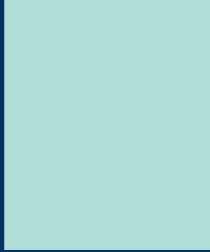


House Proud

Loans for major works bills HouseProud scheme





What is the HouseProud scheme?

HouseProud is a national scheme supported by central government working with local authorities in England and Wales and managed by the Home Improvement Trust (a not-for-profit organisation, which acts as an impartial agent). Most London boroughs offer the HouseProud scheme.

The aim of the scheme is to provide information, guidance and support for leaseholders aged 60 and over, or households with a disabled person of any age, who have to pay service charge bills for major work or decorating the outside of their home. If you need to raise money to pay for these repairs, the Home Improvement Trust will send you an information pack which includes the Financial Services Agency (FSA) fact sheet 'Raising money from your home' which we strongly recommend you read before applying for a loan. HouseProud can provide access to a



variety of loans which have been tailored to meet the needs of older people and disabled people. Not only are these loans affordable and risk free, but these loans also carry a guarantee that your home will not be repossessed. Most options also carry a "no negative equity" guarantee for further peace of mind.



With HouseProud a part of the value of your home can be turned into a loan to meet the cost of the work. Your individual circumstances are taken into account when assessing the different types of loan available to you. In some cases, it is not even necessary to pay it back during your own lifetime. Instead, the amount you borrow, plus interest, is taken from the value of your home when it is eventually sold.

HouseProud offers the services of an independent qualified person, who will write to you with free guidance on appropriate mortgage options for raising money to pay for work needed to your property. You can apply for a loan if you are a leaseholder and

- > over 60 years of age, or



> have a disabled person in the home
You should be eligible to apply to HouseProud for a loan for major works and decorations works outside your home.

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 works or decorating the outside 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 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 and shared areas of your block or estate, such as external repairs and decorations or window repairs or replacement.

What is the maximum loan I can have?

HouseProud considers your income and the value of your home when deciding how much you can borrow. Usually this ranges from £3,000 up to 55% of the current value of your property, and it will also depend on your age.

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 Islington council property is the only property you own.*

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.

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.*

- > *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. You will need to talk to your HouseProud case officer about filling in the necessary forms.

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

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 some of 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 £758.63, broken down as follows:



Valuation of your property (£275 +VAT)	£323.13
Local-authority search indemnity fee	£27.00
Land Registry fee (if registered property is already registered)	£40.00
Solicitor's fee (£220 +VAT)	£258.50
Home Improvement Trust administration fee	£100.00
Disbursements (For example a credit check)	£10.00
Total	£758.63

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?

HouseProud 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 need not worry about finding a reputable lender and the other service providers you will need. It will:

- > Arrange for payments when the work has been completed
- > Provide an independent qualified person free of charge to write to you with guidance on appropriate options for you to consider
- > Liaise with the lender on your part to facilitate the loan
- > Arrange for a valuer to value your leasehold property
- > Appoint a solicitor to ensure that all the legal procedures are followed and legal documentation is prepared and completed
- > Arrange for payments when the work has been completed



What if I need help with filling in forms?

We understand that the procedure for arranging a loan can be quite



daunting, especially filling in long application forms. Contact Home Ownership Services if you would like help with filling in the forms, and we will arrange for an independent housing advice worker from CHAS CL to provide you with assistance. CHAS CL are an independent charity who specialise in housing advice.

What is the rate of interest charged on the loan?

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

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 of

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.

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

HouseProud is a government-backed scheme and is supported by Islington 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 scheme may not be able to stay in the property after your death. This is because the loan would need to be repaid on your death or that of the other surviving original eligible applicant. The property would usually have to be sold unless you have already repaid the full amount owed.

What next?

If you would like to apply for a loan or would like more information, please contact Home Ownership Services. This does not commit you in any way to taking out a loan.

Useful contacts

Home Ownership Services

2-4 Tufnell Park Road,
London, N7 0DL,
Telephone: 020 7527 7715
Web: www.homesforislington.org.uk

The Home Improvement Trust

7 Mansfield Road,
Nottingham, NG1 3FB,
Telephone: 0115 934 9511 (from abroad + 44 115 934 9511)
Fax: 0115 934 9501 (from abroad + 44 115 934 9501)
e-mail info@hitrust.org

Age Concern England

1268 London Road,
London, SW16 3ER,
Tel: 0800 00 99 66
Web: www.ace.org.uk

Financial Services Authority (FSA)

25 The North Colonnade
Canary Wharf
London E14 5HS
Consumer Helpline: 0845 606 1234
Web: 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
Tel: 0845 2300 820
Web: 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 provide you with a report detailing the most suitable options for you.

Citizens Advice Bureaux in Islington

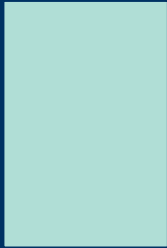
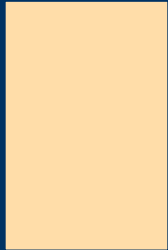
86 Durham Road
London
Islington, N7 7DU
admin@islingtoncab.org.uk
0870 751 0925 (telephone)
0870 751 0925 (advice)



improving housing through partnership

House Proud

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Stonewall

Diversity Champions
PROMOTING DIVERSITY IN THE WORKPLACE



**TRANSLATION
AVAILABLE**



INVESTOR IN PEOPLE

www.homesforislington.org.uk