

Home Loans Partnership

Providing a helping hand to
homeowners in the North East

North East Private Sector Housing Renewal Financial Assistance Policy

1st April 2015 – 31st March 2019

Version 20.1

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Introduction

Background

- 1.1. This document sets out the approach in the North East to the provision of financial assistance. The Policy complements the range of measures employed by the Council, aimed at improving and maintaining healthy and safe living conditions within the existing housing stock and specifically seeks to help homeowners to improve, repair and adapt their properties. Whilst the Policy will target assistance at those who are elderly, disabled or on a low income, assistance will also be targeted at preventing decline within neighbourhoods in need of support.
- 1.2. The Policy has been produced to reflect the provisions of the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002. This Order repealed much of the existing prescriptive legislation governing the provision of grants and replaced it with a more general power to provide a range of forms of assistance.
- 1.3. The Policy includes financial assistance for housing related purposes that is provided by the Council in accordance with the Local Government Act 2000. This is sometimes referred to as the 'Wellbeing Power'.
- 1.4. The Policy includes a range of loan assistance types, and places emphasis on testing a client's ability to contribute to the cost of works. This is in line with the Government's view that "*it is primarily the responsibility of homeowners to maintain their own property*"¹, and with the Council's commitment to ensure that limited public resources are used responsibly. The Policy follows the principles of loan first, grant last resort, and focuses on providing financial options for those who are excluded from mainstream sources of finance whilst supporting both national and local initiatives to bring empty properties back into use. The combination of loan and grant products and the ability of the policy to tailor financial assistance to meet individual needs, will contribute to the sustainability of the Financial Assistance Policy in the longer term.
- 1.5. This Policy sets out the advice, practical support, and loan and grant assistance, that is available, together with the eligibility criteria and the conditions that will be applied and brings together assistance which is made under alternative statutory powers such as the provision of mandatory Disabled Facilities Grants under the Housing Grants Construction and Regeneration Act 1996 (as amended).
- 1.6. Include here reference to regional and sub regional Housing Strategy, illustrate linkages with relevant local policies including Community Safety Strategy, Older Person Strategy, those relating to Sustainable Communities, any local corporate plan, or Council 'Vision'.

¹ Office of the Deputy Prime Minister Circular 05/2003 "*Housing Renewal*".

Funding

2.1 The award of any loan or grant under this Policy is subject to the availability of funding having regard to the capacity of the Capital Investment Programme approved budget and this may vary on an annual basis. All loans and grants (excluding Mandatory Disabled Facilities Grant) are provided at the discretion of the Council. Priority for assistance will be given to those households living in the poorest economic circumstances, in the worst housing conditions, or in areas specifically designated by the Council which may be in line with wider Regeneration priorities.

Delivery

3.1 This policy has effect from 1st April 2015. The Council is a member of the NE Home Loans Partnership, with each of the other 11 north east councils. Together the Councils have put in place a mechanism for the delivery of loans that takes advantage of scale, to facilitate the increased recycling and reinvestment of funds into remedying poor housing conditions. Through effective joint delivery across the region, and the building of a worthy track record of the provision of loan assistance, the Policy will become increasingly self-sustaining over time, and will seek to attract private finance. This will enable the scale of help offered by the council to grow.

3.2 In relation to helping those affected by Council plans for demolition to relocate, where programmes of private property acquisition have already begun and not been completed at the time of approval of this Policy, the Council may use discretion to continue to apply the financial assistance principles that were applicable prior to the approval of this policy for existing acquisition programmes to ensure that affected residents are treated fairly and equally. The assistance available within acquisition programmes will be made clear to residents affected.

3.3 The policy will be subject to continuous monitoring and an annual review to ensure that it remains suitable and is contributing to achieving strategic housing objectives in the most effective way. An assessment of the outputs and the outcomes achieved by the Policy will be made. These will include, among others; the number of households supported in carrying out repairs, improvements or adaptations using their own resources, and an examination of whether their increased confidence as a result of practical support through the process would make them more likely to carry out further works, and the number of households who have been able to continue living independently after receiving assistance. Where certain changing circumstances have a significant impact on the operation of the policy, necessary changes will be made to the policy. Changes could include financial limits, changes in legislation, and changes in local or national housing policies. Changes that will affect the financial assistance types, eligibility for financial assistance, or the conditions associated with assistance and that will prevent local authorities across the NE Home Loans Partnership from operating on an equal footing will be examined at a regional level. All changes will be subject to local Cabinet approval.

Where assessment shows that the Policy is operating satisfactorily and that no changes are required, the relevant Council Cabinet Member will be provided with a progress update.

Consultation

- 4 The policy has been produced following consultation with...
Consultation will be tailored to each Local Authority's local requirements.

Objectives of the Policy

5 The Policy has a number of objectives, which are:

5.1 To improve and maintain healthy living conditions within private sector housing, specifically helping homeowners on limited incomes to repair, improve or adapt their properties and so facilitate independent living;

This may include;

- Advice, guidance and financial assistance to tackle the existence of Category 1 Hazards under the Housing Health and Safety Rating System (HHSRS); the minimum standard for housing and to improve homes to meet the Decent Homes Standard, giving priority to people with disabilities, older people and those who are on low incomes, who are otherwise excluded from accessing reputable forms of finance. Assistance towards a Standard that is either higher or lower than the Decent Homes Standard may sometimes be appropriate. For details of the Decent Homes Standard, and works that may be assisted see Appendix A.
- The provision of mandatory disabled facilities grants, and financial help for people with impairments to move to alternative private or affordable housing when their existing homes are unsuitable for adaptation or to assist with the funding of adaptations that exceed the mandatory disabled facilities grant limit.
- Financial Assistance towards the conversion of properties into larger family homes to meet local housing need

5.2 To contribute to the regeneration of areas suffering from market vulnerability, and to tackle poor housing conditions in areas where these may contribute to neighbourhood decline;

This may include;

- Tackling low confidence in neighbourhoods through the provision of financial assistance towards works to improve the visual appearance or security of homes
- The provision of financial assistance towards works that will enable problematic empty homes to be brought back into use.
- Financial assistance to encourage tenure change in areas where the number of rented properties is disproportionately high, and where this is linked to a poor perception of the area. This may include provision of assistance to first time buyers.
- Financial assistance to help those affected by the Council's plans for property clearance to relocate to a more suitable home and to improve the replacement home to a Decent Standard if this is required.
- Financial assistance to encourage the improvement of privately rented properties beyond statutory minimum standards.

