
Decent Homes Loans for Home Owners

This leaflet is a guide to some of the financial help available for home owners in the Cheshire West and Chester region wishing to improve their home.

www.homeassistancehub.co.uk



If you are a home owner and are living in a property that needs repair or improvement in the Cheshire West & Chester region, you may qualify for financial assistance from the Council to help get the work done.

This leaflet details the type of financial help that is available.

Decent Homes Loans

This is a loan that covers works to bring a property up to the Government's 'Decent Homes Standard'.

It can be used to fund heating systems, insulation measures and updating kitchen and bathroom facilities.

The loan can also be used to remove any serious hazards such as serious dampness, dangerous stairs or electrical wiring, which could affect the health and safety of the occupiers.

The Decent Homes Loan is an equity loan. This means that the Council will own a proportional share in the value of your property in exchange for the money that it lends to you.

Who can apply for a Decent Homes Loan?

- You must be the owner or part-owner of the property the application relates to
- Your property must be 'non-decent' or have significant hazards that affect health and safety
- You must have enough 'equity' in your property to cover the loan.

Equity is the difference between any outstanding mortgage or loans secured against the property and the market value of the property

How much loan can I apply for?

The maximum amount of loan that you can apply for is £40,000. This includes VAT and all eligible fees.

The minimum loan is £1,000. Technical Officers from Home Assistance Hub (HAH) will work out what is a reasonable cost for the work to be carried out.



How does it work?

The loan remains as an interest free charge on the property. This means that there are no regular repayments required from the person making the application. Instead, the Council recovers its money when the property is sold or transferred to a new owner.

Example: If the unimproved value of your property is £100,000 and the cost of the necessary work is £10,000, the Council will take a 10% share of the property when it is sold i.e. if the sale price is £150,000 then the Council will be owed £15,000.

There is an option to repay the loan in full at any time should your financial circumstances change.

How will my property be assessed?

A Technical Officer from HAH will inspect your property to look for hazards that present a risk to the health and safety of the occupiers.

A schedule of work will be prepared, which will detail the works that are required to remove the hazards.

Following this assessment, you will be asked to complete a form about the financial situation of yourself and your family. This will help us to calculate whether a Decent Homes Loan is suitable for you. All applicants are subject to a 'test of resources'.

What is a test of resources?

The test of resources will normally apply to the person making the application and their spouse or partner.

The test of resources calculates your average weekly income, taking account of any savings above a Government set threshold of £6,000. This threshold is reviewed on an annual basis and is subject to change.

Your total income is then set against an assessment of your basic outgoings, which are recognised by a range of allowances.

The calculated figure is then used to determine whether you need to make a contribution to the loan.

If you are on a low income, in receipt of income support, income-based job seekers allowance, council tax benefit, or pension credit, you will not normally have to make a contribution although this may be affected if your spouse / partner has an income and is also being assessed.



What conditions apply if my application is successful?

There are a number of conditions that apply to a Decent Homes Loan.

These include:

- You must occupy the property as your main home until the loan is repaid
- The loan must be repaid on sale or transfer to a new owner (unless this person is a family member who occupied the property at the time the loan was approved)
- On completion of the work, the property must meet the Government's 'Decent Homes' standard and have no significant hazards present
- You cannot apply for any further funding from the Council for improvement work within 5 years (except for Disabled Facilities Grants)
- The Council will have a share of the property value proportional to the cost of the works as a percentage of the property's unimproved value
- The loan will be registered as a charge on your property at the Land Registry
- The property must have building insurance until the loan is repaid



How do I apply for a Decent Homes Loan?

Application forms are available from:

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HOME
ASSISTANCE
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