

# Private Sector Housing: Home Improvement Finance

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## Guidance Note 3: Case Studies

June 2024





This report has been produced with funding from the Local Government Association's Housing Advisers Programme.

The Housing Advisers Programme is designed to support councils seeking to innovate in meeting the housing needs of their communities. It aims to be simple, flexible and locally-led. In 2022/23, 21 successful projects received money from the programme to promote, facilitate and enhance their role and capacity to meet their local housing need.

The report has been produced by the Financial Inclusion Centre, an independent research and policy innovation think-tank dedicated to reducing financial and social exclusion.

It is based on work undertaken through the Housing Advisers Programme with a number of councils, including Derby City Council, Nottingham City Council, Stoke-on-Trent City Council and the London Borough of Barking and Dagenham, in relation to home improvement finance in the private housing sector.

It is one of four reports, as detailed below, designed to provide councils with a practical toolkit including relevant evidence, good practice and learning on the effective development and delivery of home improvement finance schemes targeted at non-decent homes, homes requiring adaptations and those with a low level of energy efficiency.

- Guidance Note 1: Research and Literature Review
- Guidance Note 2: Building the Business Case
- Guidance Note 3: Case Studies
- Guidance Note 4: Financing Options
- Guidance Note 5: Local Authority Survey Results

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# 1. Community finance

## 1.1. Credit unions in the UK

### Eastern Savings and Loans - Suffolk Green Loans

Eastern Savings and Loans Credit Union was established in 2002 and delivers financial services to people who live or work in Cambridge, Norfolk, Suffolk, North Essex or for selected employers. It currently looks after £1.4 million in savings and has a number of home improvement and green loans in partnership with a variety of councils and organisations.

#### Renewable Energy and Energy Efficiency Loans

In partnership with Suffolk Energy Action, the credit offers 0% interest loans with no setup fees or additional charges. Members can borrow up to £5,000 over 3 years, for a range of domestic energy efficiency and renewable energy systems. This product is only available to residents of Suffolk with a household income of less than £30,000 per year.



Eastern Savings & Loans

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Home » Products and Services » Loans » Suffolk Green Loans

### Suffolk Green Loans

Up to £5,000

#### Renewable Energy and Energy Efficiency Loans

In partnership with Suffolk Energy Action, we are able to offer 0% interest loans of up to £5,000 over 3 years, for a range of domestic energy efficiency and renewable energy systems. This includes solar water heating, air and ground source heat pumps, and other technologies, see below for the full list. This product is only available to residents of Suffolk with a household income of less than £30,000 per year. You do need to become a member of ESLSCU to apply for this 0% loan. Please use the Promotion Code SEAL when you apply for this loan.

- No setup fees or additional charges
- Loans repaid over 3 years
- Residents of Suffolk only
- Wide range of renewable energy installations covered
- Including LED lighting, insulation and double or triple glazing
- Use the Promotion Code SEAL when you apply

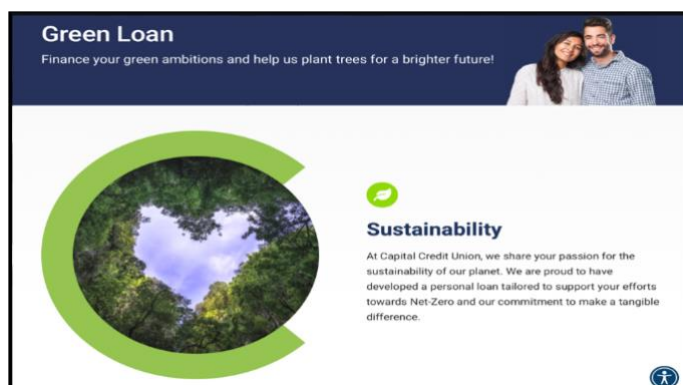
#### What domestic renewable energy and improvements are covered?

- Solar PV panels and efficiency equipment
- Domestic wind turbine
- Biomass boiler
- LED Lighting
- Loft & Floor insulation
- Cavity wall fill, internal & external solid wall insulation
- Draught proofing
- Double & Triple Glazing
- Air source heat pumps
- Ground source heat pumps
- Water conservation measures – rainwater harvesting
- Electric vehicles and charging points.

Find out more at: <https://www.eslscu.co.uk/products-and-services/loan-products/suffolk-green-loans/>

## Capital Credit Union - Green Loan

Capital Credit Union is one of the largest credit unions in the UK, with almost 25,000 members and assets of £45m in the East of Scotland. Alongside their standard loan products, Capital offers a specific green loan to help their members to finance their green ambitions.



### Eligible improvements:

Qualifying products and services include:

- Insulation
- Double glazing
- Solar Panels
- Switching to renewable energy
- Heat pumps
- Home ventilation system
- LED lighting
- Rain water tanks
- Boiler upgrade

Reference is also made to the fact that green products and services should help save energy, be free of toxic compounds, be made of recycled or reused materials, be durable and easily repaired and minimise environmental impact during a product's entire life cycle.