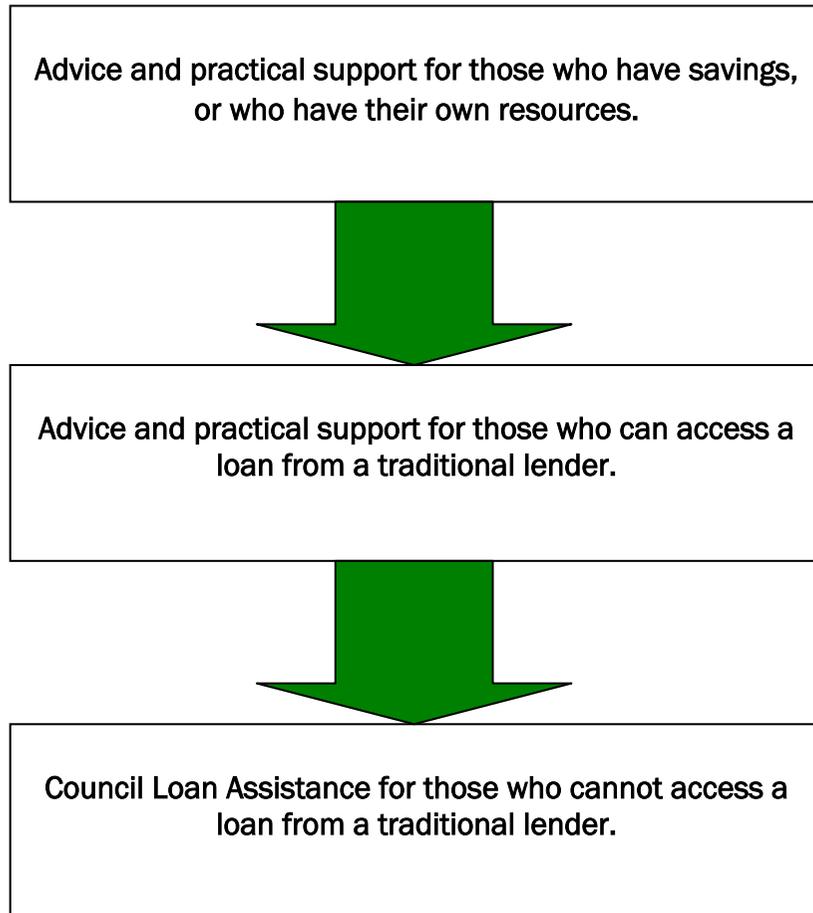
5.3 To encourage owners to undertake works that will make their homes more energy efficient and to reduce the number of people affected by fuel poverty.

This may include;

- Contributing to the costs of measures that will enhance thermal comfort through local 'Warmzone' or other Energy Efficiency schemes where these exist, particularly where a client is eligible for assistance from 'Warm Front', but is unable to afford their Client contribution.

Advice, Practical Support and Financial Assistance

- 6 This chapter of the policy sets out the types of assistance that are available, and explains in more detail the ‘hierarchy of assistance’ around which this Policy is based;



6.1 Advice and Practical Support

6.1.1 In Partnership with local Home Improvement Agencies where these exist, advice is available to all Clients to enable them to make informed choices about the options available to them for home improvements, adaptations and relocation. Specifically in relation to how to;

- Identify what works are required to repair or improve the home
- Personally carry out home maintenance, preventative and improvement works or access the local ‘Handy Person’ Service where this exists and they are eligible for help;
- Understand what the work may cost if a contractor is required, and consider the options for funding the work, this may include helping to consider charitable or family funding, use of insurance cover, or how an Independent Financial Advisor may be able to help, and sign posting to suitable local firms;
- Select a contractor to carry out the works, including the provision of a list of suitable designers, contractors and agents.
- Decide whether staying put or relocation offers the better solution for their circumstances

6.1.2 Where a Client is eligible for financial assistance toward the cost of work (this is explained in Chapters 7 and 8), the Council in partnership with the Home Improvement Agency will make sure that all work is carried out to a high standard, by inspecting the work and communicating with the contractor.

6.1.3 If a Client is able to fund the cost of the work, but requires further support to obtain and assess estimates, and to select, appoint and manage a contractor, a Project Management Service may be available for a small fee.

6.2 Financial Assistance

6.2.1 Information from the client relating to their finances and the works they require financial assistance towards will be used to determine the type and level of assistance (if any) that would be most appropriate to suit their personal circumstances.

6.2.2 This affordability test includes consideration of income, such as any salary and benefits that are received, and outgoings, such as an existing mortgage, any loan repayments as well as living costs. Living costs may include the cost of household bills and running a car. These costs will help the Council to calculate whether the Client might be able to access a loan from a bank or building society or whether the Client could reasonably make repayments on any loan that the Council may be able to provide. A property valuation may also be undertaken in order to assess the potential for releasing the value of any equity.

6.2.3 Where the test determines that a client has sufficient income or equity to meet the cost of the works from a mainstream source they will be offered information and practical assistance to help them to carry out any works that are required, or to move home if appropriate. They will not be eligible for financial assistance from the Council.

6.2.4 Clients whose financial circumstances exclude them from accessing finance from a mainstream source shall, subject to the availability of funds, be considered for the forms of financial assistance from the Council contained within sections 7 and 8 below. In order to ensure that any lending is responsible, access to Independent Financial Advice may also be made available to help a client to choose the most suitable means of funding the cost of work required.

6.2.5 In order to increase the number of empty homes brought back into use Councils are encouraged to work with property owners to offer appropriate advice and financial assistance to make it a viable proposition for properties to be brought back into use. Where empty properties are having a negative affect on the community and it is not financially viable to bring the property back into use financial assistance may be provided without a full test of financial resources.

6.2.6 The hierarchy of assistance will not apply to the following forms of assistance, though they each have specific eligibility criteria;

- Mandatory Disabled Facilities Grant.
- Area/Theme Based Assistance.
- Empty Property Assistance.

Loan Assistance

7 Financial Assistance Loans

The Council offers 3 types of loans: -

- Repayment Loan (Capital and Interest)
- Equity Loan
- Interest Free Loan

A combination of loans, or a combination of loan and other assistance may be required to suit a Clients individual financial circumstances.

