

Payment Options for Major Works

Payment option	Details
A. Immediate payment discount for all leaseholders	<ul style="list-style-type: none"> A discount of 3% applied to any major works charge subject to full payment within 21 days of the bill issue date.
B. Interest free payments of up to 3 years for resident leaseholders	<ul style="list-style-type: none"> Leaseholder must be resident. Bills valued between £250 - £1,449 payable over 12 months Bills between £1,500 - £2,499 payable over 18 months Bills between £2,500 -£4,999 payable over 24 months Bills between £5,000 -£9,999 payable over 36 months Leaseholders must complete a loan application form and sign a formal agreement admitting the debt. <p>Note: Payments can only be made by Standing Order. Recovery action shall commence immediately if payments are not kept up to date according to the agreed terms.</p>
C. Extended Payment Periods	<ul style="list-style-type: none"> Bills over £10,000 payable over 5 years This option would be available to resident leaseholders who require more than a 3 years repayment term and non-resident leaseholders who need time to pay. It will provide a term of repayment of up to five years subject to interest at the Council's borrowing rate to be applied at the commencement of the repayment period. This facility will only be available to leaseholders who admit the debt.
D. Pre-payment of estimated charges	<ul style="list-style-type: none"> Leaseholders are offered the option to pay based on the estimated costs at a 5% discount. This option only applies where work is to be carried out costing more than £10,000 per property and work will take more than 12 months to complete. If this applies the leaseholder will be advised of their eligibility when they receive their statutory consultation notice when the estimated cost of the work is available. The leaseholder may be liable for a balancing charge at completion of the project which will be eligible for a prompt repayment discount.

<p>E. Discretionary service charge loan</p>	<ul style="list-style-type: none"> • Leaseholder must be resident. • Loans only available in respect of invoices for repairs/ improvements. • Unable to obtain a loan from elsewhere – evidence from 2 lenders. • Must be requested within 6 weeks of receiving invoice. • Repayment periods and amounts to mirror statutory
	<p>loans (see above).</p> <ul style="list-style-type: none"> • The loan to be issued by the Council and secured by a charge on the property. There must therefore be available equity in the property value. • The interest rate payable is set by central government. • Arrangement fee applies
<p>Note: Non Optional - Statutory service charge loan – Right to a Loan</p>	<ul style="list-style-type: none"> • Loans only available in respect of invoices for repairs / improvements. • Must be requested within 6 weeks of receiving invoice. • The loan would be issued by the Council and secured by a charge on the property. • The interest rate payable is set by central government (loans may be available at lower rate of interest from a high street bank or building society). • A set administration fee applies • Repayment period is 3, 5 or 10 years depending on the value of the loan • The minimum value of the loan is £1002 and the maximum is £40,029 (figures updated by RPI January 2018) but a threshold applies and to qualify service charges and major works together must exceed (currently) £3000. • Only available where the lease has been purchased under the right to buy in the last 10 years • Payments made monthly