### Loan criteria:

Membership of Capital Credit Union

### Loan amounts and repayment terms:

- Loans between £1,000 to £25,000
- Repayment period: minimum 12 months, up to 10 years

### Loan interest rates:

- Loans from 4.9% APR – no specifically defined green loan interest rates

### Loan process:

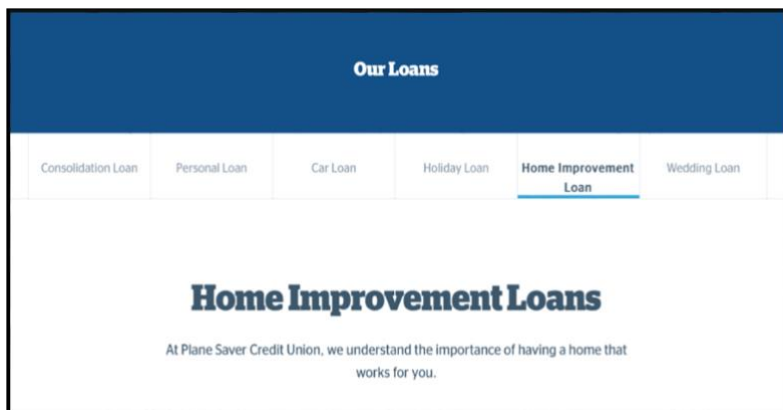
- Standard credit union loan application process
- As a loan funding personal projects with environmental benefits, applicants are asked to provide a quote of their qualifying purchase/service. Alternatively, providers can be paid directly
- For every green loan taken, CCU will donate a tree

Find out more: [https://www.capitalcreditunion.com/lp-green\\_loan](https://www.capitalcreditunion.com/lp-green_loan)

## Plane Saver Credit Union – Home Improvement Loan

One of the largest employee-based credit unions in the country, Plane Saver delivers a specific Home Improvement Loan – offering:

- Flexible loans ranging from £1,000 to £25,000
- Rates from 7.9% APR
- No hidden fees or charges
- No early repayment penalties
- FREE Loan Protection up to £10,000
- Interest calculated on the reducing balance



Find out more: <https://planesavercu.co.uk/loans/home-improvement-loan>

## 1.2. Credit union delivery in the Republic of Ireland

### Credit Union Greener Homes Programme

In 2021, the Irish League of Credit Unions, together with Energia and House2Home launched CU Greener Homes, a one-stop-shop for home energy upgrades.

CU Greener Homes is a collaboration between credit unions, Energia and House2Home in the Republic of Ireland. It provides a full-service solution to help with home energy efficiency improvements, offering access to low-cost credit union loans, supported by relevant knowledge and expertise to help get the work done.

#### Eligible improvements

The scheme covers all types of home energy upgrades, including:

- Deep Retrofits
- Double/ Triple Glazed Windows
- Solar Panels
- Attic insulation
- Demand Ventilation Schemes
- Exterior Wall Insulation
- Interior Wall Insulation
- Insulated Doors
- Heat Pumps
- New Boiler & Heating Controls

#### Loan criteria:

- Membership of participating credit unions

### Loan amounts and repayment terms:

- No specific loan amounts or repayment terms identified

### Loan interest rates:

In order to support the green economy and encourage everyone to strive for the most energy efficient enhancements, CU Greener Homes offers the lowest interest rates on work which has the biggest overall impact on the home's energy rating – as follows:

BER after approved work	Loan Amount	Loan Term	Interest Rate (variable)	Monthly Repayments	Total amount repayable
A3 or better	€30,000	10 years (120 monthly repayments)	4.79% (4.9% APR)	€315.13	€37,815
B1 or B2	€20,000	10 years (120 monthly repayments)	5.8% (5.96% APR)	€220.04	€26,404.41
Below B2	€3,000	1 year (12 monthly repayments)	7.7% (7.98% APR)	€260.55	€3,126.59

### Loan process:

Credit union loans are offered as part of a coordinated package that includes support to access grants from the Sustainable Energy Authority of Ireland (SEAI), alongside potential additional financial support for eligible works from Energia. A key feature of the CU Greener Homes website is a bespoke Energy Upgrade Calculator. By inputting a few basic details about their home, in just 3 minutes, the calculator enables people to find out the cost of proposed home energy upgrades for their home, the grant support which may be available, and the cost of credit union finance

