

**Appendix One**

**Summary of Current Financial Support Options for Long Leaseholders**

*Table 1: Summary of current loan schemes*

<b>Scheme Type</b>	<b>Basis</b>	<b>Eligibility</b>	<b>Summary</b>
Mandatory Scheme	Housing (Service Charge Loans) Regulations, 1992	Leaseholders (and successors in title) of properties purchased under Right to Buy in the last 10 years	<ul style="list-style-type: none"> <li>• Loan amount between £1,044 to £41,740</li> <li>• Loan period up to 10 years</li> <li>• Must apply within six weeks of service charge demand and accept any offer within four weeks</li> <li>• Interest is payable at standard national variable rate (currently 3.13%)</li> <li>• Loan is secured by way of a mortgage on the property</li> <li>• Administrative charge of £100.00 (set by the Regulations) is chargeable, plus legal costs</li> </ul>
Contractual	Lease provisions	All leaseholders	<ul style="list-style-type: none"> <li>• Allows lessee to spread cost of major items over 10 years</li> <li>• Major items defined in lease as works costing 2.5%+ of the value of the property at the time of purchase (e.g., for a property worth £500,000, the invoice would need to be at least £12,500 to qualify)</li> <li>• Interest payable at standard national variable rate (currently 3.13%)</li> <li>• Charge placed on property (fee applies)</li> </ul>
Discretionary	Decisions of Community & Children's Services Committee (2010, 2017 and 2018)	Leaseholders occupying property as main home	<ul style="list-style-type: none"> <li>• For major works costing over £5,000, maximum loan £72,500</li> <li>• 10 year maximum loan duration</li> <li>• Leaseholder covers first £5,000 – remainder eligible for a loan</li> </ul>

Community and Children's Services Committee 11/03/2023  
Financial Support with Major Works (Long Leaseholders)

			<ul style="list-style-type: none"><li>• No means testing</li><li>• Interest free period from 1-3 years</li><li>• Must not be in service charge arrears or in breach of lease</li><li>• Charge secured on the property to guarantee loan</li><li>• Legal fees capped at £500</li></ul>
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