

Home Improvement Loans 'Golden Rules'

Who can apply?	Owner-occupiers, landlords and investors
Loan Set Up Fee	15% (inclusive of VAT) in all cases (Fee can be added to the loan or paid up front)
Minimum and maximum HIL value	£1,000 up to £25,000
Maximum HIL available per loan recipient	Once repaid the applicant can reapply.
Interest	HIL's are interest free (0%)
Permitted improvement works	Any Works which make a residential property safe, warm and/or secure. Conversion of commercial (or other) property to domestic dwellings is also permitted.
HIL's can be provided for the purpose of improving a residential property for:	<ul style="list-style-type: none"> • Continued ownership • Sell • Rent
Eligibility	<ul style="list-style-type: none"> • Applicant(s) must be 18 yrs + • All owners of the property to be subject to works - must be an applicant • Applicants must pass an affordability assessment (where Credit Rating Information and other factors will be used) • The application must pass a risk assessment test
HIL general terms & conditions	<ul style="list-style-type: none"> • the purpose/works for which the HIL is provided must be approved by the Council • if the loan recipient sells the property during the term of the HIL, the loan must be immediately repaid in full • Owner-occupier applicants have greater discretion as to what works the HIL can fund • Landlords/Investors – must ensure all Category 1 Hazards (as defined by the

	<p>HHSRS system) are removed from the property via the proposed works</p> <ul style="list-style-type: none"> • Applicants must provide proof of all household income • Applicants must disclose all outgoings • Failure to provide all information or to provide deliberately misleading information could lead to prosecution
Loan periods	<ul style="list-style-type: none"> • Between 1 - 5 yrs landlords • Between 1 - 10 yrs for owner occupiers
How will MTCBC pay loan funds?	<p>Funding will be transferred via BACS to the successful applicants nominated bank account in one of two ways:</p> <p>Option 1 – full loan payment up front to the applicant, prior to commencement of works; OR</p> <p>Option 2 – 50% payment up front (prior to works) and 50% on completion of works to the satisfaction of the Council</p> <p>The Council will decide which Option is most appropriate in the circumstances.</p>
Who arranges the works?	<p>The loan recipient is responsible for arranging the works and paying for said works.</p> <p>The Council does however offer an additional discretionary Home Improvement Agency Service (see enclosed Information Sheet) at a fixed cost of £850 + vat. For this fee the Agency will schedule the works, appoint the contractor for the client, oversee the works and carry out a final inspection before paying for said works. This service can provide total peace of mind...</p>
Repayment terms	<p>Either staged repayments (monthly) or full repayment at the end of the HIL term or on sale of the property (if earlier)</p>
Risk mitigation measures	<p>The Council will register a legal charge on property owned by the applicant –</p>

	<p>preferably the property subject to the works.</p> <p>The legal charge must be first charge, or may be second charge, only where the first charge holder consents to the second charge (usually the mortgage Co.).</p> <p>Loan must satisfy the 80% Loan to Value Rule (LTV). That is, any mortgage or other debt secured against the property PLUS the HIL value MUST NOT exceed 80% of the CURRENT value of the property. Where there is any doubt or dispute about the current property value, the Council can direct the applicant to employ an RICS valuer to provide a valuation report.</p>
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