



Home Improvement Assistance Guidance Leaflet



Introduction

Everyone should be able to live in a decent home. One that is safe, warm and weatherproof.

We know that many home owners cannot afford to keep their home in a good state of repair. If this is you, then we're here to help.

This leaflet explains a simple and affordable way to apply for financial help to carry out essential repair works to your home.

This booklet is a guide to the Home Improvement Assistance Loan offered by Leeds City Council to vulnerable households.

Main Features

The Home Improvement Assistance Loan is not a grant. It's an equity release loan with no monthly payments to make and its based on the value of your home.

It allows you to carry out work to repair or improve your home without making regular repayments. You only have to repay the loan when you no longer own your home, for example when you sell it.

Benefits

- It allows you to carry out essential repairs to your house.
- It allows you to live in a warm comfortable home.
- Your home becomes more secure.
- There is no set repayment term.
- You don't have to repay any part of your loan until you no longer own or live in your home.
- You don't need to worry about falling behind with repayments.
- This is a council backed scheme.
- We'll help and support you throughout the process.

Who is the loan for?

Anyone who owns and lives in their home and

- Is vulnerable, for example on a low income, on certain types of benefits, such as people who are elderly, in poor health, or unable to access commercial loans, and
- Is aged 18 or over
- Has enough equity available in their home.

The Home Improvement Assistance Loan is not applicable to landlords or tenants in rented properties.

What is the loan for?

- Essential repairs and improvements to make your home wind and weathertight.
- To carry out works to remove category one hazards in your home, which are considered prejudicial to health under the Housing Health and Safety Rating System.
- To help you pay your contribution to a Disabled Facilities Grant or where the cost of the work is more than the maximum grant available.

How we will help

Your house will be visited and surveyed. We will then discuss and agree with you what essential repairs meet the criteria for a loan and a schedule of work will be drawn up.

We'll help you all the way through the application process by

- Helping you to fill in your application.
- Keeping in touch and answering your questions.
- Making sure the loan is fully paid out and the work to your home is done properly.

How does the loan work?

You can borrow the amount you need to carry out the repair work as agreed by the council and any supporting costs. You can borrow up to £10,000 plus fees towards the cost of essential repair works.

The loan is based on the value of your house. It will include interest and is secured as a legal charge against your home.

The facts and figures will be fully explained by a visiting officer before you make the final decision to take out a loan.

Filling in an application form does not commit you to taking out a loan, this is a decision you take later in the loan process when you fully understand how the loan is repaid.

After the loan has been approved your contractor can start work.

When the work has been completed to our and your satisfaction, we'll pay the contractor directly.

The loan will be reclaimed when you no longer own or live in the property eg if you move and sell the house.

Repaying the loan

The Home Improvement Assistance Loan isn't like a normal loan.

- There is no set repayment term.
- There are no monthly repayments.
- The loan is repaid when you sell your home, move, or when you die.

For joint owners, the loan is repaid on the death of the last owner so long as all owners live in the home when the loan is taken out. If all owners do not live in your home, please call us on the telephone number at the back of this booklet for more information.

When the loan is to be repaid, we'll carry out a new valuation of your home. This valuation will be used to work out the amount of loan you will pay back.

- The minimum you will pay back is the initial loan amount plus simple interest.
- The maximum you could pay back is the initial loan amount plus compound interest depending on how much your property has increased in value.
- This will be fully explained with an illustration by a visiting officer.

Frequently asked question

What is equity?

Equity is the value of your home less any money owing on it such as a mortgage or loan.

What will it cost me?

There are fees to be paid on the loan process which are included in the final amount of loan offered. However, if you have reached the end of the process and decide not to go ahead with the loan, you will have to pay fees that you may have incurred.

What size of loan can I have?

What you can borrow is an amount to cover essential repairs and improvements to your home as agreed by the council. The amount we lend you will take account of any debts you have already secured on your home, and on the value of your home. We'll make sure wherever possible that your total secured debt, including our loan, leaves you with a reasonable amount of equity.

Usually we'll lend no more than £10,000 plus fees. However, we'll always look at your circumstances to decide how much your loan should be.

Will the money be paid directly to me?

No, the money will be paid to your chosen contractor when we're happy that they have finished the work to an acceptable standard.

How will I know that my home has been valued fairly?

We use a qualified valuer to assess your home's market value.

Do I have to pay interest?

Yes, there is interest to be paid on a loan. The facts and figures of the loan and interest to be paid will be fully explained by a visiting officer.

What happens if my home falls in value?

If this happens, you will pay back the original loan amount plus simple interest agreed at the time the loan was taken out.

Can I repay my loan before I sell my home?

Yes, you can repay the loan in full at any time. We'll arrange a valuation and work out how much you should repay in the same way described in the repaying back the loan section of this booklet.

Will I need insurance?

Yes, your home must be covered by building insurance for the entire period until the loan is repaid.

Can I move home?

Yes, but you must repay the loan when you sell your home.

Should I get independent financial and legal advice?

Yes, we recommend that you get independent professional advice to help you decide if this is the best solution for you.

What will happen to my family's inheritance after I die?

You should discuss this with your family. We can meet with you and your family to explain the loan.

What if I have other secured borrowing on my home?

We'll consider you for a loan if you have enough equity in your home. Your lender may need to give permission for us to register our legal charge.

Please check that this will meet your needs if you want to sell your home or if you want your family to inherit it. If you're in doubt, please get independent financial and legal advice.

For more information contact...

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