

house proud

From The Home Improvement Trust ®

Loans for Leaseholders



What is the Houseproud scheme?

Houseproud aims to help homeowners to continue to live safely and independently in their own homes. It is a national scheme supported by central government working with local authorities and the Home Improvement Trust (a not-for-profit organisation, which acts as an unbiased agent).

The Home Ownership Team manages the scheme for Haringey leaseholders. If you need to raise money to pay for major work (including outside (external) decorations) and you:

- are aged over 60; or
- have a disabled person living in your home.

The Houseproud scheme can give you information, guidance and support on how part of the value of your home can be turned into a loan to meet the cost of the work.

Houseproud provides access to a variety of loans which have been tailored to meet the needs of elderly people and disabled people. **Not only are the loans affordable and risk-free, but they also carry a guarantee that your home will not be repossessed, no matter what happens.** Most options

also carry a 'no negative equity' guarantee for further peace of mind. And in some cases, it isn't even necessary to pay it back during your own lifetime. Instead, the amount you borrow, plus interest, is taken

from the value of your house when it is eventually sold.

Your individual circumstances are taken into account when assessing the different types of loan available to you. Houseproud also offers the services of an independent qualified person, who will write to you with free guidance on appropriate options for raising money to pay your major-work bill.

How does this scheme work?

If your application is accepted, Houseproud will help you find a lender who is willing to provide you with a loan to pay your bill for major work or decorating the outside (exterior) of your home. There may be an outstanding mortgage or existing loan which you will have to pay off, unless it is included in the further borrowing. For this reason we recommend that if you have an existing loan you should approach your current lender to see whether they are prepared to extend the loan.

If not, the total amount you have to repay will have to include your existing mortgage, the loan for the major work or decorating the outside (exterior) of your home, and the interest. Houseproud offers several loans with different repayment options so you can arrange finance to pay the bill in a way that is most suitable for you.

Can I get a loan for day-to-day service charges through this scheme?

No. This scheme only covers major work carried out to outside (exterior) and shared (communal) areas of your block or estate.

Can I get a Houseproud loan to help me pay for home improvements?

Yes. Houseproud provides a home-improvement service for homeowners in Haringey. This is managed by our environmental services department. You can get more information on this by ringing **Freephone 0800 783 7569**.

What is the most I can borrow?

Houseproud consider your income and the value of your home when deciding how much you can borrow. Usually this ranges from £3,000 up to 30% of the current value of your property, and it will also depend on your age. Please see following individual option details.



What sorts of loans are available?

There are three main options.

Capital release loan

This is also known as equity release. You do not need to make any regular repayments with this loan. The loan only needs repaying when your home is no longer your main home and is sold, for example, after your death. When the property is sold, the bank or building society will take the original amount of the loan (the capital), plus all the interest that has built up, from the proceeds of the sale. What is left over will depend on how the value of your home has altered over the same period.

However, you can start making repayments earlier if you want to – first the interest and then the loan. You can also repay the whole loan and any interest due if you want to. There is no penalty for repaying the loan early, except in the first year when there will be a charge of 2% of the original loan.

Conditions of the capital release loan

- This loan is usually only available to single people and couples who are 60 or older.
- Couples must make a joint application.
- Depending on your age, you can borrow between 10% and 55% of the value of your property, however, this would have to include any outstanding mortgage.
- Your leasehold property must be your only property.

Check that this mortgage will meet your needs if you want your family or others to inherit your home. If you are in doubt, get independent legal and financial advice.

Interest-only loan

With this type of loan, you only pay the interest on the loan each month. You continue to pay interest until the property is sold. The actual amount you borrow (the capital) stays the same and is repaid when the property is no longer your main home and is sold.

When the property is sold, the bank or building society will take the amount of the original loan, plus any outstanding interest, from the sale proceeds to repay the loan.

You can start paying off what you have borrowed whenever you like. You will have to pay the interest on the amount you still owe until you have repaid the loan.

You can repay the loan and the interest at any time, with no extra charges, except in the first year when there will be a charge of 2% of the original loan.

