



Newport City Council

'Safe, Warm & Secure'

**Home Improvement Loan
Scheme**

Information for Landlords

This leaflet tells you about Newport City Council's Home Improvement Loan Scheme. This version is for landlords; if you are an owner-occupier, please ask for the owner-occupiers' information leaflet.

Purpose

The ‘Safe, Warm and Secure’ scheme is funded by the Welsh Government to provide interest-free loans for housing improvements. Improvements could be any work that is needed to make a home safe, warm or secure. Under this scheme, priority is given to owner-occupiers, therefore applications from landlords will only be considered when there are no qualifying loan applications outstanding from owner-occupiers. If a property has been empty for more than 6 months, the landlord should apply for a loan under the Houses into Homes scheme. The ‘Safe, Warm & Secure’ scheme is for properties that are occupied, or have been recently occupied.

Loans

The minimum loan is £1,000.

The maximum loan for one flat or house is £25,000, provided this does not amount to more than 80% of the property’s current value. If you have a mortgage, the amount you owe, plus the amount of this loan, must be no more than 80% of the property’s current value. If there is any doubt about this, we may need to carry out a valuation of your property.

Loan Security

We will register all loans as local land charges which will bind successive owners. Loans of over £5,000 will also be registered as charges at the Land Registry. If you already have a mortgage, we will need to obtain the consent of your first lender to register a Land Registry charge.

Fees & Repayment

If you take out a loan but fail to repay it, your property will be at risk. You will need to provide a business plan for your property to show what works you intend to carry out, the costs, and how you plan to repay the loan. The loan is interest-free but there is an administration fee of:

- 8% of the loan value, plus VAT
- 4% of the loan value, plus VAT, where Newport City Council agrees nomination rights for the loan term

If you agree to let your property to tenants proposed by the council for the duration of the loan, and the council agrees to this, we will reduce the administration fee from 8% to 4% of the loan value, plus VAT. This is called a nomination agreement. We cannot agree to this in every case as it will depend on such factors as the size, type and location of your property at the time of applying.

The maximum loan period is 5 years but you can choose a shorter repayment period if you wish. We will add the administration fee onto the loan amount and ask you to repay the loan by monthly standing order from your bank. The fee will be collected at the start of the repayment period, from your first payments.

General Improvement Works

The council is unable to offer an agency service for general improvement works. If you are applying for a loan to cover general improvement works to your property, you will need to find reliable contractors who can do the work for you and ask them to give you a quote for the work. You should get quotes from at least two contractors and send these in with your loan application. We will visit your property to see what you are planning to do but Newport City Council is not responsible for the works you carry out; you will be responsible for employing the contractors and supervising the work.

Payment of the Loan Money

Normally, the loan will be paid to you in full once the works have been completed. For larger works, interim payments may be made subject to satisfactory progress of the works.

The Application Process

Loans are subject to the availability of funding. Once you have completed the application form, please send it, with your contractors' quotes and business plan, to:

Sandra Batten,
Regeneration, Investment & Housing & Service,
Room 704
Civic Centre
Newport
NP20 4UR

If you have any queries about the application form, or business plan, or would like help to complete them please contact:

Sandra Batten, telephone 01633 233592, e-mail sandra.batten@newport.gov.uk

When we receive your completed application form, we will:

- Check, from the information you have given, whether your application will meet the rules of the scheme
- Contact you to arrange to carry out a valuation of your property, if necessary, to check its general condition, to discuss the works you want to do and a repayment plan; if your property is currently tenanted, this will need to be arranged to suit your tenants' convenience
- Make a decision on your application
- Contact you to confirm the loan amount and proposed repayment schedule
- If applicable, contact your first lender to obtain their consent to a second charge
- Send you a loan agreement, including the repayment schedule, and a Standing Order form for you to sign - you must return these within 8 weeks if you wish to take up the loan

When you return the loan paperwork, we will:

- register the loan as a local land charge which will bind successive owners; if it is for £5,000 or more, we will also register the loan as a charge at the Land Registry.
- Let you know once the legal charge is in place so that your improvement works can begin
- Visit once your improvement works are completed
- Subject to satisfactory completion of the works, release the loan money to you so that you can pay the contractor

Your monthly repayments should be set at a level you find affordable but, if your circumstances change and you have any difficulty keeping up the repayments, you must let us know as soon as possible so that we can discuss this with you.

Once the loan has been repaid, the local land charge will be removed by our legal section. If there is also a legal charge, our legal section will send you a form so that you, or your solicitor, can contact the Land Registry to request removal of the legal charge.

If you sell your property during the loan term, the whole of the loan would be repayable upon the sale.