

Appendix A

National Home Improvement Loan Scheme

Addendum to section 5 of the Private Sector Housing Renewal and Disabled Adaptations: Policy to Provide Assistance 2012-17 approved by Council on 20th September 2012.

5.18 The National Home Improvement Loan scheme is a Welsh Government initiative to offer interest free loans to help improve housing conditions in the private sector. Loans are available to enable the renovation and improvement of single properties or the conversion of properties into a number of units, so that they are suitable for use as residential accommodation.

5.19 Criteria for National Home Improvement Loans are outlined below.

Who is eligible	<ul style="list-style-type: none">• Owners of sub-standard properties, landlords and owner occupiers, who pass an affordability check. Individuals, companies, charities and voluntary sector organisations can apply.• Persons applying for loans may either be existing or prospective owners. The property must be registered in the applicants name before the loan can be approved.• Tenants on repairing leases may be considered if the relevant interest offers adequate security.• All loans are secured by placing a financial charge on the property itself or any other property the applicant is able to offer as security against the loan. Note: any loans registered as local land charges in accordance with the Local Land Charges Act 1975 are binding on successive owners.
Eligible Works.	<ul style="list-style-type: none">• Improvements to the standard and overall quality of the accommodation to make it warm, safe or secure. Works should bring it up to a reasonable standard for occupation referred to in operational guidance; and for private rented properties it must be free from Category 1 hazards as defined by the Housing Act 2004 Housing Health and Safety Rating System on completion.• Works to convert a property or commercial building into one or more units to a reasonable standard so that it is suitable for immediate occupation.

<p>Loan amounts, term and fees</p>	<ul style="list-style-type: none"> • The maximum loan amount will be £25,000 per property or unit, up to a total maximum of £150,000, per applicant. • Loans can be used to improve a property for continued ownership, for sale or for rent on completion of works. • The maximum loan term is 5 years if the property is to be rented, or 10 years for owner occupation. • Loans can be repaid in stages (monthly, quarterly or yearly) or full repayment at the end of the loan term. Owner occupiers will, subject to an affordability check, make staged repayments. • Loans will be interest free. • A one off administration fee of 15% of the loan amount is payable by applicants to cover the costs of processing applications. Fees can include costs such as application processing, affordability checks, credit checks, valuation, where required, legal fees, Land Registry, Companies House, survey, supervision and contract management. These can be paid in advance or included in the loan.
<p>General Conditions</p>	<ul style="list-style-type: none"> • In the case of competing applications, priority will be given to owner occupiers over landlords and, where a loan is provided to a landlord, to those landlords offering affordable rents and / or nomination rights over market rents. Properties in areas identified as being in the most housing need will also be a consideration when prioritising competing applications. • Loan to value ratio will not exceed 80%. • 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. Where appropriate, Planning and Building Regulation consent will be required for proposed works. • Applicants must not owe any outstanding debt to the Council at the time of making an application or have adverse credit history which may include County Court Judgements, Individual Voluntary agreements (IVAs), Debt Relief Orders, Bankruptcy (within last 6 years), Company Insolvency/ Liquidation. <p>Loan assistance will not be available for the following: -</p> <ul style="list-style-type: none"> • Properties that are not of a permanent nature such as houseboats and caravans. • Structures that do not have Building Regulations approval. • Buildings not suitable for conversion to habitable dwellings.