Loan	Eligibility	What can the loan be used for?
<p><u>7.1 Capital and Interest Repayment Loan</u></p> <p>This is a loan, for Clients who are able to make monthly repayments. The interest rate will be fixed, so that the monthly repayment will always be the same, and the amount of interest that will be charged will be known to the Client at the beginning of the loan. The monthly repayment will consist of an interest payment, and a reduction in the amount of capital owed. This means that with each payment the interest is recalculated, the fairest way of charging interest.</p> <p>Clients can borrow between £500 and £15,000, over a term of 1-15 years.</p> <p>The repayment period will depend upon the circumstances of the individual, and the amount borrowed. The Council will use the affordability test to make sure that monthly repayments will be affordable – no more than one third of the monthly disposable income, and will provide help and support should the client experience difficulty in meeting repayments.</p> <p>Loans will be secured with a legal charge against the home.</p>	<p>This loan is available to Clients who own their own homes but who are unable to access a loan from a commercial lender, but who are able to make regular repayments.</p> <p>The loan will also be available to landlords for the following purposes;</p> <ul style="list-style-type: none"> • To carry out works of repair to privately rented properties, where the landlord is unable to access a commercial loan on reasonable terms, but who is able to make regular repayments. The landlord's financial 	<ul style="list-style-type: none"> • To carry out works that will contribute to the Decent Homes Standard. • To assist a Client to make their contribution towards works funded by a mandatory Disabled Facilities Grant, to pay for works which are eligible for mandatory Disabled Facilities Grant but where their cost exceeds the maximum limit of £30,000, to pay for works which facilitate independent living, but which are not eligible for mandatory Disabled Facilities Grant, or to purchase a home that meets their needs, or can be more easily adapted. For more detail on using the loan to move house see Appendix B. • To assist a Client who is not able to make their contribution towards a Government funded Energy Efficiency

<p>There will be no penalties should the client be able to overpay, or repay the loan early in full. This means that repaying the loan early will reduce the amount of interest paid, and so the total amount paid back.</p>	<p>circumstances will be taken into account in determining his eligibility. These will include an assessment of disposable income and the value of any assets. This may be made available to help to improve homes only within specific neighbourhoods.</p> <ul style="list-style-type: none"> • Only 1 loan will be available to a client for each of these purposes within a five year period. 	<p>Scheme. The loan may also be made available as part of a locally operating energy efficiency scheme, but may be subject to restrictions in the amount that is available to borrow.</p> <ul style="list-style-type: none"> • To carry out works of repair to privately rented properties.
<p>7.2 <u>Equity Loan</u></p> <p>This loan will meet the needs of Clients who do not have sufficient income to make monthly repayments on a loan, but have equity in their property. No monthly repayments are required.</p> <p>For the purposes of;</p> <ul style="list-style-type: none"> • repairing, improving or adapting the home, Clients can access 80% of the available equity in their home • relocating to a replacement home, Clients can access 50% of the available equity in the replacement home. <p>Subject to the value of the available equity, Clients can borrow between £500 and £35,000.</p> <p>In certain circumstances, particularly where Clients are relocating to a replacement home, may have been living in overcrowded conditions, or wish to move into a home which had previously been empty for more</p>	<p>This loan is available to Clients who own their own homes and who;</p> <ul style="list-style-type: none"> • are unable to access a loan from a commercial lender on reasonable terms, • are unable to make monthly repayments on a Capital and Interest Repayment Loan and • have equity in their homes. <p>The loan will also be available to landlords for the following purposes;</p> <ul style="list-style-type: none"> • To carry out works of repair to privately rented properties, where the 	<ul style="list-style-type: none"> • To carry out works that will contribute to the Decent Homes Standard. • To bridge the gap between the value of the current home and the cost of a replacement where the Client is affected by Councils plans for property demolition (see Grant Assistance for other Relocation Support). The Equity Loan may not be available should the Client choose to move outside of a set geographical area. This area will be clearly defined by the Council and the information made available to affected residents • To assist a Client to make their contribution towards works funded by a mandatory Disabled Facilities

<p>than 6months, and was in a poor condition, a larger loan than the maximum of £35,000 may be available at the discretion of the Council, subject to the amount of available equity in the replacement home.</p> <p>Repayment of the Loan: The amount of loan will be translated into a percentage of the property value at the time the loan is approved. This percentage will be used to calculate the amount to be repaid, at the time that the property is sold and the loan repaid. This will require the property to be valued at the beginning, and at the end of the loan period.</p> <p>The following rules apply in relation to calculating the amount to be repaid, but would be subject to review at the time the loan is repaid should they cause the Client to be placed in unreasonable hardship;</p> <ul style="list-style-type: none"> • The minimum amount repayable will be the amount borrowed. This may cause difficulty should the property have decreased in value. • There will be no cap on the amount to be repaid. Should the property value increase significantly, so will the amount to be repaid. Any appreciation in value of the property will be shared with the Council in accordance with the original loan as a percentage of the property value at the time that the loan is repaid. <p>Repayment will be required on sale, disposal of the property, or upon the death of the Client. (For more information see 'Financial Assistance Conditions')</p> <p>Should the Client wish to repay the loan (or part of the loan) at any time before the property is sold, the amount to be repaid will be calculated using the value of the home at that time. There will be no early redemption charges.</p>	<p>landlord is unable to access a commercial loan on reasonable terms, is unable to make monthly repayments on a Capital and Interest Repayment Loan, but that has equity in the rented property. The landlord's financial circumstances will be taken into account in determining his eligibility. These will include an assessment of disposable income and the value of any assets. This may be made available to help to improve homes only within specific neighbourhoods.</p> <ul style="list-style-type: none"> • Only 1 loan will be available to a client for each of these purposes within a five year period. 	<p>Grant, to pay for works which are eligible for mandatory Disabled Facilities Grant but where their cost exceeds the maximum limit of £30,000, to pay for works which facilitate independent living, but which are not eligible for mandatory Disabled Facilities Grant, or to purchase a home that meets their needs, or can be more easily adapted. For more detail on using the loan to move house see Appendix B.</p> <ul style="list-style-type: none"> • To assist a client who is not able to make their contribution towards a Government funded Energy Efficiency Scheme. The loan may also be made available as part of a locally operating energy efficiency scheme but may be subject to restrictions in the amount that is available to borrow. • To carry out works of repair to privately rented properties
<p>7.3 Interest Free Loan</p> <p>This loan will meet the needs of clients who do not have sufficient income to make monthly repayments on a loan, and do not have</p>	<p>This loan is available to Clients who: -</p> <ul style="list-style-type: none"> • Are unable to access a commercial loan on 	<ul style="list-style-type: none"> • To carry out works that will contribute to the Decent Homes Standard. • To assist an applicant to make their contribution towards works funded

<p>sufficient equity in the home. No interest is charged and no monthly repayments are required.</p> <p>The loan is secured against the home and repaid to the Council when the home is sold.</p> <p>The maximum loan is £35,000.</p>	<p>reasonable terms and for whom a Repayment and Equity Loan from the Council is also either unsuitable, or insufficient to cover the cost of the works that are required.</p> <ul style="list-style-type: none"> • This assistance will not be available to properties affected by Council plans to demolish homes. <p>The loan will also be available to landlords for the following purposes;</p> <ul style="list-style-type: none"> • To carry out works of repair to privately rented properties, where the landlord is unable to access a commercial loan on reasonable terms, is unable to make monthly repayments on a Capital and Interest Repayment Loan, but that has no equity in the rented property. The landlord's financial circumstances will be taken into account in determining his eligibility. These will include an assessment of disposable income and the value of any assets. This may be made available to help to 	<p>by a Disabled Facilities Grant, to pay for works which are eligible for mandatory Disabled Facilities Grant but where their cost exceeds the maximum limit of £30,000, to pay for works which facilitate independent living, but which are not eligible for mandatory Disabled Facilities Grant, or to purchase a home that meets their needs, or can be more easily adapted. For more detail on using the loan to move house see Appendix B.</p> <ul style="list-style-type: none"> • To assist a client who is not able to make their contribution towards a Government funded Energy Efficiency Scheme. The loan may also be made available as part of a locally operating energy efficiency scheme but may be subject to restrictions in the amount that is available to borrow. • To carry out works of repair to privately rented properties
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	<p>improve homes only within specific neighbourhoods.</p> <ul style="list-style-type: none">• Only 1 loan will be available to a client for each of these purposes within a five year period.	
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For Examples of how the loans work, see Appendix C.