If you are on Income Support or Pension Credit, you should fill in an MI 12 form, which is available from the Department for Work and Pensions, to find out whether you are eligible to receive help with the interest payments of the loan, depending on the type of work. You will need to talk to your Houseproud Case Officer about filling in the necessary forms.

Conditions of the interest-only loan

- This is available to single people and couples who are 60 or over, or a disabled person of any age.
- Your leasehold property must be your main home.

Capital and interest repayment loan

This is a straightforward mortgage. Your monthly repayments cover both the interest and a part of the original amount you have borrowed (the capital).

You agree the length of the time over which you borrow the money with the lender. The shorter the period, the higher your monthly repayments will be, but the sooner you will repay it.

Conditions of a mortgage under this scheme

- This is available to single people or couples aged 60 or over, and disabled people of any age.
- Your leasehold property must be your main home.

If you are on Income Support or Pension Credit, you should fill in an MI 12 form, which is available from the Department for Work and Pensions, to find out whether you are eligible to receive help with the interest payments of the loan, depending on the type of work. You will need to talk to your Houseproud Case Officer about filling in the necessary forms.

When do I apply for a loan?

The Home Ownership Team will tell you when you can apply for a loan. This will be when we issue the estimates (second section-20 notice) or when we send you an invoice for major work or decorating the outside (exterior) of your home. If you ask for an application pack, the Home Ownership Team will give you the relevant forms.

Won't I lose out by applying at the section-20 (estimate) stage rather than when I receive the invoice?

No, you will not lose out by applying at the estimate stage, as you will have the option to draw the money from the lender when you actually receive the invoice.

What if the actual bill is more than the estimate?

Usually we will allow a 20% 'contingency' amount on top of the estimated amount (for example, if the estimate is £10,000, we will tell you to borrow £12,000). If the total amount you will have to pay for the work is above the estimate and the lender cannot extend the loan, we can place a second charge on your property with your agreement. This means that we will be able to recover the extra costs of the work plus the total interest from the proceeds of the sale of your property when it is sold. You will not have to pay any extra fees if a charge is placed on your property.

Will I still be able to query the work and the cost if I apply for a loan at the estimate stage?

Yes, we will deal with queries as before. If you are due a credit, we will refund that amount to you, which you may use to pay off the loan.

Are there any extra costs?

The set-up fees for the loan are limited under the Houseproud scheme. The total amount you will pay is about £958, broken down as follows.

Valuation of your property (£275 +VAT)	£323.13
Local-authority search indemnity fee	£ 27.00
Land Registry fee if registered	£ 40.00
Solicitor's fee (£220 +VAT)	£258.50
Home Improvement Trust administration fee	£100.00
Administration costs	£ 10.00
Home Ownership Team administration fee	£200.00
Building insurance must be in place	
Total	£958.63

Houseproud has specially negotiated these fees to make sure they are reasonable. The fees you will have to pay will be confirmed to you before you decide to go ahead with a loan – you will not be liable for any fees unless you decide to go ahead with it. The fees can be included in your loan so that you do not have to draw on your savings.



How do I decide which loan will be best for me?

If you need to raise money to pay for major work, the Home Improvement Trust will send you an information pack which includes the **Financial Services Authority fact sheet 'Raising money from home'**, which we strongly recommend you read before applying for a loan.

Houseproud also offers the services of an independent qualified person, who will write to you with free guidance on appropriate mortgage options for you to consider.

You should discuss the options with members of your family, next of kin and, if necessary, your own legal or financial advisor.

What services will the Home Improvement Trust provide?

The Home Improvement Trust will arrange the following services so that you do not have to worry about finding a reliable lender and the other service providers you will need. It will:

- provide an independent qualified person free of charge to write to you with guidance on appropriate options for you to consider;
- work with the lender to arrange the loan;
- arrange for a valuer to value your leasehold property;
- appoint a solicitor to make sure that all the legal procedures are followed and legal documents are prepared and completed; and
- arrange for payments when the work has been completed.



What service will the Home Ownership Team provide?