Find out more: <https://cugreenerhomes.ie>

## Green loan example: Dubco Ireland CU

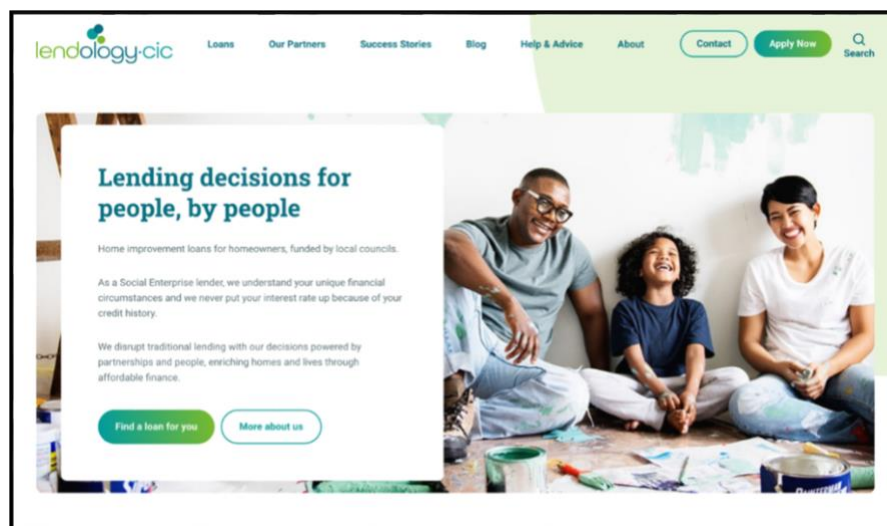
Dubco Ireland CU have approximately 16,500 members, assets of €150m and a loan book of €70m. Their green loan has two distinct elements, covering both home improvements and the purchase of hybrid/electric cars. Across both elements, loans are offered up to €100k at approximately 5% APR and repayable over 5-10 years. For home improvements, applicants have to provide a quote for their green energy project or their Sustainable Energy Authority of Ireland grant application, whilst for a car loan, an invoice for the car is required and the loan is paid direct to the garage/car dealer.

In terms of the level of interest to date, car loans have been significantly more popular than loans for energy efficiency improvements in the home – since Jan 2021, DubCo have issued 119 Hybrid/Electric car loans totaling €3m, but only made 10 Green Home Improvement loans totaling €433k. Green loans are advertised the same as other loans, but DubCo believe they are still not being advertised strongly enough, although they get a preference and would often be the headline loans. DubCo see better promotion and marketing as the main area of improvement regarding their green loan provision and, as such, they have plans to introduce more videos in social media content for the green loans to see if this visual generates more of an interest.

## 1.3. Community Development Finance Institutions (CDFIs)

### Lendology CIC

Lendology CIC is an established not-for-profit lender that works with local councils to support homeowners to fund home repairs and improvements. Lendology currently operate in 15 local council areas across the South West of England and provide access to a wide range of loan products as detailed in the table below.



Home improvement loan	Energy efficiency loan	Renewable energy loan
Replacement Boilers	Replacement Boilers	Solar panels
Central Heating Installations	Central Heating Installations	Solar Thermal Systems
Roofs	Insulation	Ground Source Heat Pumps
Windows	Double and Triple glazing	Air Source Heat Pumps
Electrics	Solar panels	Biomass Heating Systems



Kitchens	Solar Thermal Systems	Other renewable energy measures for your home
Bathrooms	Ground Source Heat Pumps	
Structural Repairs	Air Source Heat Pumps	
External Wall Insulation	Biomass Heating Systems	
Disability Adaptations		
Other essential repairs		
Disability adaptations loan	Landlord loan	Empty property loan
Stairlifts	Energy efficiency improvements	Renovation
Through-floor lifts	Unit conversions	Energy efficiency
Wet rooms	Building renovations	Replacement Boilers
Extensions/downstairs bedrooms	Improvements to comply with safety regulations	Central Heating Installations
Ramps		Roofs and windows
		Electrics
		Kitchens
		Bathrooms
		Structural Repairs
		External Wall Insulation

### Who can apply?

- Homeowners
- Landlord
- Company Landlord
- Retirees
- Self-employed
- No upper age limit
- Poor credit history
- In receipt of benefits

### Loan criteria

- Borrow from £500
- Fixed interest rate
- Typical 4.2% APR
- No early repayment charges
- Range of loan types based on your circumstances
- Flexibility to make overpayments of £100 or more
- Up to 15-year repayment period

### Local authority partners:

- Bristol
- Dorset
- East Devon
- Exeter
- Mid Devon
- North Devon
- North Somerset
- Somerset
- South Gloucestershire
- South Hams
- Teignbridge
- Torridge
- West Devon
- Wiltshire

Useful info: <https://www.lendology.org.uk/wp-content/uploads/2022/09/Lendology-Social-Impact-Report-2021-to-2022.pdf>

Find out more: <https://www.lendology.org.uk>

### Partner example: Exeter City Council

<https://www.lendology.org.uk/partner/view/exeter-city-council/>

### Parity Trust

Parity Trust is a not-for-profit provider of home improvement finance. They currently work in partnership with 16 local authorities to provide secured loans to homeowners for a range of home improvements and repairs including new windows, heating, damp, electrics, renewable energy and leasehold common part works.