Other Assistance

8. Other forms of assistance are available for the purposes detailed below. In most circumstances these will be subject to a financial test of resources, and will always be subject to the budget that is available.

Type of assistance	Eligibility	Conditions
<p>8.1 <u>Disabled Facilities Grant</u></p> <p>This mandatory grant can be used for works that enable a client to live independently in their own home by providing suitable adaptations to meet their specific needs. The needs will be assessed by an Occupational Therapist and works agreed. For more guidance on works that may be eligible for assistance see Appendix B.</p> <p>A maximum of £30,000 is available.</p>	<p>This grant is available to:</p> <ul style="list-style-type: none"> • All owner-occupiers and tenants (private, Council or Housing Association), licensees or occupiers who are able to satisfy the criteria in sections 19 to 24 of the Housing Grant, Construction and Regeneration Act 1996. • Landlords may apply for a DFG on behalf of a disabled tenant but must satisfy the requirements in the relevant sections of the above Act. • A grant is available when the cost of the works required exceed the value of a contribution that the applicant must make following a means test. • For those disabled people whose conditions are degenerative, further adaptations to the home to cater for their deteriorating condition may become necessary at a later date. In such cases and depending on the time lapse between the successive applications, the amount of an applicant's current contribution may be reduced by the amount paid towards previous grant assistance. 	<ul style="list-style-type: none"> • The Client must undergo a means test, unless the grant is for a disabled child. This will take into account the resources of the disabled occupant, and their partner. • Should the grant have been used to carry out works that increase the size of the living accommodation in the property, and should the property be sold within a period of 5 years following the completion of the work, part of the grant must be repaid to the Council. (For more information see conditions.) • In some cases the cost of the works may be covered either by an insurance payment or a claim against a third party. The Council believes that it is appropriate for the authority to give grant aid to ensure the works are completed at the earliest opportunity. However where the grant applicant subsequently receives a payment from an insurance or damages claim in

	<ul style="list-style-type: none"> • Properties where planning and conservation restrictions and architectural and structural characteristics allow works to be carried out. • Council or Housing Association tenants where no offer has been made of an alternative property that meets their needs. 	<p>respect of the grant aided works then he should repay the authority the grant, so far as is appropriate, out of the proceeds of any claim.</p> <ul style="list-style-type: none"> • Where the grant has been used to provide specialist equipment such a stair lift, temporary ramps and hoists, the Council shall be given the option to recover the equipment for re-use where appropriate if the applicant no longer has a use for it.
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<p>8.2 Relocation Assistance</p> <p>This package of assistance consists of:</p> <ul style="list-style-type: none"> • Market value compensation for both owner-occupiers and for landlords • A Home Loss payment based on 10% of the property value for owner-occupiers with a minimum payment of £4,700 (or the current statutory minimum payment) and a maximum of £47,000 (or the current statutory maximum payment). • A home Loss payment of £4,700 for all Tenants whose homes are purchased by the Council. • A Disturbance Payment that should cover all reasonable expenses arising from re-location. Payment is based on proof of purchase provided by the resident. • A Basic Loss payment of 7.5% of the property value for landlords. • A discretionary Relocation Grant to enable a person affected by relocation to move to a suitable home. The maximum relocation grant available is £25,000. 	<p>The assistance is available to:</p> <ul style="list-style-type: none"> • All residents and property owners affected by the Councils plans to demolish homes. • This discretionary Relocation Grant is available to Clients who own their own home but who are unable to access the Equity Loan to assist them to relocate. A Discretionary Panel will take into account all or a combination of the following factors; • The availability of suitable housing. • The current market value of the existing property to be demolished. • The current market value of the proposed new property, identified by the Client • The existing mortgage terms and conditions. • The cost of funding any alterations to the new property. • The funding of any shortfall between the new and old property. • The equity in the existing property. • The mortgage rearrangement costs. • Any other exceptional circumstances deemed necessary by the Discretionary Panel. 	<ul style="list-style-type: none"> • The assistance is available at the time that the Council purchases the property. • Relocation Grant may be unavailable should the Client choose to move outside of a set geographical area. This area will be clearly defined by the Council and the information made available to affected residents.
<p>8.3 Area/Theme Based Assistance</p> <p>Financial Assistance is available for works which will enhance confidence and perception of specific Neighbourhoods within the area.</p> <p>As the needs of each area are identified, a</p>	<p>Assistance will usually be available;</p> <ul style="list-style-type: none"> • Within specific neighbourhoods that require support, in accordance with the Councils plans, produced in conjunction with local people, for comprehensive improvement of the area. 	<ul style="list-style-type: none"> • The grant/loan condition period is up to 5 years, and will begin upon approval of the financial assistance. If the property is disposed of during this period, then payment of the financial assistance will be required to be paid back in accordance with a

<p>range of renewal assistance may be available which may include the following:</p> <ul style="list-style-type: none"> • Schemes designed to tackle specific issues, such as prevention of crime, or particular housing defects affecting a number of homes • Block improvement or Facelift schemes <p>A contribution from the owners towards the works is normally required. The contribution will be specified for each scheme.</p> <p>A financial test of resources may be available to owner occupiers to assess their ability to make a contribution.</p>	<ul style="list-style-type: none"> • Both owner occupiers and, within block schemes, landlords who employ good management practices. • The assistance will be based upon the type of works involved, the tenure of the property and financial resources available to the owner occupier. 	<p>sliding scale of repayment. (For more information see conditions).</p> <ul style="list-style-type: none"> • Where the property is let to a tenant, the landlord must ensure that the property meets any local 'Accredited Standard' and that he becomes a member of any local Landlord Accreditation Scheme. This standard and membership should be maintained throughout the grant condition period of 5 years. This standard will be agreed with the landlord prior to approval of the financial assistance.
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8.4 Empty Property Assistance

Financial Assistance may be available to owners of empty properties for works which will bring the property up to a Decent standard, Accreditation standard or as a minimum to remove all category one hazards present. (See appendix A).

