



**Affordable home improvement
loans for Yorkshire and the Humber**

GET HELP WITH A HOME APPRECIATION LOAN

**Equity release with no
monthly repayments for
people on low incomes**





Homes & Loans

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

We know that many home owners cannot afford to keep their home in good repair or carry out adaptation work. If this is you, then we're here to help. This leaflet explains a simple and affordable way to pay for the work your home needs.

Homes & Loans is a service set up by all the councils in Yorkshire and Humber. We offer affordable loans for people with a limited income. We're run by councils on a non-commercial basis.

This booklet is a guide to the Home Appreciation Loan.

Main features

The Home Appreciation Loan is not a grant. It's an equity release loan with no monthly payments to make.

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 if you sell it.

The amount you'll repay is based on how much your property has changed in value when you sell it, or no longer own it. There is no set repayment term.

Benefits

- It allows you to live in a warm comfortable home.
- You don't have to repay any part of your loan until you no longer own your home.
- You don't need to worry about falling behind with repayments.
- This is a council backed scheme.
- We'll support you throughout the process.
- You don't have to pay any of the standard set-up or legal costs.
- The amount you borrow is protected against negative equity.
- There's a loan repayment limit to protect you against exceptional rises in house prices.



Who is the loan for?

Anyone who owns 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.

What is the loan for?

- Essential repairs and improvements to your home such as fixing faulty electrical wiring or a leaking roof.
- Work to bring your home up to a decent standard such as improving old kitchens and bathrooms.
- 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.

**Find out if you qualify for a loan by calling us.
Our contact details are at the back of this booklet.**



How we will help

We'll help you decide what work is needed, what help you can get and what can be covered by the loan.

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 of money you need to repair, improve or adapt your home, and any supporting costs. We convert this to a percentage of the current market value of your house at the time you take out the loan. The loan is secured as a legal charge against your home.

After the loan has been agreed your contractor can start work. When the work has been completed to our satisfaction, we'll pay the contractor directly.

When you sell or no longer own the house, we use the percentage to work out how much you should repay. This is based on the value of your home at that time.



Repaying the loan

The Home Appreciation 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 you repay the loan, 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. Normally, the amount you pay back will be the lower of

- the percentage we worked out when you first took the loan, but of the new value of your home.
- The original loan amount plus a fixed limit by which the repayment value of your loan grows. This limit is to protect you against exceptional increases in property prices.

If your property falls in value you will not be asked to pay back more than you borrowed from us.

Frequently asked questions

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?

We'll pay all the normal costs of setting up your loan. You must pay any fees higher than our normal limits and any fees for extra legal work. These fees can be added to the loan so long as you have enough equity.

What size of loan can I have?

The most you can borrow is the amount needed to repair or improve your home. The amount we lend you will take account of any other 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 £30,000, up to half of the value of your home. 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 independent valuer to assess your home's market value.

What happens if my home increases in value?

The amount you'll have to repay is based on the new value of your home. However, we set a limit to the amount you will repay if property values increase at an exceptional rate.

What happens if my home falls in value?

If this happens, the most you'll pay back is the original loan amount. If the full repayment will cause you extreme financial problems we may reduce this amount.

We have a no negative equity guarantee. This means that you or your beneficiaries will not have to repay more than your home is worth.

Do I have to pay interest?

No, interest is not charged on this loan.

Can I repay my loan before I sell my home?

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

Will I need insurance?

Yes, your home must be covered by building insurance.

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.



Testimonials

“All the paperwork is quick and understandable”

Mr and Mrs Hanson, Doncaster

“I think the service provided by the Homes and Loans Service was excellent”

Mr and Mrs Ross, Wakefield

“Very good with very clear communication. Things were dealt with in a matter of days when needed. It was good that the contractors dealt with the council directly. I'd be happy to recommend this scheme to neighbours.”

Mrs D, York

“Excellent! It runs very smoothly with no waste of time. It's well worthwhile”

Mr T, York

“The service is invaluable, it takes any additional worry away from me. The service was very professional, caring and reassuring. They had the expertise to sort things out.”

Mr Borman, Richmondshire

Please check that this loan 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...

Civic Centre
Stone Cross, Rotary Way, Northallerton
North Yorkshire DL6 2UU
telephone: 01609 779977
email: info@hambleton.gov.uk





This document can be supplied in alternative formats and languages, please contact:

Civic Centre
Tel: 01609 779977



When you have finished with this document please recycle it