The Home Ownership Team understands that the procedure for arranging a loan can be quite daunting, especially filling in long application forms. So, if you would like a member of the Home Ownership Team to help you to fill in the forms, you can make an appointment to come to the office. If you cannot come to the office, you can ask for a home visit.

What is the rate of interest charged on the advance?

The mortgage interest is a variable rate which will vary over time. The formal offer will confirm the actual rate which applies when you take out the advance. You will be told when the interest rate changes, and this is usually when the Bank of England rates alter.

Will I need insurance?

Yes, if you take out a loan your home must be covered by building insurance. As part of the terms of the lease, we provide your building insurance with Zurich. If your insurance is with a different company, the lender may make a one-off charge of £25.



Are there any medical checks?

The Home Improvement Trust does not normally need evidence of your health. However, for people under 60, the trust will need to see evidence that the household includes a disabled person.

Can I get any more help?

If you receive Income Support or Pension Credit, you should fill in an MI 12 form, which is available from the Department for Work and Pensions, to see if you can get help in paying the interest payments of the loan. This applies to the 'interest-only loan' and the 'capital and interest repayment loan' only, and depends on the type of work carried out. Your Houseproud Case Officer will help you fill in the forms.

How can I be sure this is not a 'dodgy' scheme?

Houseproud is a government-backed scheme and is supported by Haringey Council and other local authorities throughout England and Wales. It aims to help you to continue living safely and independently in your own home.

You should get your own independent advice if you are in doubt.



Do I risk losing my home?

You do not risk losing your home with loans recommended by Houseproud. All Houseproud loans have an absolute guarantee that your home will not be repossessed while you are living in it.

Will I be able to move house in the future?

Yes, but you may have to pay off your loan when you do move if the loan is not transferred to the new property.

What happens if someone moves in with me after I take out a Houseproud loan?

Anyone who moves in with you after you take out the loan may not be able to stay in the property after your death. This is because the scheme would come to an end when you die or the other surviving original eligible applicant dies. The property would usually have to be sold unless you have already repaid the full amount owed.

If there is a chance that a new partner may be moving into your home, talk to the Houseproud Case Officer about it. In some cases, it may be possible to make alternative arrangements.

What next?

If you would like to apply for a loan or would like more information, please fill in the prepaid reply card and we will send you the information you want. **This does not commit you in any way to taking out a loan.**

Useful contacts

Age Concern England

1268 London Road
London
SW16 34ER
Phone: 0800 00 99 66
Website: www.ace.org.uk

Age Concern England publishes a guide called 'Using your home as capital 2004-2005', by Cecil Hinton and Mark Goodale. It costs £4.99 (plus £1.99 for posting and package) and is available from:

Age Concern Books
Unit 6
Industrial Estate
Brecon
Powys
LD3 8LA.
Phone: 0870 4422 120

Financial Services Authority (FSA)

25 The North Colonnade
Canary Wharf
London
E14 5HS
Consumer helpline: 0845 606 1234
Website: www.fsa.gov.uk

The Financial Services Authority is the government-appointed regulator of financial services in the UK, and publishes information on the different types of equity release scheme.

Help the Aged Equity Release

Freepost NAT15540
Witney
OX29 4BR
Phone: 0845 2300 820
Website: www.helptheaged.org.uk/equityrelease

Help the Aged Equity Release provides free independent financial advice on finding the most appropriate equity release scheme, and will give you a report detailing the most suitable options for you.

Citizens Advice Bureaus in Haringey

14A Willoughby Road
Turnpike Lane
N8 0JJ
Phone and fax: 020 8352 3375

7 Hatherley Gardens
Crouch End
N8 9JJ
Phone and fax: 020 8374 6455

Tottenham Town Hall
Approach Road
N17 4YR
Phone and fax: 020 8376 7780

Sixty Plus in Haringey – Floating Support Service
62 Mayfield Road
Hornsey
London
N8 9LP
Service Co-ordinator – Bob White
Phone: 020 8342 5203

This booklet provides information on the Houseproud scheme, offering assistance and advice on loans for major works bills for leaseholders who are over the age of 60 or have a disabled person in their home. If you would like a copy in your own language please tick the box, complete and return the form to the Freepost address below.