This form of assistance may also be available for conversion works to the same standard for;

- A pair of vacant flats into a single property
- A vacant shop with a flat attached, to a single property

Assistance towards the cost of eligible works may be available in the form of;

- Repayment Loan (Capital and Interest) up to a maximum of £15,000
or,
- Equity Loan up to a maximum of £35,000 (maximum of 80% of available equity). *Note – Where an applicant is unable or unwilling to demonstrate an ability to make repayments required for a Repayment Loan only an Equity Loan can be offered*
- In addition, Interest Free Loans to fund a maximum of 50% of the cost of works up to £35,000 may be offered.

Assistance will usually be available where the property has been empty for at least six months and;

- The property owner cannot afford the works from their own finances, and cannot access a loan from a bank, building society or other reputable lender to help pay for the works, or
- The works would not be financially viable without assistance from the Council.

In determining eligibility the Council may also consider;

- Evidence of local need and the negative affect of the long term empty property.

Where the property is to be let preference may be given to;

- Existing members of approved local Landlord Accreditation Schemes
- Landlords offering low rental charges
- The offer of nomination rights to the Council

To fund works that will enable an empty property to be brought back into use, or to help to reduce high density housing through conversion works to provide larger family homes.

Where the property is to be let to a tenant, the landlord must ensure that the property meets any local 'Accredited Standard' and that he becomes a member of any local Landlord Accreditation Scheme. This standard and membership should be maintained throughout the loan condition period. This standard will be agreed with the landlord prior to approval of the financial assistance.

Financial Assistance Conditions

10 Conditions that apply to all forms of Financial Assistance

- Financial Assistance will not be paid for works that have already begun prior to approval.
- Where the word 'sold' appears in relation to a change of ownership of the property and a condition applies, the condition will also apply should the property be disposed of, assigned, transferred or otherwise, including the transfer to family members, or is no longer occupied by the Client as principal residence.
- There is a limit to the number of loans available to a client within a particular time period, these are set out in section 7 above. However should multiple enquiries be received from the same client, the council may make further a second loans available to a client if it is appropriate to do so. The council will not provide a second loan that compromises the ability of the homeowner to repay an original loan provided by the council.

11 Prior to the Works

11.1 The Applicant

- a. The applicant must be the homeowner, i.e. be the person named on the mortgage or deeds of the property at the time the assistance is received and in relation to assistance for the purposes of Disabled Facilities must sign either an;
 - "Owner-occupation Certificate". This document certifies that the applicant intends that he or a member of his family will live in the property as his (or that member's) only or main residence until the assistance is repaid (or until the end of the Grant Condition Period for Area Based Assistance), or a;
 - "Certificate of Intended Letting". This document certifies that the applicant intends that the property will be let or available for letting, for use as a residence (and not for a holiday) to a person who is not a member of the owner's family until the assistance is repaid, (or until the end of the Grant Condition Period for Area Based Assistance).
- b. The applicant must have owned the property for a period of 12 months prior to the date of the application for assistance. This will not apply to applicants for 'Area/Theme Based Assistance', Empty Property Assistance, Disabled Facilities Grants, or to loans or discretionary Grant Assistance for the purposes of Disabled Facilities.
- c. The applicant must be aged 18 years or over on the date of application;
- d. A loan or other form of financial assistance under this Policy will only be available to people who have a right to live in the United Kingdom, whether as a citizen of the UK or a person with indefinite or exemplary leave to remain. An applicant who has leave to remain in the Country subject to a condition that they do not have recourse to public funds will **not** be eligible for assistance under

this policy.

- e. The applicant must not be discharged bankrupt.
- f. County Court Judgements will be taken into account when determining eligibility for assistance.
- g. The Applicant must not be in arrears to the Council at the time of application. The nature of the arrears and progress being made by the Applicant to repay these will be taken into consideration. Arrears may include those that result from a failure to pay Council Tax, or charges incurred by the Council through the carrying out of works in default following enforcement action.

11.2 The Property and the Works

- a. The property must be registered with Land Registry prior to approval of the application for assistance.
- b. The works that are eligible for assistance, the Client Contribution, and the contractor that will carry out the works must be agreed with the Council. Should the Council have in place any local 'approved contractor' system, then financial assistance will only be provided in accordance with this system. Should this system be in place, the Client Contribution will be required to be paid to the Council prior to commencement of any works.
- c. Should works that were unforeseen at the time of the approval of the financial assistance be identified while the works are being undertaken, financial assistance towards the additional cost will be considered in accordance with the hierarchy of assistance included within Section 6 (except for mandatory DFG Grant or a loan for the purposes of disabled facilities). This means that the Clients will be required to pay for such works themselves unless they are able to demonstrate that they do not have the resources available. Should additional financial assistance be appropriate, the hierarchy of Repayment Loans first, Equity Loan second, and Interest Free Loan last principle described in section 7 will be applied. Should the additional financial assistance required cause the maximum amount of financial assistance available to be exceeded, the Council may use discretion through normal decision making processes to approve the increased amount.
- d. Should works that were unforeseen at the time of the approval of the financial assistance be identified during delivery of assistance for disabled facilities, financial assistance in the form of further mandatory DFG, or Interest Free Loan towards the additional cost will be considered. Other Loan Assistance will not be considered.

11.3 The Application

- a. An application must be made on the application form provided for that purpose. The Council will only consider a valid application for assistance. A valid application is one where the following documents are submitted:
 - o A correctly completed application form and any supporting documentation
 - o in relation to assistance for the purposes of Disabled Facilities either a certificate of owner occupation, or a certificate of intended letting or a tenant's certificate
 - o Proof of title where applicable
 - o Authorisation from the owner of the property if a third party is acting agent in the application. This can be in the form of an authorisation letter, power of attorney or similar
 - o Completed form of Technical and Administrative Services Charges (except in cases where either a home improvement agency, such as XXX, is assisting the application or where scheme waiver is in existence)

- Any relevant reports as requested by the Schedule giving the particulars of the relevant works
 - At least two sets of estimates (assistance to obtain these may have been provided by the Council or its Home Improvement Agency Partner). Should the Council have in place any local 'approved contractor' system, then estimates should have been obtained using this system.
 - Details of preliminary or ancillary services or charges
 - Other prescribed particulars
- b. The applicant shall be required to enter into a contract with the Council.
- c. The Council will determine an application within 6 months of receipt of a valid application. The applicant will be informed in writing of the approval or refusal of the application.

12 Carrying Out and Completing the Works

12.1 The eligible works should be completed within six months from the date of approval of the application. The Council may extend this period if they feel it is necessary, upon written request from the applicant;

12.2 Where the work has begun and not been completed within the time allowed in accordance with terms of the approval of the assistance and the Council has incurred costs including any interim payments or additional costs, the Council may recover these from the applicant. Where the applicant fails to fully reimburse the Council, and a charge was not already in place the Council shall place a charge on the property for any outstanding amount plus any interest accrued from that date;

12.3 The works that are eligible for assistance must be completed to the satisfaction of the Council and carried out in accordance with any specification imposed by the Council

12.4 The council should be provided with an acceptable invoice, demand or receipt for payment from the agreed contractor. For this purpose an invoice, demand or receipt is acceptable if it satisfies the Council and is not produced by the applicant or a member of his/her family.

