



## **LOAN INFORMATION FACT SHEET**

This fact sheet explains some information points about the Discretionary Loans available. The fact sheet does not cover all aspects of a loan application – you should check with the Private Sector Housing Service (Tel: (01293) 438418) if you require any other information or have any questions. ***Please read these notes carefully.***

### **Who can apply?**

Discretionary Loans are available to home owners and some private sector leaseholders who are on low incomes and experiencing difficulty in meeting the costs of maintaining their homes. Applicants must have been living at their current address for a minimum of 3 years. Only leaseholders who have a repairing obligation under the terms of their lease agreement can apply. The loans are subject to a 'means test' and some applicants may have a client contribution to make towards the cost of the work.

If you are receiving Income Support, Income based JSA, Guarantee Pension Credit, Housing or Council Tax Benefit, you will be entitled to a loan covering the full cost of the eligible work and have no client contribution to make. If you receive Working Family or Child Tax Credit assessed on an income of less than £15,050 you will also be eligible for a loan covering the full cost of the work.

If don't receive any of the above benefits but are still on a low income, you should still submit an application as you may still qualify for assistance subject to the 'means test'.

### **What work will the loan cover?**

The discretionary loans are awarded to fund certain works considered essential for the property to meet the decent homes standard. The type of work that these loans would cover is:

- Repairs to or replacement of your heating system
- Repairs to or the renovation of your roof, gutters and drainpipes
- Works to ensure structural stability of the property
- Electrical rewiring
- Repairs to or replacement of kitchens & bathroom suites
- Loft, cavity wall, hot water tank & other insulation measures

Windows cannot be considered eligible on their own in principle. However, where they are single glazed wooden or metal framed windows and beyond economical repair then they may be considered. Replacement of or repairs to double glazed units will not be eligible. Replacement kitchen & bathroom suites will only be eligible if they are beyond their serviceable life.

### **How much of a loan could I get?**

There are two types and amounts of Loan currently available. A Repairs Loan is available up to a maximum of £5000 and a Renovation Loan is available up to a maximum of £8000.

The loans are subject to a Means Test which will calculate whether or not there is a client contribution to make towards the cost of the work. The final amount of loan approved will be the full cost of the work minus any client contribution.

### **How will the loan be paid?**

When all of the works have been finished and inspected by a Council representative, you must ask your contractor to give you the final invoice(s). You should send these together with your signed and dated certificate of completion to the Private Sector Housing Manager.

Once satisfactory final invoices have been received, the loan will be paid. If you have to pay a contribution, it must be paid directly to the contractor and **NOT** the Council. This must be paid prior to any loan funding being released. You should provide an original receipt to confirm any payment you are required to make has been received by the contractor.

### **How do I repay the loan to the Council?**

A condition of the loan will be that you sign a legal agreement to accept a charge being registered against your property covering the full amount of the loan. A fee of £40.00 will be included to cover the council's costs of registering the charge. The full amount will then be repaid to the council upon the first full disposal of the property and not before.

The loan is interest free and the amount borrowed from the council (including the £40.00 fee) will be the amount repaid upon the first full disposal of the property.

### **How do I choose a contractor?**

You will need to provide at least two quotations from different contractors with your application form. Council officers cannot recommend any contractor but will comment on contractors known to them. Quotations must be on the contractors company headed paper and must be addressed to you and NOT the Council. Photocopies will not be acceptable.

Quotations must be broken down so that the cost of each item of work can be identified. Quotations should only include works on the specification list provided by the Private Sector Housing Manager. When any loan is approved, it will indicate which builder's estimate the approval is based on and you should not use another contractor without prior agreement from the Private Sector Housing Manager.

### **VAT**

If a contractor or surveyor is registered for VAT, their VAT number should be included with their quotation. If they are not registered for VAT, the Council will need written confirmation from their accountant (or similar) confirming this fact.

Some disabled adaptation work can be zero rated in respect of VAT. The Private Sector Housing Manager will inform you of which work qualifies.

### **Can I start work straight away?**

**NO.** You should not start any work until you receive your loan approval document. No loan will be paid for any work which is already started or has been finished.

### **How do I know if the work is done properly?**

Supervising the work of builders can be difficult and you may wish to employ your own architect or surveyor or seek advice from the Anchor Staying Put - Home Improvement Agency (Tel: 01444 415475). You will be liable for the cost of this and if a loan is approved, any reasonable costs can be included. You should submit the fee scale from your surveyor before confirming the appointment. The Council will say whether they consider the fee to be reasonable. Details of Professional Indemnity insurance should also be provided.

The Private Sector Housing Manager is not responsible for supervising the works in progress. If you employ someone to supervise the works, the Council will deem that person to be acting on your behalf in relation to approving payments to the contractor but you will still be asked to sign and date a certificate of completion of the work.

### **What happens if more work is found once the job starts?**

You or your contractor (or surveyor) **MUST** contact the Private Sector Housing Manager and arrange a visit to check the extra work before it is started. It may be possible to increase the loan if the works are eligible. **However, no loan money will be paid for extra works that do not have the prior agreement of the Private Sector Housing Manager.**

***If you are unclear on any of the information provided within this document please contact the Private Sector Housing Manager directly on 01293 438418.***