They may also be able to help if customers are able to access a Disabled Facility Grant but there is a shortfall between the Grant and the cost of the works. They carry out a full financial review which ensures any loan offered is appropriate to customer circumstances.

### Key loan features:

- No age restrictions for older borrowers;
- Will consider people with a range of incomes including those self-employed, retired or in receipt of benefits;
- Secured Loans from £1,000 - £100,000 available;
- Rates from 5.49% (5.63% APRC);
- Fixed Interest Rate for entire term of the loan;
- Low Arrangement Fee;
- No penalties for overpayments or early settlement;

- Full financial review carried out;
- Range of products available; and
- Terms of up to 25 years

**Useful info:**

<https://paritytrust.org.uk/wp-content/uploads/2017/04/Social-Impact-Report-all-years.pdf>  
[https://housingcare.org/downloads/services/resources/617\\_8284.pdf](https://housingcare.org/downloads/services/resources/617_8284.pdf)

**Find out more:** <https://paritytrust.org.uk>

**Partner example: Basingstoke and Deane Borough Council – Home Improvement Loan**

**How much is available:** up to £10,000

**Who it is for:** Homeowners (owner-occupiers)

**Eligibility:** Open to all owner-occupiers, following an assessment by the Parity Trust

**Details:** Basingstoke and Deane Borough Council has established a fund to help homeowners pay for the installation of energy efficiency improvements in their homes. The loans can be used for range of measures including:

- double-glazing of windows and doors
- insulation, including floors, roofs and walls
- heating systems
- water efficiency measures
- renewable energy technologies, such as solar power or ground source heat pumps.

**Conditions:** Interest will be charged at 4.49%, together with an arrangement fee of £95. Repayments can be made in one of three ways:

**Capital repayment loan:** A monthly payment is applied against the interest and capital, with the amount owed decreasing with each monthly payment.

- For example: If the loan amount is £5,000, over 5 years the monthly payment would be £93.19 with a total repayment of £5,591.40; **OR** over 15 years the monthly payment would be £38.22 with a total repayment of £6,879.60

**Interest-only loan:** A monthly payment is applied against interest but not the capital amount over a 25 year term. Applicants are required to pay the capital on the sale of the property of when the loan term expires.

- For example: If the loan amount is £5,000, over 25 years the monthly payment would be £18.71 to cover interest only. The applicant would still owe £5,000 on completion of the loan or the property is sold.

**Interest roll-up loan:** There are no monthly payments. The loan balance increases over time as the interest rate accumulates. The applicant must pay the total loan balance when the property is sold or when the loan term expires.

- For example: If the loan amount is £5,000, over 25 years the monthly payment would be £0 but interest would be payable on completion of the loan or the property is sold. This would equate to: £6,256 if the loan was paid back within 5 years; £9,793 if the loan was paid back within 15 years; and £15,330 if the loan was paid back within 25 years.
- **How to apply:** The [Parity Trust](#) administers this loan scheme on behalf of the council.

**Find out more:** <https://www.basingstoke.gov.uk/energy-efficiency-loans-and-grants>

## Flexible Home Improvement Loans Limited

Flexible Home Improvement Loans Limited is a not-for-profit company, whose members are local authorities across Berkshire, Buckinghamshire, Oxfordshire, Surrey and Northamptonshire.

Loans are administered and managed by Lendology.

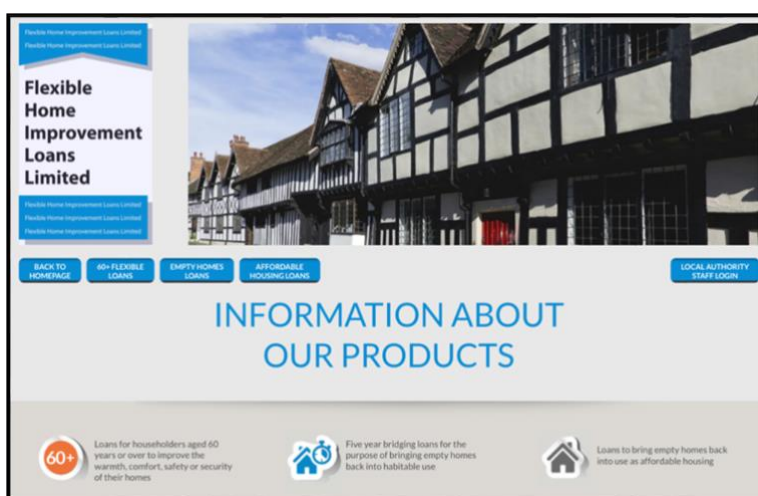
Its current loans products include:

### 60+ flexible loans:

**Eligibility:** Any homeowners who are aged 60 years or over. In the case of joint owners, each must be at least 60 years of age.