12.5 It will be a condition of assistance that the property must be insured and properly maintained. If this condition is not met or adhered to during the period until the assistance is repaid, (or until the end of the Grant Condition Period for Area Based Assistance) it will be a breach of the conditions of assistance; a copy of the buildings insurance certificate may be requested annually by the council.

13 After the works

13.1 The property should be kept properly maintained. If this condition is not met during the period until the assistance is repaid, (or until the end of the Grant Condition Period for Area Based Assistance) - the Council may treat this as a breach of conditions.

13.2 It is the responsibility of the applicant to demonstrate that the conditions of the financial assistance are being adhered to. If the Council requests any information in relation to the conditions in writing and the applicant fails to supply the information, then the Council may deem this as a breach of the financial assistance conditions; in particular the Council may by written notice require the owner to provide within 21 days a statement showing how the property is occupied;

13.3 The property must not be left empty for any appreciable length of time until the assistance is repaid, (or until the end of the Grant Condition Period for Area Based Assistance). An extended period of vacancy may be construed as a breach of conditions and the council may recover the financial assistance from the applicant. In relation to Empty Property Assistance the property must be

occupied within three months of the works being completed and must not remain unoccupied for any more than three months in each year of the term of the loan. The applicant should notify the Council in writing of any extended period of vacancy of over 6 weeks in duration;

13.4 Should the application have been on the basis that the applicant was an owner occupier, the property should remain the principal residence of the Client (or a member of his family in accordance with the terms of the owner occupation certificate) until the financial assistance is repaid (or until the end of the Grant Condition Period for Area Based Assistance). Should the property be subsequently let to a tenant before the assistance is repaid (or until the end of the Grant Condition Period for Area Based Assistance) the Client will be required to carry out any works required to ensure that the property meets at least the minimum 'accreditation standard' as set by any local Landlord Accreditation Scheme. The Client will also be required to become a member of any local Landlord Accreditation Scheme. This property standard and membership of this scheme should be maintained until the assistance is repaid (or until the end of the Grant Condition Period for Area Based Assistance). A tenant is a person who is not a member of the owner's family.

14 The Legal Charge and Local Land Charge

14.1 Once an application for financial assistance is approved, the assistance will be registered as a legal charge and in relation to assistance for the purposes of Disabled Facilities a local land charge on the property. This will be carried out before any assistance is paid.

14.2 In relation to Disabled Facilities Grants, the charge will apply for a period of up to 5 years from the date at which the Council certifies that the eligible works have been carried out to their satisfaction ("the certified date").

14.3 In relation to Area Based Assistance, the charge will apply for a period of 5 years from the date of approval of the assistance.

14.4 For all other forms of financial assistance the charge will remain on the property until the financial assistance is repaid.

14.5 In relation to the Capital and Interest Repayment Loan, should the Client wish to make a relevant disposal of the property before repayment of the loan is complete, the loan amount that is outstanding must be repaid to the Council upon the disposal of the property.

14.6 Reducing the priority of the charge or removing the charge will only be undertaken in exceptional circumstances.

14.7 A charge is binding on the person who is for the time being an owner of the premises concerned.

14.8 Where a condition is broken, the Council has all the usual remedies in law to secure repayment including enforcement of the charge.

15 Repayment of Financial Assistance - Owner occupiers

It is a condition of all forms of assistance that repayment is received in accordance with the terms of approval of the financial assistance. Specifically that;

15.1 In relation to Capital and Interest Repayment Loans, repayments are received in accordance with financial assistance approval and the 'Loan Offer' made.

15.2 In relation to Equity Loans and Interest Free Loans, repayment is received when the property is sold, disposed of, assigned,

transferred or otherwise, including the transfer to family members, or is no longer occupied by the Client as principal residence. Family members include both immediate and extended family. Should family members or other persons be living in the property at the time of death of the Client, there will be no automatic right of succession. Should repayment of the loan require the property to be sold, in this circumstance the Council can exercise discretion through formal decision making processes if appropriate.

15.3 It is a condition of all forms of assistance that, where an owner makes a relevant disposal of the property, other than an exempt disposal, they will be required to repay the financial assistance to the Council. (For details of both relevant and exempt disposal, see explanatory notes below)

15.4 It is a condition of the 'Area/Theme Based Assistance' that, where an owner makes a relevant disposal of the property, other than an exempt disposal, within a period of 5 years from the date on which the Council approves the financial assistance they will be required to repay the financial assistance to the Council, on demand, and in accordance with the following sliding scale: -

Year 1	100% repaid
Year 2	80% repaid
Year 3	60% repaid
Year 4	40% repaid
Year 5	20% repaid

15.5 It is a condition of the 'Disabled Facilities Grant' that, where an owner makes a relevant disposal of the property, other than an exempt disposal, and where a legal charge has been applied, that within a period of up to 5 years from the date on which the Council certifies that the eligible works have been carried out to their satisfaction ("the certified date") he will be required to repay the financial assistance to the Council, on demand. This is subject to certain restrictions imposed by the Housing Grants Construction and Regeneration Act 1996: Disabled Facilities Grant (Conditions relating to approval or payment of Grant) General Consent 2008. The Council may demand the repayment of such part of the grant which exceeds £5,000, but may not demand in excess of £10,000.

15.6 Where any condition is breached, the Council may decide not to make any demand for whole or part repayment. Each case will be considered on its merits. A decision will primarily be based on the financial hardship that will be experienced by the Client as a result of repayment of the assistance. Should financial hardship be experienced in conjunction with any of the following, the Council may decide not to make demand for whole or part repayment;

- **Provision of care** - where the Council is satisfied that the owner is elderly or infirm and is disposing of the property with the intention of being cared for by relatives or going to live in sheltered housing or a residential care home, or where the owner is moving to care for an elderly or infirm family member.
- **Repossession** - where a mortgagee exercises a power of sale.
- **Employment** - where an applicant is making a disposal further to the need to move following acceptance of employment where they would otherwise become unemployed.
- **Health and Well-being** - where the disposal is connected with the physical or mental health or well being of a relevant

person.

- o **Disposal to the local authority or Registered Social Landlord**
- o **Sale to a disabled person on the Councils Disabled Facilities Grant waiting list** – where the Council would otherwise have assisted the buyer to adapt their current home.

