

## Appendix 1 Major works repayment options

<b><u>Scheme of financial assistance for leaseholders with major works bills</u></b>			
<b><u>Summary of terms and conditions</u></b>			
<p>These repayment options are only available to leaseholders that live in their leasehold property. If the property is rented you will not be eligible for financial assistance outside the terms of your lease.</p>			
	<b>Option</b>	<b>Eligibility criteria</b>	<b>Conditions</b>
1.	Prompt payment discount	Available for 6 weeks after the estimate costs are issued in the final section 20 notice.	If you pay your major works estimated bill within six weeks of receiving the estimate costs (from your final section 20 notice letter), you will be entitled to a 5% discount off the estimated cost only.
2.	Within one year		Your lease allows you to pay in 12 equal monthly instalments from April to March only interest free.
3.	Up to 3 years interest free period	Costs must be between £1000 and £5000 The amount of repayment time-frame is determined by the amount of the loan required.	<ol style="list-style-type: none"> <li>1. No interest will be charged for first 3 years</li> <li>2. Payments are to be made in equal monthly instalments</li> <li>3. Minimum monthly payment must be £150 per month.</li> <li>4. Completed applications must be received by Leasehold Services within twelve weeks of receipt of estimate costs (from your final section 20 notice)</li> <li>5. Failing to make payments as per the agreement letter will result the agreement being withdrawn and the remaining balance will be due in full.</li> <li>6. A completed repayment agreement application will need to be submitted. Agreement letters will need to be signed and returned before the payment plan can be initiated.</li> </ol>
4.	Three years to Six years	Charge must be over £5000.	<ol style="list-style-type: none"> <li>1. No interest will be charged for first 3 years</li> <li>2. Payments are to be made in equal monthly instalments</li> <li>3. Minimum monthly payment must be £150 per month.</li> <li>4. Completed applications must be received by Leasehold Services within twelve weeks of receipt of estimate costs (from your final section 20 notice)</li> <li>5. Failing to make payments as per the agreement letter will result the agreement being withdrawn and the remaining balance will be due in full.</li> <li>6. A completed repayment agreement application will need to be submitted. Agreement letters will need to be signed and returned before the payment plan can be initiated.</li> </ol>

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			<ol style="list-style-type: none"> <li>7. A legal charge will be placed on the property for the major works bill, for which an administration fee of £250 will be payable in advance. This charge will be removed when the bill has been paid in full.</li> <li>8. Interest on the remainder of the charge will be the Bank of England base rate plus 1%.</li> </ol>
<b>5.</b>	Six years to Eight years	Charge must be over £15,000.	<ol style="list-style-type: none"> <li>1. No interest will be charged for first 3 years</li> <li>2. Payments are to be made in equal monthly instalments</li> <li>3. Minimum monthly payment must be £150 per month.</li> <li>4. Completed applications must be received by Leasehold Services within twelve weeks of receipt of estimate costs (from your final section 20 notice)</li> <li>5. Failing to make payments as per the agreement letter will result the agreement being withdrawn and the remaining balance will be due in full.</li> <li>6. A completed repayment agreement application will need to be submitted. Agreement letters will need to be signed and returned before the payment plan can be initiated.</li> <li>7. A legal charge will be placed on the property for the major works bill, for which an administration fee of £250 will be payable in advance. This charge will be removed when the bill has been paid in full.</li> <li>8. Interest on the remainder of the charge will be the Bank of England base rate plus 1%.</li> </ol>
<b>6.</b>	Eight to ten years	Charge must be over £20,000.	<ol style="list-style-type: none"> <li>1. No interest will be charged for first 3 years</li> <li>2. Payments are to be made in equal monthly instalments</li> <li>3. Minimum monthly payment must be £150 per month.</li> <li>4. Completed applications must be received by Leasehold Services within twelve weeks of receipt of estimate costs (from your final section 20 notice)</li> <li>5. Failing to make payments as per the agreement letter will result the agreement being withdrawn and the remaining balance will be due in full.</li> <li>6. A completed repayment agreement application will need to be submitted. Agreement letters will need to be signed and returned before the payment plan can be initiated.</li> <li>7. A legal charge will be placed on the property for the major works bill, for which an administration fee of £250 will be payable in advance. This charge will be removed when the bill has been paid in full.</li> <li>8. Interest on the remainder of the charge will be the Bank of England base rate plus 1%.</li> </ol>

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7.	Voluntary Legal Charge Option (securing the cost against your property)	Only offered to vulnerable people with financial difficulties where all other financial means have been explored.	<p>A legal charge will be placed on the property for the major works bill, for which an administration fee of £250 will be payable in advance. This charge will be removed when the bill has been paid in full.</p> <p>The interest rate will be 2.5% or the bank of England base rate plus 1% whichever is the greater.</p> <p>There are two options for payment of interest:</p> <ul style="list-style-type: none"><li>A) No repayments until property is sold (interest will be 'rolled up' and recovered with the amount of charge is paid back when the property is sold)</li><li>B) The interest is paid on a monthly basis until the property is sold, but the amount of the charge remains the same and is paid back when the property is sold.</li></ul>
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