**What improvements can be considered?** Improvements that will make the home safer, warmer, healthier or more comfortable for the occupants. Examples of work that may be acceptable include:

- Essential repairs and maintenance
- Renewable energy generation technology such as solar panels and heat pumps etc
- Central heating or improvements to heating and hot water systems
- Insulation and energy saving measures
- Replacement doors and windows
- Roof and structural repairs
- Replacement bathroom suites
- Installation of level-access showers
- Plumbing and drainage repairs
- Rewiring
- Replacement kitchens
- Burglar alarms and home security
- Replacement guttering, soffits and cladding



- Works associated with eradicating dampness, wet rot, dry rot and woodworm
- Installation of stairlifts or other adaptations

**How does the scheme work?** The loans are described as flexible and they are exactly that. During the term of the loan applicants can choose to make regular monthly payments, occasional payments or no payments at all. Furthermore, they are free to vary the arrangement at any time.

The loan, plus any outstanding interest, must be repaid if the home is sold, or if the owners cease to occupy it. The loan can also be paid off at any time without penalty. The loan will be secured by a charge on the property so applicants must check this will meet their needs if they want to move or sell their home or want their family to inherit it. If in doubt, applicants should seek independent advice. Interest will be charged at a low rate linked to Bank of England rate. Applicants' accounts will also be debited with an annual charge of £15 to cover the cost of loan administration and statements.

**Are there any initial costs?** There will be a fee for loan documentation and registration of the legal charge. The fee will be added to the loan and is currently £80.00 for loans up to £50,000. In certain circumstances the Council may need to obtain a valuation of the property to confirm the equity is sufficient to cover the loan. This is unlikely to be needed in most cases. If the applicant decides to engage a solicitor to act for them, any fees incurred may be added to the loan. When the loan is eventually repaid there is a flat fee of £50.00 for cancellation of the registered charge.

### **Empty Homes Loan:**

#### **How does the scheme work?**

- Empty Homes Loans may be regarded as 5 years, flexible, bridging finance secured by a first charge or, in some circumstances, a second charge on the property.
- After the work has been completed applicants may let the property or use it as their own residence.
- During the term of the loan applicants can choose to make regular monthly payments, occasional payments or no payments at all. Furthermore, they are free to vary the arrangement at any time.
- The loan, plus outstanding interest, must be repaid on the fifth anniversary of making the loan, or if the property is sold, whichever occurs first. The borrower will normally need to remortgage, or sell, the property to repay the loan. Interest will be charged at 2% above Bank of England rate, subject to minimum and maximum rates Borrowers' account will also be debited with an annual charge of £15 to cover the cost of loan administration and statements.
- The loan may be repaid, in whole or part, at any time before the end of the five years, without penalty. When the loan is completely repaid there is a flat fee of £50.00 for cancellation of the registered charge

**Who is eligible?** Empty Homes Loans are available to owners of empty properties. Applications are processed on a non-status basis, although a credit check is carried out. A

very poor credit history may result in the application being declined and bankruptcy will automatically prevent the company from making a loan.

**Are there any setting-up costs?** There will be a fee for loan documentation and registration of the legal charge. The fee will be added to the loan and is currently £80.00 for loans up to £50,000. In certain circumstances the Council may need to obtain a valuation of the property to confirm the equity is sufficient to cover the loan. This is unlikely to be needed in the majority of cases. If the applicant decides to engage a solicitor to act for them, any fees incurred may be added to the loan.

### **Affordable housing loans:**

#### **How does the scheme work?**

- Owners would only need to sign up for the scheme and a Housing Association working in partnership with the Council will do the rest.
- The Housing Association will assess whether the property is suitable for the scheme and the rent achievable, and then undertake the necessary renovation works to bring it up to an appropriate standard. The cost of the works is then funded by a secured low interest rate loan provided by the Council.
- On completion the property would be let as affordable housing, the loan repaid monthly from the rental income and the owner will receive the net rent. At the end of the private sector leasing agreement the property will be returned to the owner in good order.

**Who is eligible?** The Affordable Housing Loans Scheme is available to assist owners of empty properties to bring them back into habitable use through funding, project management and private sector leasing

**What interest rate is charged on the loan?** Interest on the loan will be charged at the Bank of England rate, subject to a minimum and maximum rate.

**Are there any other charges in connection with the loan?** There will be a fee for registration of the legal charge and loan documentation. The fee will be added to the loan and is currently £80.00 for loans up to £100,000. The applicants account will also be debited with an annual charge of £15 to cover the cost of loan administration and statements. The loan may be repaid at any time without penalty. When the loan is completely repaid there is a fixed fee of £50.00 for cancellation of the registered charge.

**Does the Housing Association make any charges?** The Housing Association charge a fee for commissioning and supervising the works and an annual charge for the management, maintenance and insurance of the property. An illustration of these costs will be provided at an early stage.

**Find out more:** <https://www.fhil.org>

## 2. Internal council-led delivery

### Croydon Borough Council - Home Investment Loans

Croydon Council offer means tested loans that are designed for people on low incomes and/or certain benefits. They are interest free for borrowing up to £20,000 for applicants whose property is in serious disrepair. These loans are delivered by Croydon Home Improvement Agency.

