

HOME OWNERSHIP SERVICES

Paying For Major Works – What Are The Options?

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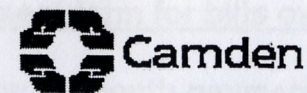
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1. Introduction

Camden Council owns and manages thousands of homes and is committed to keeping those homes in a good state of repair. This means that from time to time we will need to carry out Major Works, such as repairing the structure of a building, refurbishing a lift or replacing windows.

When the Council carries out Major Works to your block or the estate where you live, your lease says that you – as a leaseholder - have to contribute towards a share of the cost.

For more information on Service Charges for Major Works, please see the booklet called "A Leaseholder's Guide to Capital Works" which should have been sent to you before work started.

If you did not receive a copy of this Guide, it can be viewed on our website at camden.gov.uk. Alternatively, call us on 020 7974 3559.

2. Who Is This Leaflet For?

This leaflet is aimed at all Camden Council leaseholders receiving bills for Major Works. This includes leaseholders living on estates and those in street properties.

In some cases, Camden has sold the freehold of a property but has retained the right to charge the owners a share of the cost of any works or service to which they still received the benefit. This could be, for example, the cost of repairing play areas, communal district heating boilers or estate roads.

We aim to provide freeholders with the same information as any leaseholder on the estate, so this leaflet is for them too.

3. Payment Options

The Council recognises that it can be difficult for some leaseholders to meet the costs of Major Works bills. We therefore offer a number of different payment options. If you wish to discuss these options, please feel free to contact our Collections Team on the number shown on your invoice. Your payment options are set out below:

(a) Up to 36 Months Interest-Free Payments

If you are unable to pay an invoice for your Major Works in full straight away, you should contact the Collections Team - the relevant number is shown on your invoice.

It may be possible to make a written agreement to enable payments to be made over a period of 10 months, 24, or 36 months depending on the amount billed. No interest or administration fees will be payable.

The 10 month payment period is available for invoices less than £5,000

The 24 month payment period is available for invoices £5,000 - £10,000.

The 36 month payment period is available for invoices more than £10,000

Additional payment term for bills over £10,000

In addition to the 36 month payment plan you may also be able to stop your monthly payments once you have paid 80% of the total bill in monthly instalments. The remaining 20% would become due upon issue of final account. This is on the basis that you have been paying 1/36th of the total bill in monthly instalments.

All interest-free payment options are only applicable to estimated bills and only available to you if you occupy the property as your only or principal home.

If you want to use this method of payment you must contact the Collections Team before the "payment due" date, which appears on the invoice.

Payments are made from your bank using a Standing Order Mandate.

Once an agreement has been made you are expected to keep to the terms until the bill is full paid within the agreed monthly periods.

If you do not keep to the agreement the Collections Team will start debt recovery procedures. This may result in additional charges to you, as well as interest payable on the original bill.

(b) Help from the Department for Work and Pensions

Leaseholders who are receiving Income Support, Income Based Jobseekers allowance or Pension Credit may be entitled to help from the Department for Work and Pensions to pay for Major Works.

The Department for Work and Pensions will not usually pay for the cost of the Major Works but may be able to help you pay any interest incurred on a loan or a mortgage taken out to pay for your Major Works bill.

There are several ways that you can get help. If you are entitled they will sometimes allow all or part of the cost as a lump sum payment or they pay this by instalments spread out throughout the year.

If they cannot allow the payment they may advise you to take out a loan or mortgage but if you do this they may only be able to give you the interest paid on the loan.

You should inform the Department for Work and Pensions as soon as you get the bill and if they will not give you help you should go to an advice agency.

Not everyone will get help but those on a low income should check as they may now be entitled especially if the Department for Work and Pensions allows them a weekly payment for Service Charges.

For more information you should contact the local Department of Work & Pensions directly on 0845 6060265.

(c) Loan from your Mortgage Lender / Bank or Building Society

If you have a mortgage secured on your home, you may be able to apply for an additional loan from your mortgage lender and ask for your home to be re-mortgaged.

If your mortgage lender agrees to give you an additional loan, you may be able to extend the mortgage period and pay the same monthly payments or increase the monthly payment to cover the additional loan. *You should contact your mortgage lender directly to discuss this option.*

If you do not currently have a mortgage it may be possible for you to take out a mortgage or loan to meet your Major Works costs.

A further option is to pay what you can by monthly instalments and for the amount outstanding you could obtain a loan from the Bank/Building Society or Mortgage Lender.

The Council strongly advises leaseholders to seek independent financial and legal advice before entering into any agreement to secure a mortgage or a loan on their home.

(d) Statutory Service Charge Loan

When an invoice is sent out for Major Works, it will state on the invoice whether we think you are eligible for a Statutory Council Loan. This is a scheme that we are required by law to operate. In order to be eligible:

- a) The total cost of the works must be more than £1,500 but less than £20,000
- b) Your lease start date must be less than 10 years ago
- c) You must be the original RTB purchaser.