Albanian

Kjo broshurë jep informata mbi skemën Houseproud (*Krenar për shtëpinë*), që ofron ndihmë dhe këshilla mbi kreditë për fatura të punimeve madhore për qirambajtësit (*leaseholders*) që janë të moshave mbi 60 vjeç ose që kanë një person të paaftë në shtëpinë e tyre. Nëse e doni një kopje në gjuhën tuaj, ju lutem shënjoni kutinë, plotësoni dhe ktheni formularin tek adresa e mëposhtme me Postim Falas.

Kurdish

Ev pirtûkok agahî dide li ser projeja Houseproud ku derbarî deynkirinên ji bo fatûreyên karên mezin yên avahiyan de alikarî û şîret dide xwedîdarêyên ji 60 salî mezintir an ên di mala wan de mirovek seqet heye. Hek hun qopyeke vê bi zimanê Kurdî dixwazin, ji kerema xwe qutiyê îşaret bikin, formê tijî bikin û vegeerînin edresa li êr. Pûl hewce nake.

Bengali

'হাউসপ্রাউড' (Houseproud) নামে যে কর্মসূচি ৬০ বছর বা তার বেশী বয়সী অথবা বাড়িতে কোন প্রতিবন্ধী লোক আছে এমন লীজহোল্ডারদের বাড়ি ঘরনের কাজকর্ম করানোর খরচ মেটানোর জন্য ঋণ পাওয়ার ব্যাপারে সহায়তা ও পরামর্শ দিয়ে থাকে, তার সম্পর্কে তথ্য এই পুস্তিকায় দেওয়া হয়েছে। আপনি যদি আপনার নিজের ভাষায় এর কপি পেতে চান তাহলে বায়ো টিক চিহ্ন দিন, ফর্ম পূরণ করুন এবং নিচে দেওয়া ফ্রীপোস্ট বা বিনা ডাকখরচের ঠিকানায় সেটা ফেরত পাঠিয়ে দিন।

Somali

Buugyarahani waxuu macluumaad ka bixiyayaa barnaamijka la dhaho 'Houseproud scheme' kaasoo bixiya taageero iyo talobixin ku saabsan daymo u qaadasho qaansheegad ka yimid bilal lagu soo dalacay dhismo shaqooyin balaaran oo lagu soo dalacay dad iibsaday guryo Kowmsal kuwaasoo jira 60 sano ama ka wayn ama guri ku haya qof naafo ah. Haddii aad rabto in laguujo tarjumo luuqadaada fadlan sax mari sanduukha soo buuxi foomka, kuna soo dir ciwaanka hoose ee boost diristu bilaashka tahay.

French

Cette brochure fournit des informations sur le programme «Houseproud» qui offre de l'assistance et des conseils pour les prêts pour les factures de travaux importants pour les locataires à bail âgés de plus de 60 ans ou qui habitent avec une personne handicapée. Si vous en voulez un exemplaire dans votre langue, veuillez cocher la case, compléter et renvoyer le formulaire à l'adresse au port payé ci-dessous.

Turkish

Bu broşür, 60 yaşının üstünde olan ya da ailesinde engelli olan lease sahiplerine büyük tamir faturaları için borç para alma konusunda yardımcı olan ve tavsiyelerde bulunan Houseproud Programı hakkındadır. Eğer broşürün Türkçe'sini isterseniz lütfen kutuyu işaretleyin adınızı ve adresinizi yazarak formu aşağıdaki Freepost adresine gönderin .

Please tell us if you would like a copy of this leaflet in another language that is not listed above or in any of the following formats, and send the form to the Freepost address below.

In large print

On disk

On audio tape

In Braille

In another language, please state:

Name:

Address:

**Please return to: Freepost RLXS-XZGT-UGRJ, Haringey Council,
Translation and Interpretation Services, 8th Floor, River Park House,
225 High Road, London N22 8HQ**



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