**What is it for?** The purpose of the home investment loan (HIL) is to help homeowners remove category 1 and 2 hazards from their dwelling as identified under Part 1 of the [Housing Act 2004](#) or to put a dwelling into reasonable repair or to meet the [Decent Homes Standard](#). This includes the common parts of the dwelling that the applicant is responsible for under the terms of any lease. Examples of work covered under this scheme include:

- Replacement of roof
- Rewiring of property
- Damp issues
- Structural collapse
- Replacement of windows
- Provide an adequate kitchen (where existing one is over 20 years old)
- Provide an adequate bathroom (where existing one is over 30 years old).



All works will be assessed by a surveyor to check that they would fall under the criteria of loan works.

**Who can apply?** To be eligible to apply for a home investment loan applicants must meet all of the following criteria:

- Applicant(s) must be over 18 and owner-occupier.
- Applicant(s) must have owned and resided in property for at least 3 years, exceptions -
- Where applicant(s) has a disability.
- Where property was vacant for 6 months prior to purchase.
- Where applicant(s) is first-time buyer (council will be sympathetic towards applicants, who as a result of a divorce are buying a property on their own for the first time).
- Where applicant(s) inherited the property and the deceased person lived there for at least one year prior to their death.
- Where the property has been left to the applicant(s) as part of a divorce settlement.
- Only properties that are within council bands A-F will be considered.
- Only properties built more than 10 years ago will be considered.

- Applicant(s) must not be in arrears on council tax payments, or have any other outstanding debts to the council.
- Applicant(s) must not have more than £15,000 in savings
- Applicant(s) must not own a second property.

**Means testing:** Home investment loans are means tested to ensure that those in the most need get the most help. Means testing considers the income and capital of the applicant and his or her spouse or partner and considers:

- a person's average weekly or monthly income, including pensions and certain benefit payments
- any savings above a set amount.

When applying for a loan, applicants will be asked to complete a financial assessment form. The level of loan that may be received will be based on the information provided.

If applicants receive one of the following benefits they will be automatically passed through the means test and will be eligible for loan assistance providing the work required falls under the scope of the loan:

- Housing benefit
- Income related E.S.A. or Income related J.S.A.
- Income Support
- Guaranteed pension credit
- Working tax credit and earning less than £15,050 p/a
- Child tax credit and earning less than £15,050 p/a
- Universal credit

Means testing takes into account applicants' income. This includes any earnings from employment or self-employment, pensions and annuities. If the applicant has a partner, any assessment will be based on their joint income. Capital is also included in the means test. This will include any savings or investments held, such as savings accounts, premium bonds, stocks and shares, etc. The first £6,000 of savings is disregarded from the means test.

**Outcomes:** There are three possible outcomes depending on the financial assessment:

- Applicants will be awarded 100% loan
- Applicants may have a contribution towards the loan
- Applicants will not be eligible for any loan assistance if their contribution is calculated as being more than the cost of the proposed work.

**How to apply?** The Home Investment Loans are administered by the Croydon Home Improvement Agency - [HSG-CHIA@croydon.gov.uk](mailto:HSG-CHIA@croydon.gov.uk)

**Frequently asked questions** - <https://www.croydon.gov.uk/housing/home-owners-and-leaseholders/loans-repairs-private-properties/loan-assistance-frequently-asked-questions>

## Test Valley Borough Council – Disabled Facilities Loans

Test Valley Council deliver its own Disabled Facilities Loans. For those who live at home and have a disability that means they are eligible for a Disabled Facilities Grant. These loans can



provide additional financial help towards necessary adaptations above the level of the disabled facilities grant.

**Who is eligible for a Disabled Facilities Loan?** The applicant must have an application for a disabled facilities grant properly made with the Council or be financially assessed as not eligible for grant assistance for certain works.

The property will be the applicant's only residence at the time the application is made and the applicant must live at the property and only own that property (the disabled person is not necessarily the applicant; they could be a family member). The applicant will be means tested and must have a maximum contribution of £15,000 on the Disabled Facilities Grant means test calculation.

**What is the loan for?** The loan is to help the applicant:

- Fund the cost of their contribution
- Fund additional works above the grant maximum of £30,000
- Fund replacement fixed equipment such as stair lifts or hoists where the original is broken and not able to be repaired.

**How much financial help might be available?** Up to £15,000 of financial help is available to meet the contribution assessment or eligible cost of works plus the Council's legal fees in preparing the Loan Agreement.

**Is any interest payable on the loan?** No, interest is not payable on the loan.

**Will the loan have to be repaid?**

- A property owner must repay the loan when the property is sold.
- No monthly payments are necessary.
- The loan can be repaid at any time but must be repaid in full.

