

**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)

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|--|--|--|---|
|  |  |  | <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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