



HELP FOR HOMEOWNERS

• GENERAL CONDITIONS OF FINANCIAL ASSISTANCE • LOANS • GRANTS

REGULATORY REFORM ORDER POLICY

Birmingham City Council and its partner agencies, offer a range of financial assistance to help residents and potential homeowners to resolve their housing difficulties. This includes loans and grants under subsections 4 and 5 of the Regulatory Reform Order 2002 (RRO).

SECTION 1

GENERAL CONDITIONS OF FINANCIAL ASSISTANCE

This section provides information on the type of help that the council can give homeowners to maintain or improve their home, or to find a new home that better meets their needs.

It also sets out the general conditions and eligibility criteria for residents for the application of loans and grants assistance, under subsections 4 and 5 of the Regulatory Reform Order 2002 (RRO).

The conditions for each type of support package are detailed below.

Definitions

The council can provide 'mandatory' or 'discretionary' assistance to residents.

There are also details about the conditions that apply to discretionary assistance, as mandatory assistance* is managed through legislation.

Residents with financial difficulties who are unable to borrow money through high street lenders have the option to apply for 'discretionary' loans and in extreme difficulties, grants.

Financial advice will be given to applicants to ensure that the most suitable type of assistance is offered.

If you are eligible, advisors will help you throughout the process and work with you to ensure that you are able to afford any financial commitments.

Financial advice may be provided by the council or by an appointed partner agency. The partner agency is referred to as the council's Financial Advice Service Provider (FASP). Any advice given will be in accordance with the Financial Services Authority (FSA) regulations.

People who are eligible for the discretionary grants and loans include those who are either vulnerable or subject to clearance proposals.

People who are defined as vulnerable are those in receipt of one or more of:

- income support
- housing benefit
- council tax benefit (does not include 25 per cent single person's discount)
- income based job seekers allowance
- attendance allowance
- disability living allowance

- industrial injuries disablement benefit
- war disablement pension
- pension credit
- working tax credit that includes a disability allowance and where the individual has an income of less than £15,050
- child tax credit where the individual has an income of less than £15,050.

General conditions for the terms of assistance

The following assessments may take place by the council's Financial Advice Service Provider for a discretionary grant or loan:

First

A financial assessment will be made to decide the level of contribution the applicant will be required to make. This includes looking at current investments or savings that are above the maximum savings limit for Housing Benefits.

Second

Following financial assessment, the council or its partner agencies will discuss the range of loans available and offer the most appropriate one.

(See section 2 on loan assistance)

Third

Where the applicant does not have enough funds, a grant may be available.

(See section 3 on grant assistance)

Conditions

- No affordable means of paying for required action.

SECTION 2 LOANS

Birmingham City Council is part of the regional Kick Start Partnership. The purpose of the partnership is to provide loan-based assistance to homeowners. A range of Kick Start loans is available.

Below are some guidelines about offering loans to help homeowners resolve their housing needs. Loans are available to homeowners who meet the council's 'vulnerability' criteria.

(see Section 1 for more information)

Loans may be a suitable option of assistance to help homeowners in many circumstances, including:

- Improving homes to or towards the Decent Homes Standard. This could include removing or reducing category 1 hazards as identified in the Housing Health and Safety Rating System (HHSRS).
- Assisting residents affected by 'clearance' to meet the price gap between the value of the property that will be demolished and the purchase value of a similar or alternative property that is suitable to their needs.
- Assisting homeowners whose homes will be demolished to purchase their own property if they wish.
- Helping homeowners to carry out alterations to their home to make it more suitable for older or disabled occupants, or

to extend the property to reduce overcrowding.

- Any other circumstances approved by the Special Cases Appeals Panel, which supports the delivery of the council's strategic housing priorities.

Types of Loans

The different loans available for homeowners are listed below and are dependent upon their circumstances. The council's Financial Advice Service Provider (FASP) will work with residents to make sure they receive the right one.

The three types of loans are:

Property Appreciation Loan

The property appreciation loan is designed to meet the needs of homeowners who do not have enough income to support the repayment of a normal loan, but do have the equity in their property.

This type of loan can help people who have paid off their mortgage, own the home outright or where the value of the home is higher than the value of any mortgage or other debts secured against the property. Free equity is the difference between the value of the home and any debts secured on the property.

The loan is then secured as a fixed percentage against the value of the property. For example, if a loan for £10,000 is required to help buy a £100,000 home, the £10,000 would be secured

as 10 per cent of the property value. In ten years' time, you may decide to sell the property, which could be valued at £150,000 and the amount repayable would be 10 per cent of £150,000 = £15,000 (plus a valuation fee that is currently £40).