**Who provides the loan?** Test Valley Borough Council is the loan provider.

**Can applicants apply for more than one loan?** The applicant is entitled to one loan per property.

**What are the terms and conditions of the loan?** Financial advice or recommendation for this scheme will not be provided. Independent financial advice on the effect of this scheme should be sought by the applicant.

**Is any security needed for the loan?** Where appropriate the loan will be secured against the property and lodged with Her Majesty's Land Registry or the Land Charges Register, whichever is applicable.

**What happens if costs go up unexpectedly?** The Council will only consider payment towards agreed unforeseen work up to the loan maximum amount. Any additional funding would need to be provided by the applicant.

**How is payment made?** The applicant must normally agree to the payment being paid directly to the builder. An exception to this is where the applicant has already paid the builder and payment is reimbursing the applicant. Up to 90% of the loan may be paid by the Council before completion of work. The Council will calculate the amount of grant to be paid.

**Find out more:**

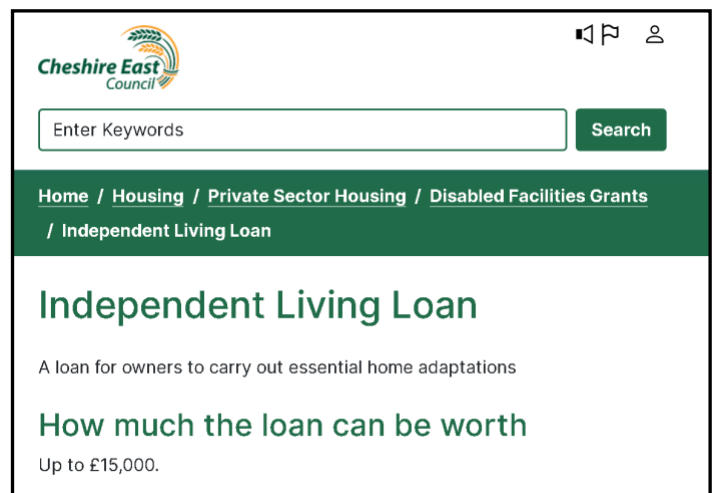
<https://www.testvalley.gov.uk/housingandenvironmentalhealth/housing/private-sector-housing/loans/disabled-facilities-loans>

## Cheshire East Council – Independent Living Loan

Cheshire East Council delivers a loan product, up to £15,000, for owners to carry out essential home adaptations.

There are three ways this loan can be used to pay for adaptations:

- to pay means tested contribution to a Disabled Facilities Grant (DFG).
- to top up a DFG for extra adaptation works.
- if the applicant provides regular respite care or support for someone who doesn't live with them, such as a child or grandchild, they can use this loan to pay for adaptations to their home so that they can stay with them.



**Who can apply for the Independent Living Loan?** To qualify for this loan, the main criteria applicants need to meet are:

- they own the property to be adapted
- an Occupational Therapist has assessed the adaptations as being 'necessary and appropriate' for the needs of a disabled person living in the property

**How to apply.** Applicants contact the Occupational Therapy Referral and Advice team who will carry out an assessment and, if they feel adaptations are needed to the home, they will pass the case to the Care and Repair service to help with the application.

**How to repay the loan.** The loan can be repaid in two ways:

- Option one - interest-free monthly repayment loan. The applicant starts paying the loan back one month after the first payment is made for the home repairs, and it can be paid back over a period of up to ten years. The council has produced a Rough Guide to Monthly Repayments (PDF, 176KB) showing how much applicants can expect to pay depending on how much they borrow.
- Option 2 - equity share loan. The council offer the applicant a loan in exchange for a share in the value of their property. There are no regular repayments, and no

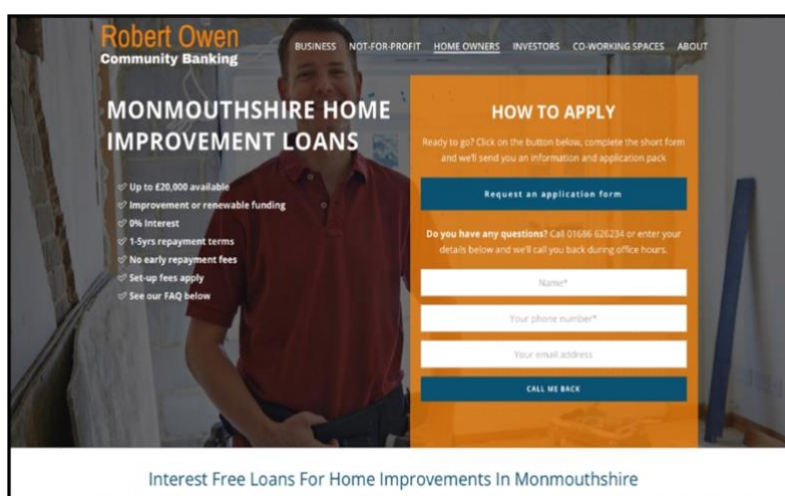
interest is added to the loan. The applicant doesn't need to repay the loan until the home is sold or transferred to another person. The repayment will be based on the value of the property at the time that it is sold or transferred. For example, if the council lends £10,000 and the property is worth £100,000, they will have a 10% share in your property. When the applicant comes to repay the loan, the Council's stake is 10% of the sale price, so if the property is sold for £110,000, the amount owed is £11,000.

