

# Hull City Council Home Appreciation Loans



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Please phone (01482) 3003 00.

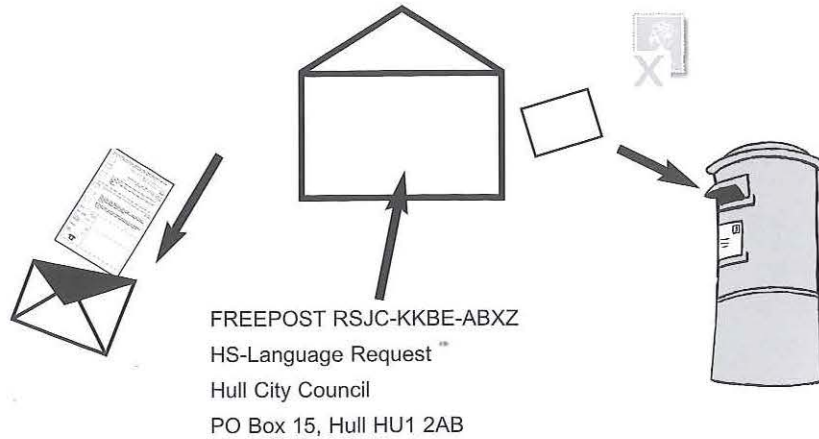
Textphone users please phone (01482) 300 349.



If you would like this document in your language please tick the box and send it in an envelope to:

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- Arabic  إذا رغبت الحصول على نسخة من هذه الرسالة مترجمة الى لغتك، من فضلك ضع إشارة في المربع وضعها في ظرف و ارسلها الى العنوان التالي:
- Kurdish  ئەگەر تەم نامەییەت دەوێت بە زمانی خۆت تکایە نیشانیە لە چوارچێوەکە بە دەوله زەرفیکی نامەدا بێنێرە بۆ:
- Russian  Если Вы желаете получить это письмо на родном языке, пожалуйста отметите с крестиком в клетке, положите в конверт и посылайте по адресу:
- Mandarin  如果您想要一份是用您的母语写成的这封信，请在空格内打钩，并把这张纸装入信封（免贴邮票）寄到下列地址:
- Farsi  اگر این نامه را به زبان خودتان میخواهید، لطفا مربع مربوطه را علامت زده و آنرا داخل یک پاکت نامه گذاشته و به آدرس پستی رایگان زیرپست کنید:
- Turkish  Bu mektubu kendi dilinizde isterseniz, lütfen kutuyu işaretleyip zarfın içinde adrese gönderiniz:
- Bengali  আপনি যদি এই চিঠি নিজের মাতৃভাষায় পেতে ইচ্ছুক হ'ন তাহলে দয়া করে বক্সে টিক করার পরে খামে ভরে এই ঠিকানায় পাঠান:-
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## 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, or if you move out of it, for example into sheltered accommodation.

The amount you'll repay is based on how much your property has changed in value when your loan becomes repayable. 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 or live in it as your main 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
- the amount you will be asked to repay 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 own 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

## 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 anticipated improved 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 all the legal work for your loan has been completed your contractor can start work. When the work has been completed to our satisfaction, we'll pay the contractor directly.

When your loan becomes payable, 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 out of your home 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 300 300 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?

There are fees payable by you to set up your loan. These include a valuation fee, legal fees and any consent fees to any lenders you may have an existing mortgage with. You will be given full written details of the costs specific to your loan before you apply, so you know all the costs upfront. You can choose to pay them in advance or add them to your loan.



## 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. 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 anticipated improved 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?

We have a no negative equity guarantee. This means that when your loan is repaid if the remaining equity in your home is not enough to cover your outstanding loan, you will only be asked to repay an amount equal to the equity available, not the full amount of your loan.

## Do I have to pay interest?

No, interest is not charged on this loan, provided it is repaid in full when due.

## Can I repay the loan before I sell my home?

Yes, you can repay the loan in full at any time. We'll arrange an independent valuation paid for by yourself, 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 for the amount quoted in the valuation report.

## 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, but it will be up to you to pay for the cost of this.

## 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 the 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...

**Private Housing (Financial Assistance) Team**

Telephone: 01482 300 300

Email: [private.housing@hullcc.gov.uk](mailto:private.housing@hullcc.gov.uk)