The maximum amount of loan available for a property is 80 per cent of the value of free equity in the property, up to a maximum of a £20,000 loan. A loan required in excess of £20,000 or of over 80 per cent of the free equity will be referred to a Special Cases Panel.

Key features of the property appreciation loan:

- No monthly repayments of capital and/or interest for the life of the loan.
- The repayment terms of the loan are not fixed and can be repaid at any time, subject to a valuation of the property.
- No set up or redemption charges for the homeowners except the valuation charge at the point of loan repayment.
- There is a 'no repossession' guarantee whilst the loan borrowers occupy the property as their main home – this is in relation to loans provided by the council or by its nominated lending company.
- Loan is repayable upon death or transfer of title of the property.
- The total amount repayable is never less than the amount borrowed.
- Loan is secured against the property.

Interest Only Repayment Loan

This loan is mainly for homeowners who are unable to access loans from typical high street lenders at affordable rates of interest, but who can maintain a limited level of regular monthly repayments and have the funds to repay the capital sum at the end of the term of the loan.

This loan is particularly suitable for homeowners who are entitled to additional benefit towards the cost of a loan from the Department of Work and Pensions, or who have a guaranteed lump sum of cash at a particular point in the future.

Key features of the interest only repayment loan:

- The loan amounts available are between £2,000 – £10,000.
- Repayment terms for the loan are between one and ten years.
- The loan can be repaid at any time and the interest will be charged until the date that the loan is fully repaid.
- An affordable interest rate will be applied to your loan that is 1.5 per cent above the Bank of England rate.
- No early redemption charges.
- There is a 'no repossession' guarantee whilst the loan borrowers occupy the property as their main home – this is in relation to loans provided by the council or by its nominated lending company.
- Loan is secured against the property.

Capital and Interest Repayment Loan

The capital and interest repayment loan is available for homeowners who are unable to access loans from typical high street lenders at affordable rates of interest, but who can demonstrate an ability to maintain regular monthly repayments.

Key features of the capital and interest repayment loan:

- The loan amounts available are between £2,000 – £10,000.
- Repayment terms for the loan are between one and ten years.
- The loan can be repaid at any time and the interest will be charged until the date payment finishes.
- An affordable interest rate will be applied to your loan that is 1.5 per cent above the Bank of England rate.
- No early redemption charges.
- There is a 'no repossession' guarantee whilst the loan borrowers occupy the property as their main home – this is in relation to loans provided by the council or by its nominated lending company.
- Loan is secured against the property.

Unsecured Interest Free Discounted Loan

An unsecured, interest-free, discounted loan is available for homeowners to make small repairs and/or improvements to their homes. The loan must be used to complete works in their home to or towards the Decent Homes Standard,

or to remove or reduce category 1 hazards as identified in the Housing Health and Safety Rating System (HHSRS).

This loan is for homeowners who are unable to access loans from typical high street lenders at affordable rates of interest, but who have some ability to maintain regular repayments over the term of the loan.

Key features of the unsecured interest free discounted loan:

- No interest is charged.
- The loan amount available is up to £2,000.
- Repayment terms for the loan are between one and four years.
- A 50 per cent discount is available for households who have made all regular repayments on or before the due date, or within seven days of the due date of half of the payment term. For example, a homeowner borrows £1,000 and repays £500 in the regular repayments of £50 on or before the due date, so the remaining £500 is automatically paid off.
- Repayments must be made through a direct debit system.

The information above is a summary of the terms and conditions for loans available. More detailed information packs on the terms and conditions for specific loans are available from the council's Financial Advice Service Provider.

In addition to the Kick Start loans, the council may establish partnerships with other agencies, including Credit Unions, to offer a wider range of loans to help residents to meet their housing needs.

If you feel you may benefit from a loan to help improve your home, why not call us on 0121 303 1116 and request our 'Affordable Loans for Decent Homes' leaflet.

SECTION 3 GRANTS

This section highlights the circumstances where the council may provide grant assistance to help homeowners improve their housing conditions.

(See Section 1 for general conditions for grant assistance)

Circumstances may include:

- where the council is proposing to purchase the homeowner's existing property, to make way for redevelopment and regeneration
- vulnerable homeowners who have one or more category 1 hazards in their property
- assisting older and/or disabled homeowners to live independently at home
- other cases of exceptional hardship approved by the Special Cases Panel.