16 In More Detail - Repayments of Financial Assistance – Landlords

It is a condition of all forms of assistance that repayment is received in accordance with the terms of approval of the financial assistance. Specifically that;

- 16.1** In relation to Capital and Interest Repayment Loans, repayments are received in accordance with financial assistance approval and the ‘Loan Offer’ made.
- 16.2** In relation to Equity Loans and Interest Free Loans, repayment is received when the property is sold, disposed of, assigned, transferred or otherwise, including the transfer to family members.
- 16.3** It is a condition of the ‘Area/Theme Based Assistance’ that, where an owner makes a relevant disposal of the property, other than an exempt disposal, within a period of 5 years from the date on which the Council approves the financial assistance he will be required to repay the financial assistance to the Council, on demand, and in accordance with the following sliding scale: -

Year 1	100% repaid
Year 2	80% repaid
Year 3	60% repaid
Year 4	40% repaid
Year 5	20% repaid

- 16.4** It is a condition of all types of assistance that the property will be let as a residence, and not for a holiday, on a tenancy which is not a long tenancy (except in the case of a disabled facilities grant), by the owner for the time being of the property, to a person who is not connected with him (generally speaking, this means not a member of his family)
- 16.5** It will be a requirement for the Landlord to maintain the property to at least the minimum ‘accreditation standard’ as set by any local Landlord Accreditation Scheme and for the Landlord to become and remain a member of any local landlord Accreditation Scheme in existence at the time that the assistance was approved. This will have been made clear to the landlord in advance of making an application for the assistance. Failure to do so may be construed as a breach in conditions.
- 16.6** In the event of a breach of conditions, the Council may demand the repayment of the assistance with interest. The Council has the discretion either not to demand repayment, or to require payment of less than the full amount.
- 16.7** At the time that the property is sold, or in the event of the breach of conditions, the Council may decide not to make any demand for whole or part repayment. . A decision will primarily be based on the financial hardship that will experienced by the Client as a result of repayment of the assistance. In addition, the Council may consider the following;
 - a) **Disposal to the local authority or a Registered Social Landlord**

- b) **Inability to let the premises** – where the landlord has not been able to let one or more of the flats contained in the building.

General Notes:

- i. If the property is occupied by a person who is a protected occupier under the Rent (Agriculture) Act 1976 or is occupied under an assured agricultural occupancy, within the meaning of Part 1 of the Housing Act 1988, the condition will not be breached.
- ii. In a case where personal representatives or trustees are the owner, the letting must not be to a person who has a beneficial interest under the will, intestacy or trust, in the property or the proceeds of its sale.
- iii. A "RELEVANT Disposal" is where the whole or part of a property undergoes either a conveyance of the freehold or an assignment of the long lease or the grant of a long lease, which does not qualify as an exempt disposal.
- iv. An "EXEMPT disposal" means a disposal that is:
 - a. Of the whole of the property to the owner or one of the joint owners of the dwelling
 - b. Of the whole of the property by Court order in the course of a domestic breakdown;
 - c. Compulsorily, or by agreement, to a public body with compulsory purchase powers;
 - d. Of land which is "included land" under Section 184 of the Housing Act 1985;

An owner's interest is:

- an estate in fee simple absolute in possession, or
- "a term of years absolute of which not less than five years remain unexpired at the date of application". This included a long lease of seven years or over granted under deed where the leaseholder has a repairing obligation. There must be at least 5 years remaining on the lease. Whether held by the applicant alone or jointly with others.

A person is a member of another's family if that person is:

- the other's wife or husband or that person lives with the other as wife, husband or civil partner
- a son or daughter or son-in-law or daughter-in-law of the other, or of the other's wife or husband ("son" or "daughter" includes any step son or step daughter and any illegitimate son or daughter, and "son-in-law" and "daughter-in-law" are to be construed accordingly) or, a parent, grandparent, grand child, brother, sister, aunt, uncle, nephew, niece of the other, or of the other's wife or husband, whether the relationship is by blood or marriage.

Equal Opportunities Statement

- 17** The Council fully endorse the removal of all barriers to its services arising from ethnicity, religion, geographic location, special needs, language differences, learning difficulties, sexual orientation, gender, age or disability. This list is not intended to be exhaustive, but is intended to show some of the areas where it is believed discrimination could occur.
- 17.1** In order to ensure that this policy provides equal access to all, a comprehensive impact assessment has been undertaken to consider the effect of the policy on all the residents of the area.
- 17.2** The assessment showed overall that implementation of the revised policy would generally enhance the beneficial effect on the health, safety and welfare of residents by raising housing standards and community vitality.

Confidentiality and Data Protection Statement

- 18** When providing assistance the Council will require information relating to the personal and financial circumstances of the client.
- 18.1** This personal information will be handled in a manner, which meets the requirements of the Data Protection Act (1998). The Council will take all reasonable steps to ensure that personal data is kept secure against unauthorised access, loss, disclosure or destruction.
- 18.2** Sometimes it may be in the interest of the client to have personal information passed to one of the Council's partners, so that the client can receive further help. The Council will always request a clients permission prior to sharing information with partners.
- 18.3** In certain circumstances the information provided may be used to prevent and detect fraud, as a result of the Council's obligation to protect the public funds it handles.
- 18.4** The Freedom of Information Act enables anyone to request information from a public authority. When a request is made the Council has a duty to respond to the request within 20 days as well as providing advice and assistance to people who have requested information.

Contact Details

19 If you would like more information, or would like to discuss any part of this Policy contact XXX who will be happy to help.

19.1 If you would like to make an enquiry for assistance contact:

- By post or in person at XXX
- By telephone on XXX
- By email to XXX
- By fax on XXX

19.2 Alternatively go to our website at XXX where you will find advice and guidance on home repairs and maintenance, and the help that is available.

Complaints, Compliments and Appeals

20 The Council operates a Corporate Complaints procedure. If you are not satisfied with the service that you have received please contact us. Your comments help the Council to improve the service provided:

- By post or in person at XXX
- By telephone on XXX
- By email to XXX

20.1 Equally if our Clients are satisfied with the service they receive we would also like to hear about it

20.2 Should a Client wish to appeal about any decision taken in relation to their enquiry for financial assistance, such as disputes relating to eligible works, or levels of assistance, appeals will first of all be dealt with by the Home Improvement Manager (or equivalent). Clients will be informed of the outcome of their appeal in writing. Should the issue not be resolved, the appeal will be referred to the Head of Housing. The decision of the Head of Housing will be final in this respect.

