

Appendix One

Summary of Current Financial Support Options for Long Leaseholders

Table 1: Summary of current loan schemes

Scheme Type	Basis	Eligibility	Summary
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"> • Loan amount between £1,044 to £41,740 • Loan period up to 10 years • Must apply within six weeks of service charge demand and accept any offer within four weeks • Interest is payable at standard national variable rate (currently 3.13%) • Loan is secured by way of a mortgage on the property • Administrative charge of £100.00 (set by the Regulations) is chargeable, plus legal costs
Contractual	Lease provisions	All leaseholders	<ul style="list-style-type: none"> • Allows lessee to spread cost of major items over 10 years • 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) • Interest payable at standard national variable rate (currently 3.13%) • Charge placed on property (fee applies)
Discretionary	Decisions of Community & Children's Services Committee (2010, 2017 and 2018)	Leaseholders occupying property as main home	<ul style="list-style-type: none"> • For major works costing over £5,000, maximum loan £72,500 • 10 year maximum loan duration • Leaseholder covers first £5,000 – remainder eligible for a loan

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

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