**Find out more:**

[https://www.cheshireeast.gov.uk/housing/private\\_sector\\_housing/disabled\\_facilities\\_grants/independent-living-loan.aspx](https://www.cheshireeast.gov.uk/housing/private_sector_housing/disabled_facilities_grants/independent-living-loan.aspx)

## Monmouthshire County Council – Home Improvement Loan Scheme

Monmouthshire County Council offers financial assistance to property owners through Welsh Government loan initiatives. The lending is delivered by Robert Owen Community Bank – a Community Development Finance Institution (CDFI) providing loans to businesses and individuals since 2006.



It provides loan for home improvements from £1,000 – £20,000 that are interest free. All loans are subject to a title deed restriction registered with HM Land Registry. Monmouthshire County Council currently offer three interest free loan products:

### **Owner / Occupiers Loan – Owner Occupier Guidance Final 2020**

Offered to property owners with a repayment term depending on the end use of the property:

- If the owner intends to occupy the property after refurbishment the term is up to 9 years
- If the owner does not intend to occupy – up to 5 years
- Loans can be paid off in full, before that time, without incurring additional costs

### **Landlord / Developer Loan – Landlord Guidance Final 2020**

- Loans amounts from (£1,000 – £20,000 per property up to a maximum of 10 properties – £200K
- Offered to developers that purchase empty properties to bring back them back into use. Repayment terms will depend upon the end use of the refurbished property:
  - If the property is being sold after refurbishment the term is 2 years
  - If the property is going to be for rental at market rents the term is 5 years

- If the property is going to be for rental at LHA rates and the Council has nomination rights the term is 9 years

### **Property Appreciation Loans (PAL's) - PAL Loans – Guidance 2020**

Loan amounts available from £1,000 to £20,000 available to those applicants considered 'at risk' or vulnerable to the cold. Each of the loans charge fees for the administration of the loan application.

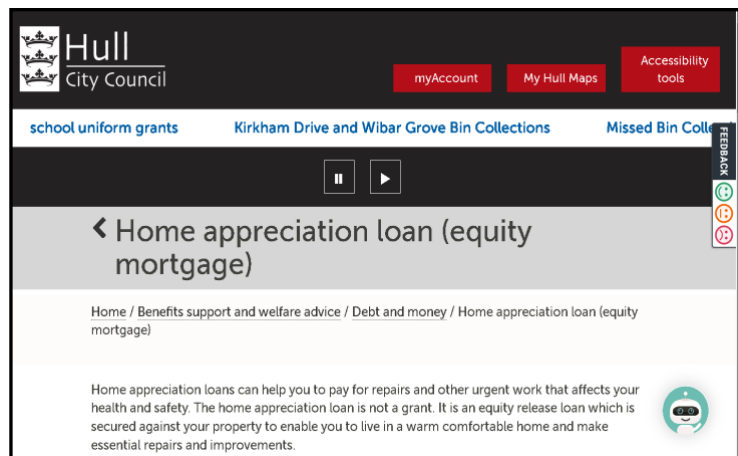
Find out more: <https://www.monmouthshire.gov.uk/home-improvement-loan-scheme/>

### **Hull City Council - Home Appreciation Loans (Equity Mortgage)**

Hull City Council offer several home improvement loans – administered by the council:

#### **Home Appreciation Loans (Equity Mortgage)**

Home Appreciation Loans pay for repairs and other urgent work that affects household's health and safety. The home appreciation loan is not a grant. It is an equity release loan which is secured against the property to enable residents to live in a warm comfortable home and make essential repairs and improvements.



There are no repayments to make until the applicant no longer lives in or owns their home. A surveyor will assess applicant needs and then help with the application process. The minimum loan amount is £2,000 and the maximum amount is normally £30,000.

**Eligibility:** To qualify for a loan applicants must normally be a homeowner and –

- aged 18 or over
- be on a low income or in receipt of certain benefits
- unable to access a commercial loan
- have a power or duty to carry out the works
- there is enough equity in the property
- live in the property

#### **More information:**

<https://www.hull.gov.uk/sites/hull/files/media/Home%20Appreciation%20Loan%20Leaflet.pdf>

### **Homecheque scheme**

The council offers Homecheque to help homeowners identify any repairs needed to their home and organise the finances to pay for them. It is run with the assistance of the Hull and East Yorkshire Credit Union. Council surveyors complete free survey for work needed:

- guttering
- damp proof course
- floor replacement
- roofs and windows
- rewiring
- central heating
- insulation
- bathroom and kitchen replacement