

Home Improvement Loan Factsheet



Sir Conwy, yr amgylchedd iawn i helpu pobl i helpu eu hunain

Conwy County, the right environment to help people help themselves

Home Improvement Loan

A Home Improvement Loan is an interest free loan offered by the Council, for home owners, private landlords, charities or developers who wish to make improvements to their property to make it warm, safe and secure. Examples of eligible work include the following:

- Electrical work
- Roof repairs or a new roof
- Kitchen and bathroom
- Garden work if your garden is unsafe
- Work to resolve damp issues in the property
- Energy efficiency improvements, such as a new boiler and insulation.

This list is not exhaustive.

Key Facts:

- Applicants must own the property.
- This type of assistance is discretionary.
- Applicants must pass an affordability assessment to be eligible for the loan.
- The minimum loan amount is £1,000. The maximum loan amount is £35,000 per property.
- The loan is interest free.
- There is an administration fee of £500.
- A first or second charge is secured against the land registry title.
- The loan offered plus the mortgage on the property cannot be over 80% of the property value. This means that if your property is worth £100,000, and the mortgage is £75,000, we could only **lend** a maximum of £5,000. We might ask for a RICS valuation to evidence the value of the property.
- If the loan does not cover the full cost of the work, we will ask you to give us evidence of how you will cover the rest of the cost.
- Work cannot start until the affordability assessment is completed and the charge has been secured on the property.

Application process

Step one: Complete an Expression of Interest form.

To apply for a Home Improvement Loan, you will need to complete an expression of interest form. When completing the form you will be asked for details of the property, including what work is needed.

Completed forms are sent to the Housing Strategy Team. Please include photos of your property which show what works you are applying for a loan to pay for.

The Housing Strategy Team will review the information you have submitted and will write to you to confirm whether or not your application can proceed to the next step.

Step two: Applicant to complete Loan Application form.

Your application will proceed to step two if the work you have listed in the expression of interest form is eligible under the 'warm, safe and secure' criteria and you have supplied picture evidence.

When completing the loan application form you will be asked to supply further detailed information, including financial information to allow us to complete a financial assessment. Supporting documents will be required at this stage, such as; proof of ID, proof of income. You will be advised on what documentation is required by the Officer processing your application.

Completed forms are sent to the Housing Strategy Team including two quotations for the improvement work that you are having done under the scheme.

Step 3: Financial Assessment

The financial assessment is an assessment of your income and expenditure to make sure that the loan you are applying for is affordable to you. This will also include a credit check.

Step 4: Loan Offer

If you pass the affordability assessment, a charge will then be secured against the property. Once the charge is in place you can start the work. Please note that if a charge cannot be secured against the property your loan application will be declined.

Step 5: Payments

Payments can be made in stages and/or at the end of the work.

At each payment stage you will be asked to send an invoice with a 'request for payment form'.

Once the final payment has been made, your monthly loan repayments will start. An officer from Conwy County Borough Council will also visit the property and take photos of the work completed.

What happens if I change my mind and cancel my loan application?

You may cancel your loan application at any time.

Note, if you cancel your application once the loan has been agreed and a charge is on the property, you will still be charged the loan administration and the land registry fee.

Housing Strategy Team contact details

Contact us:

- By phone – 01492 574234

- By email - housingstrategy@conwy.gov.uk
- Write to us – Housing Strategy, PO Box 1, LL30 9GN