

Owner- Occupier Loans

Frequently Asked Questions



Q. What are Owner - Occupier Loans?

Owner Occupier Loans (previously referred to as 'Home Improvement Loans') are loans made available through the Home Improvement Loan Scheme. The loan is available to owner occupiers to assist in **essential repairs** or to **support the installation of energy efficiency measures** to make their home safe, warm and secure.

Q. What repairs or improvements will qualify for assistance?

Repairs or improvements which will make a home **safe, warm and secure**. Some examples include:-

- Replacement of central heating systems
- Repairs to electrics
- Energy efficiency works, e.g. loft insulation, cavity wall or external wall insulation.
- Repairs to remedy dampness.
- Renewal of old/ defective windows and doors.

Routine maintenance or desirable home improvements will not fall into this category, e.g. new kitchens, bathrooms or extensions.

This list is not exhaustive. Please contact the local authority loan officer if you would like clarification of other works which may qualify for assistance.

Q. Who can apply for a loan?

Owner-occupiers can apply for a loan. An owner occupier is an individual or individuals who own and live in their property.

Q. What is the minimum and maximum amount of loan I can apply for?

The minimum loan amount you can apply for is £1000 and the maximum loan amount you can apply for is £25,000.

The actual amount of loan that will be approved will be dependant on the actual cost of the works, e.g. if the works are calculated to cost £10,000 this is the most the loan will be approved for.

Please note that any loan offered, taking into account any existing mortgage cannot exceed 80% of the **current** property value. Therefore, if you have an existing mortgage of £65,000 on a property with a current market value of £100,000, then the maximum loan that can be approved is £15,000,

Current Value £100,000

Mortgage & Loan £65,000 & £15,000 = £80,000 (Maximum 80% Loan to value)

It is possible in certain cases for another property to be used as security for the loan.

Where the costs of the works exceed the value of the loan, then the applicant must be able to show that they have adequate funds to complete the repairs.

Q. What do I have to do with the property after completion of the works?

On completion of the works you will be required to reside at the property for the duration of the term of the loan. In the event that you decide to sell or transfer the ownership of the property during this time the loan must be repaid in full to the Council.

Q. Do the works have to be carried out to any sort of standards?

Yes. All work must be carried out in accordance with any planning permissions or building regulation approvals made in respect of the property. A schedule of works will be agreed with the applicant prior to the offer of any loan and will form part of the loan conditions and the property should be free from any serious hazards.

Q. Are there any conditions attached to approving the loan?

Yes: -

- You must carry out the repairs within an agreed time period.
- The loan must be repaid either on or before the date as specified in your Loan Facility Agreement.
- A financial charge will be made on the property for the lifetime of the loan.
- More information about the conditions can be found in the loan information booklet or contact the Empty Hhomes and Loans Officer for further clarification.

Q. Are the loans secured loans?

Yes. All loans approved must be secured by a first or second financial charge being secured against the property. If there is an existing mortgage on the property we will need the lenders consent to secure our charge. The lender will also be required to enter into a Deed of Priority with the Council.

Q. What is the interest rate for the loan?

The loans are interest free, providing there is no default on the loan.

Where any sum is required to be paid, but is not repaid in accordance with the loan conditions, a breach of conditions will have occurred. In such instances The Vale of Glamorgan Council may demand immediate repayment of the loan and interest at 6%.

Q. Are there any fees attached to the loan?

Yes. An administration fee is required as a contribution towards the cost of processing an application. The cost of processing an application is £590, however, subject to funding, half of the cost is subsidised by the Vale of Glamorgan Council and the amount payable by an applicant is **£295**.

Q. When will I have to repay the loan?

The loan is repayable over a five year period. You will be required to make monthly repayments which will be taken by direct debit. The amount payable per month will depend on the total amount of the loan (see Q. above). All loans can be repaid earlier if the applicant wishes to do so.

Q. I am interested in applying for a loan, what do I do next?

You will need to contact the Empty Homes and Loans Officer for a brief discussion, in order to establish if we can be of assistance. You will be asked to provide the following information in writing:

- Your name, address and contact details
- The address of the property for which you would like to apply for a loan
- A brief summary of the works to be undertaken
- The anticipated cost of the works
- Information relating to the present mortgage amount (debt) on the property

Q. How do I get more information about the loan scheme?

All persons making an enquiry will receive an Owner Occupier Loan pack which will include:-

- Application form
- Information Booklet
- Template Loan Facility Agreement
- Template Legal Charge Agreement
- Consumer Information Document

If you would like to discuss your property or require further clarification, then please do not hesitate to contact:

**Eleri Nicholas,
Empty Homes and Loans Officer,
Regeneration and Planning,
Vale of Glamorgan Council,
Dock Offices,
Subway Road, Barry, CF63 4RT**

Tel: 01446 704721

Email: housingloans@valeofglamorgan.gov.uk