Types of Grants

Relocation Grants

The relocation grant is available to assist homeowners who are affected by council proposals to purchase and demolish their existing property.

This is usually done to make way for redevelopment or regeneration schemes. The purpose of the grant is to help households with the cost of purchasing a new home that

meets their needs and is in addition to statutory payments for home-loss and disturbance. Grants may be given to make up the difference between the value of the current home and a new suitable property.

Grants may be available subject to the following conditions:

- The homeowner must have lived in the area to be cleared on or before the date of the scheme approval and is required to sell their home to the council.
- The property must have been occupied by the homeowner as the main residence for 12 months before the relocation date.
- They must be an owner-occupier with an appropriate level of interest in the property.
- The sale price of their current property must be formally agreed with the council.
- The homeowner has a clear inability to afford to take out a loan to buy a new property and/or there is a need to purchase a larger property to resolve overcrowding.

Grants will only be offered when specific funding is available to the council for this purpose. The grant amount available is a maximum of £20,000 and can only be provided after a case review by the Special Cases Appeal Panel.

**If you are eligible for a relocation grant the council will contact you directly.
For enquiries telephone 0121 464 9135.
Monday to Friday 9am – 5pm.**

Safety Net Grant

The safety net grant may be available subject to the following conditions:

- Hazards are identified through an inspection by the council.
- The property contains category 1 hazards as identified in the Housing Health and Safety Rating System (HHSRS), for example, extreme damp or fire hazards.
- It is determined through an assessment by the council's appointed Financial Advice Service Provider, that the homeowner cannot meet the cost of repairs to fix the category 1 hazards (including an inability to maintain loan repayments or to release the value of equity held in the home).
- The grant amount available for essential repair work for each category 1 hazard is up to £1,000 with a maximum of £5,000 in any one application.
- The grant amount required will only be provided after all other financial routes have been considered.

For advice on safety net grants, please contact the Homeworks team on 0121 303 2645. Opening hours Monday to Thursday 9am – 5pm, Friday 9am – 4pm.

Disabled Facilities Grant

The disabled facilities grant is available to help older and/or disabled homeowners to make adaptations to their home, or to assist them to relocate to a more suitable property.

Assistance may be available subject to the following conditions:

- A member of the household has been assessed by a council-appointed occupational therapist as having a need that is eligible for the grant, or for other services that provide assistance to live independently.
- An assessment of financial income (excluding assistance for children under the age of 18).
- Consideration of more appropriate options such as rehousing to a more suitable property.
- The maximum grant amount offered is £30,000. Where the grant amount is higher than £5,000, the council may place charges on properties that have been adapted using a disabled facilities grant. These charges allow the council to reclaim the value of the grant if the property is sold.
- If the applicant is a tenant of a registered social landlord, the ability of the landlord to assist the applicant will be considered before the 'one off' disabled facilities grant.

Please note that where specialist equipment is provided through a grant, for example stair lifts, the council may reclaim this equipment when the person for whom a grant was approved no longer requires it.

For advice on disabled facilities grants, please contact the Advice and Referrals team on 0121 303 1234. Opening hours Monday to Thursday 9am – 5pm, Friday 9am – 4pm.

This is important. If you do not understand this document then please ask a friend or relative, who speaks English, to contact your local neighbourhood office or housing team on your behalf. We will then arrange for an interpreter to meet with you.

هذه الرسالة مهمة، فإن لم تفهمها نرجو أن تطلب من أحد أصدقائك أو أقربائك ممن يتكلمون الإنجليزية أن يتصل بمكتب
الحي "نيبرهود أوفوس" المحلي أو فريق الإسكان نيابة عنك. بعد ذلك سنرتب للقاء بك مع وجود مترجم فوري.

ARABIC

এটা খুবই গুরুত্বপূর্ণ। আপনি এই দলিলটি বুঝতে না পারলে দয়া করে ইংরেজীতে কথা বলতে পারেন এরপ আপনাদের একজন বন্ধু-বান্ধব বা
আত্মীয়কে আপনার পক্ষ হয়ে আপনার স্থানীয় নেইবারহুড অফিস বা হাউজিং টিম এর সঙ্গে যোগাযোগ করতে বলুন। এরপর আমরা আপনার সঙ্গে
সাক্ষাৎ করার ব্যবস্থা করব এবং এতে সহায়তার জন্য একজন ইন্টারপ্রিটার রাখা হবে।

BENGALI

此事極為重要，如果你看不懂這份文件，請找一位會講英語的親戚或朋友代你
接觸當地的鄰舍辦事處或房屋服務隊。然後我們會安排傳譯員一起見你。

CHINESE

این اطلاعات بسیار مهم است. اگر محتوی این مدرک را نمی فهمید، لطفاً از یک دوست یا خویشاوندان که به زبان انگلیسی صحبت کرده میتواند
خواهش کنید که از طرف شما با نیبرهود آفس یا هوزنگ تیم محل شما تماس بگیرد. بعداً برای شما مترجم فراهم می کنیم که باشما ملاقات کند.