This scheme involves an up-front arrangement fee and we will charge you interest on the loan.

A statutory service charge loan from the Council may not always be the best option. To make a comparison, you should look at the 'secured loan' rates offered by banks or building societies and see whether we will agree a discretionary loan as described below.

For further information please contact your Collections Officer on the number shown on your invoice.

(e) Discretionary Service Charge Loan

If you have difficulty in paying the full amount of the bill for Major Works straight away or by interest-free monthly instalments, you may be able to take advantage of the Council's non-statutory Service Charge Loan scheme. This scheme is designed to be more flexible than the statutory scheme. If you wish to pursue this option:

- a) The Council may allow you to spread payments for up to 25 years.
- b) There must be sufficient equity in your home to cover the loan.
- c) You must supply details of your current mortgage and any other mortgage or charge on your property.

This scheme involves an up-front arrangement fee and we will charge you interest on the loan.

For further information please contact your Collections Officer on the number shown on your invoice.

(f) Discretionary Voluntary Charge

A voluntary charge is a recognition of the debt due, secured against the value of your property and redeemable when the property is sold. The charge is noted at Land Registry and therefore your property cannot be sold without the debt being cleared.

You may be eligible for a voluntary charge if you can demonstrate that you are unable to sustain loan repayments or obtain alternative finance.

This scheme involves an up-front arrangement fee and we will charge you interest on the loan.

A Voluntary Charge is available if:

- a) The property is your only or principal home and you must be living there full-time.
- b) There is sufficient equity in your home to cover the loan.

- c) You supply details of your current mortgage and any other mortgage or charge on your property.

For further information please contact your Collections Officer on the number shown on your invoice

g) Houseproud

Houseproud is run by a group of 'not for profit' organisations headed by your local council.

Their sole aim is to help homeowners aged 60 and over or households with a disabled person of any age to pay for repairs, improvements or adaptations to their home.

There are 3 main loan options:

- Capital Release loan (No repayments payments required. When the property is sold, the lender gets back the original sum plus all accumulated interest.)
- Interest Only loan (Only the payment of the interest each month is required.)
- Capital and Interest Repayment loan (This works like a normal mortgage with monthly repayments covering interest and the original sum.)

For further details on this scheme, please contact Houseproud on 0800 783 7569

h) Buybacks

In extreme cases, the Council will consider buying your home back from you if you are having difficulty paying your mortgage and service charges. If we buy back your home you may become a tenant of the same property after the sale has been completed.

(i) Discretionary Capping

If no other payment option is feasible, the Council has the power to cap bills at £10,000. However, because this option represents a loss to the public purse, it is used extremely rarely.

4. How To Make Payments

By Standing Order

If it is agreed that you are eligible to pay on one of the installment options in relation to your Service Charge/Capital Works Invoice a Standing Order form will be sent to you. Please contact the Collections Team in Home Ownership Services to discuss this option. On setting up a standing order with your bank please ensure your Invoice Number is used in the reference field

By Bank Giro Credit

Payment can be made at any bank by completing the bank giro credit form at the bottom of your invoice and taking it to the bank with your payment. Please note banks may charge if you do not have an account with them.

By Internet

It's easy, quick and secure to make an online payment. You will need to have a copy of the bill and your payment card details. Payments can be made by Visa, MasterCard, Visa Delta, Switch and Solo. To make a payment online, logon to www.camden.gov.uk/pay.

Alternatively you can make a bank transfer using your own personal internet banking. Payment should be made to Camden's Bank Sort Code 089033 & Account Number 61543946. Please quote your Invoice Number as the reference on your payment.

By Phone

Telephone Camden's payments line 020 7974 6104. You can pay using our automated service 24 hours a day, seven days a week. If you wish to pay for other services or you need to speak to an operator you can do so Monday to Friday 8am to 8pm. You will need to have a copy of the bill and your payment card details. Payments can be made by Visa, Mastercard, Visa Delta, Switch, Electron and Solo.

Alternatively you can make payment using your own personal telephone banking. Ring your bank regarding the payment and request transfer to Camden's Bank Sort Code 089033 & Account Number 61030019. Please quote your Invoice Number as the reference on your payment.

In Person

At the Cashiers Office, Town Hall Judd Street, London WC1H 9JE. Opening hours: 9.00 a.m.- 4.30 p.m. Monday to Friday. You will need to take a copy of your bill. Payments can be made by cash, cheque, postal order, Visa, MasterCard, Visa Delta, Switch, Electron and Solo.

By Post

Postal payments should be sent to Cashiers Office, Town Hall, Judd Street, London WC1H 9JE. Payments can be made by cheque or postal order. Do not send cash through the post. Please quote your property address and make sure your Invoice Number is written on the back of your cheque. A receipt will be issued if you send a stamped addressed envelope with your payment.