

Information for Leaseholders

A mandatory qualifying loan from the Council in respect of service charges.

The Council is required by the Housing (Service Charge Loans) Regulations 1992 to give loans for the major repairs part of any service charge, in any one year, which is more than £2740.00. The loan is for the part of the demand in excess of that amount.

The loan is only available within the first 10 years of the lease being granted by the Council and must be applied for within 6 weeks of the date of the invoice sent by the Council.

The minimum loan is currently £920.00
The maximum loan is currently £36,270.00

These loans are available to help leaseholders pay their contributions towards the cost of major works. The entitlement to these loans, together with the terms attached to them, are set by the Government.

The Government rules say that you do not have a right to a loan until the major works/repairs part of your service charges during the year reaches £2,740.00. The rules also say that the minimum amount of a loan is £920.00 and that loans can only be made on the cost of major works. The first £2,740.00 service charges in any year will not be eligible for a loan (these figures are amended annually and will be revised next January 2014 and the following January of each year).

Interest will be charged on this loan and the interest rates may vary during the period of the loan depending on the cost of borrowing during that period.

You will also be charged an administration fee for arranging this loan of up to £100.00 and you may choose to add this sum to amount of loan.

The repayment period differs according to the size of the loan:

- A loan of less than £1,499 and interest must be repaid over 3 years.
- Between £1,500 and £4,999 the loan and interest must be repaid over 5 years.
- Over £5,000 the loan and interest must be repaid over 10 years.

If you would like to know if you are eligible for a mandatory loan, or find out more information on this issue, please telephone Mrs M Thorpe on 01992 564015 who will be happy to be of assistance.

Remember you must respond in writing within six weeks of the date of the invoice to qualify.

Housing Directorate, Epping Forest District Council, Civic Offices, High Street, Epping, Essex CM16 4BZ