FARSI

આ બાબત અગત્યની છે. જો તમને આ દસ્તાવેજમાં લખેલી બાબત ન સમજાય તો કૃપા કરી કોઈ અંગ્રેજી બોલતા મિત્ર અથવા
સગાસંબંધીને તમારી સ્થાનિક નેબરહુડ ઓફિસ અથવા હાઉસિંગ ટીમનો તમારા વતિ સંપર્ક સાધવા વિનંતી કરો. પછી દુભાષિયા
સાથે તમને મળવાની અમે વ્યવસ્થા કરશું.

GUJARATI

ਇਹ ਗੱਲ ਬੜੀ ਜ਼ਰੂਰੀ ਹੈ। ਜੇ ਤੁਹਾਨੂੰ ਇਸ ਪਰਚੇ ਦੀ ਸਮਝ ਨਹੀਂ ਲੱਗਦੀ ਤਾਂ ਕਿਰਪਾ ਕਰਕੇ ਅਪਣੇ ਕਿਸੇ ਅੰਗਰੇਜ਼ੀ ਬੋਲਣ ਵਾਲੇ
ਦੋਸਤ ਜਾਂ ਰਿਸ਼ਤੇਦਾਰ ਨੂੰ ਕਹੋ ਕਿ ਉਹ ਤੁਹਾਡੇ ਵਾਸਤੇ ਸਥਾਨਕ ਨੇਬਰਹੁਡ ਔਫਿਸ ਜਾਂ ਹਾਊਸਿੰਗ ਟੀਮ ਨਾਲ ਸੰਪਰਕ ਕਰੇ। ਉਸ ਤੋਂ
ਬਾਅਦ ਅਸੀਂ ਕਿਸੇ ਦੋਭਾਸ਼ੀਏ ਰਾਹੀਂ ਤੁਹਾਡੇ ਨਾਲ ਗੱਲ ਕਰਨ ਦਾ ਪ੍ਰਬੰਧ ਕਰਾਂਗੇ।

PUNJABI

داویر مهم معلومات دی. کہ تاسی پہ دی سند نہ پوهیروی نومهربانی و کوری دخیل یوملگری یا خپلوان نہ چه په انگریزی ژبه خبری کولای شی غوښتنه و کړی چه
ستاسی له خواستاسی دسیمی نیبرهود آفس یا هوزنگ تیم سره په تماس کی شی. بیا به مونو ترجمان برابر کړو چه ستاسی سره کتنه و کړی.

PUSHTO

Tani waa muhiim. Hadii aadan fahmaynin warqadan fadlan waydiiso ruux saaxiibkaa ama
qaraabadaada ah oo af ingiriiska ku hadla inuu kuu waco xafiiska Dariska (Neighbourhood Office)
ama kooxda guryaha asagoo adiga kumatalaya. Markaa Kadib Ayaan kuu balaminaynaa Turjubaan.

SOMALI

یہ دستاویز اہم ہے۔ اگر آپ اس دستاویز کو سمجھنے سے قاصر ہیں تو براہ کرم انگریزی زبان سے واقف اپنے کسی دو - یا رشتہ دار سے کہیں کہ وہ آپ کی
جانب سے آپ کے مقامی نمبر ہوڈ آفس یا ہاؤسنگ ٹیم سے رابطہ کریں۔ ہم پھر آپ سے ملاقات کرنے کیلئے ایک ترجمان زبان کا انتظام کریں گے۔

URDU

Đây là việc quan trọng. Nếu quý vị không hiểu tài liệu này làm ơn nhờ bạn hay người thân biết nói tiếng Anh
thay mặt cho quý vị liên lạc với đội nhà cửa hoặc văn phòng nhà cửa ở địa phương của quý vị. Chúng tôi sẽ
thu xếp một thông dịch viên đến gặp quý vị.

VIETNAMESE

If you would like this document in Braille, large print
or on audiotape, please call us on 0121 303 1116.