Appendix A - Guidance - Decent Homes Standard

A Decent Home must;

- a) **Meet the current statutory minimum standard for housing** – The Housing Health and Safety Rating System (HHSRS), states that all dwellings should be free from category 1 hazards. (Those hazards which are most likely to occur and to cause serious harm)
- b) **Be in a reasonable state of repair** – If one or more of the key building components are old and/or need major repairs or need replacing then the property would not meet the standard. Key building components could include; external walls; roof structure and covering; windows and doors; chimneys; central heating boilers; gas fires; storage heaters; plumbing and electrics. This list is not exhaustive.
- c) **Have reasonably modern facilities and services** – A dwelling is considered not to meet the decent standard if it lacks three or more of the following facilities: -
 - A kitchen which is 20 years old or less;
 - A kitchen with adequate space and layout;
 - A bathroom which is 30 years old or less;
 - An appropriately located bathroom and WC;
 - Adequate external noise insulation; and
 - Adequate size and layout of common entrance areas for blocks of flats
- d) **Provide a reasonable degree of thermal comfort** – The standard requires all dwellings to have both efficient heating and effective insulation. Efficient heating is defined as any gas or oil programmable central heating; or
 - Electric storage heaters; or
 - Warm air systems; or
 - Underfloor systems; or
 - Programmable LPG/solid fuel central heating; or
 - Similarly efficient heating systems which are developed in the future

It may sometimes be appropriate to provide financial assistance towards works, to a lower or higher standard than the Decent Homes Standard. For example;

A lower standard; To assist Clients to make their contribution towards a Government Energy Efficiency Scheme. Providing assistance towards works contributing to thermal comfort alone may be important to help a Client to take advantage of such a scheme, where an application for more complex works would slow the process and put their participation in such a scheme at risk. Similarly, an elderly Client may prefer only to have serious hazards remedied, to avoid prolonged inconvenience in the home.

A higher standard; Where work is being carried out to replace rotted windows, financial assistance may be provided to replace all windows in an elevation rather than only those that are in poor condition.

Appendix B - Guidance – Disabled Facilities

The purposes for which mandatory DFGs may be given are set out below.

- facilitating access to and from the dwelling or the building in which the dwelling or flat, as the case may be, is situated, e.g. by widening doors or installing ramps;
- facilitating access to a room used or usable as the principal family room;
- facilitating access to a room used or usable for sleeping, or alternatively providing such a room for the disabled occupant;
- facilitating access to a room in which there is a lavatory, a bath or shower (or both) and a wash basin or providing a room in which there is such a facility or facilities;
- facilitating access to the garden
- facilities for the preparation and cooking of food.
- adaptations to the dwelling or building to make it safe for the disabled person and other persons residing with him. This may include improvements to access and movement around the home to enable the disabled person to care for another person who lives in the property, such as a spouse, child or another person for whom the disabled person cares.
- improvement of an existing heating system in the dwelling to meet the disabled occupant's needs. Where there is no heating system or where the existing heating arrangements are unsuitable to meet their needs, a heating system may be provided. The installation of central heating to the dwelling will only be considered where the well-being and mobility of the disabled person would otherwise be adversely affected.
- to enable a disabled person to have full use of heating, lighting and power controls in the dwelling. Such work includes the relocation of power points to make them more accessible, the provision of suitably adapted controls where a disabled person has difficulty in using normal types of controls and the installation of additional controls.

Common parts

The purposes for which grant is available for works to the common parts of buildings such as blocks of flats are, limited to works to facilitate access to the dwelling through the common parts, or facilitating the use by the disabled person of a source of power, lighting or heating in the common parts.

Determination of whether works are necessary, appropriate reasonable and practicable

The Council will satisfy itself that the works are necessary, appropriate reasonable and it is practicable to carry out the relevant works having regard to the age and condition of the dwelling or building. The Council will have regard in determining this to the guidance and good practice issued from time to time by the Government.

Loan eligible works

The following works are those which may not necessarily be eligible for mandatory Disabled Facilities Grant, but which enable a disabled person to live independently at home. Loan assistance may be available for these.

- The provision of a safe play area for a disabled child.
- Works or arrangements to allow a disabled child who has parents who are separated to live for part of the time with each parent should this be appropriate.
- To provide a complete solution to the needs of the disabled person.

When assessing the availability of loan assistance for such works, beyond the maximum mandatory DFG limit of £30,000, the Council must ensure that the maximum amount of money spent on any one client remains reasonable, and that funding available is used to help as many disabled people as possible.

Using the Grant of Loan for moving to a more suitable home

The Council will consider providing assistance to enable a disabled person to move to a more suitable home where it is more cost effective than adapting the current home to make it suitable for the person's current or future needs, even if the new home requires some adaptations.

However, when assessing the availability of loan assistance beyond the maximum mandatory DFG limit of £30,000, the Council must ensure that the maximum amount of money spent on any one Client remains reasonable, and that funding available is used to help as many disabled people as possible.

In order to calculate the amount of loan assistance that is available beyond the mandatory DFG limit of £30,000 the Council will consider the following factors;

- The eligibility of the applicant
- the nature of the works i.e. relocation will only be available where mandatory works are required to the existing home.
- Whether the current property is not reasonably suitable for adaptation, or the cost of the works exceeds the maximum assistance for mandatory Disabled Facilities Grant
- Whether the disabled person expresses a preference to move to a more suitable property.
- The existing support networks assisting the applicant.
- The availability of suitable housing.
- Consideration of social housing as an alternative.
- The cost of alternative care arrangements, home support residential care, etc.
- Entitlement to benefits and advice from the Benefits Agency
- The current market value of the existing property

- The current market value of the proposed purchase property
- The existing mortgage and terms and conditions
- The cost of funding and practicality of carrying out any alterations to the new property
- The funding of any shortfall between the new and old property
- The equity in the existing property
- The mortgage rearrangement costs
- The amount of financial assistance the Council may need to provide
- How the mortgage and interest payments will be financed

Appendix C – How the Loans work

Capital and Interest Repayment Loan

Interest will be charged at a rate that is 2% above Bank of England Base Rate or at 5%, whichever is the higher rate at the time that the loan is approved. The interest rate will be fixed for the life of the loan, so that the monthly repayment will always be the same, and the amount of interest that will be charged will be known to the Client at the beginning of the loan.

The following example shows repayments based on an interest rate of 5%;

Amount Borrowed	Term	Monthly Repayment	Total Cost
£1000	2 years	£43.87	£1,052.91
£5,000	5 years	£94.36	£5,661.37
£10,000	10 years	£106.07	£12,727.86

The Equity Loan

Using the Equity Loan to improve or adapt the home:

Value of the home	£ 90,000
Value of outstanding mortgage and any other secured loans	£ 50,000
Available Equity	£ 40,000
Maximum Equity Loan available (80% of Available Equity)	£ 32,000
Loan required	£ 12,000
Loan as a percentage of the property value	13%
House Value on sale (when the loan must be repaid)	£ 100,000
Loan amount repaid (13% of the property value at the time of loan repayment)	£ 13,000

Using the Equity Loan to move home:

Value of existing home	£60,000
Cost of replacement home	£80,000
This is paid for with:	
• Value of existing home	£60,000
• Equity Loan	£20,000
The loan is equal to a quarter of the value of the new home	25%
House value on sale	£90,000
Repayment 25% of £90,000	£22,500