklist completer | **Date** | Click here to enter a date. |
| **IA in charge** | Authorised signatory | **Date** | Click here to enter a date. |