

# How to pay your Major Works and Service Charges

## Service Charges

Estimated service charges are paid monthly in advance from April to March. You will receive a statement followed by instalment slips. Your payments must be made by the first of each month in accordance with the terms of your lease

When you receive an Actual Statement of Service Charges in October, you may be requested to make a payment. Your payment should be made within the same month.

If you are experiencing financial difficulty or need to make other arrangements for paying service charges, please call our Recovery Team on **020 8356 2299** for assistance.

## Major Works Charges

### **Full Settlement – Prompt Payment Discount for Major Works**

If you pay the whole invoice within 6 weeks of the date of invoicing you will be eligible to claim a prompt payment discount, currently 5% of the full invoice value.

Contact our Recovery Team on **0208 356 2400** as soon as you receive your bill so we can confirm the amount that you have to pay (95% of the invoice value) and the date by which payment must be received. Please allow **10 days** to ensure that the payment reaches your account by the date specified.

### **One Year Repayment Agreement for Major Works**

If your invoice is for more than **£300** we can agree to payment over a one year, interest-free period.

If you intend to pay by this method you must contact us before the date specified in the invoice. A written agreement between us ('Hackney Homes') and you ('the leaseholder') will enforce this agreement. Provided that payments are maintained as agreed between us, and the charge is fully paid within one year of the date of invoicing, no interest will be payable.

### **Two Year Repayment Agreement for Major Works**

If your invoice is for more than **£1,000** we can agree to payment over a two year period, but interest will be added.

Interest will be charged at the National Lending Rate applicable at the time you enter into the agreement and is fixed for the whole of the repayment period.

Arrangements for entering into the agreement are the same as for the one year agreement, except that payment is over two years.

If you enter into the agreement, but are then able to pay the whole amount within one year from the date of invoicing, please contact us before making your final payment and we will arrange for any interest charges to be deducted.

### **Three Year Repayment Agreement for Major Works**

If your invoice is for more than **£5,000** we can agree to payment over a three year period, but interest will be added.

Interest will be charged at the National Lending Rate applicable at the time you enter into the agreement, and is fixed for the whole of the repayment period.

Arrangements for entering into the agreement are the same as for the one year agreement, except that payment is over three years.

If you enter into the agreement, but are then able to pay the whole amount within one year from the date of invoicing, please contact us before making your final payment and we will arrange for any interest charges to be deducted.

### **Five Year Repayment Agreement for Major Works**

If your invoice is for more than **£10,000** we can agree to payment over a period of up to five years, but interest will be added.

Interest will be charged at the National Lending Rate applicable at the time you enter into the agreement, and is fixed for the whole of the repayment period.

Arrangements for entering into the agreement are the same as for the one year agreement, except that payment is over up to five years.

If you enter into the agreement, but are then able to pay the whole amount within one year from the date of invoicing, please contact us before making your final payment and we will arrange for any interest charges to be deducted.

### **Loans**

Under certain conditions you have the **Right to a Loan**.

To qualify for the **Right to a Loan** the following conditions must be met:

- The property must have first been bought under the Right to Buy and still be within the first 10 years of the lease.
- You must apply for the Loan within six weeks of receiving the invoice, and the invoice must be for a minimum of £2,150.00 and a maximum of £28,900.00.
- The Loan can only be for charges which relate to repairs. It cannot be for any items of improvement.

- The Loan does not have to be for the total charge, but must be for a minimum of £725.00.
- Loans for up to £2,150.00 must be paid within three years, loans for up to £7,150.00 must be repaid within five years and loans for any amount over £7,150.00 must be repaid within 10 years.

There are no other restrictions concerning the Loan. We are not allowed to take into account either the amount of equity in the property (against which the Loan will be secured) or your ability to make payments, but you must remember that your home is at risk if you do not keep up any agreed repayments.

Hackney Legal service will carry out the necessary legal work. You will be liable to pay their costs, which you can either pay separately, or include in the amount of the loan.

*(The figures above are linked to inflation and so will change each year.)*

Qualifying leaseholders will be advised that they have the **Right to a Loan** in the letter that accompanies the invoice. The letter will also tell you the minimum and maximum amount you can borrow and confirm the maximum repayment period you can have.

A written agreement between us ('Hackney Homes') and you ('the leaseholder') will enforce the loan. The loan will be secured by way of a mortgage on the property. Interest will be charged at the Local Government Lending Rate.

An administration fee of £100 is payable towards the costs relating to the conveyancing

If you do not wish to apply (or cannot apply) under the **Right to a Loan** scheme, you can apply for a **Discretionary Loan**.

We have the power to offer a **Discretionary Loan**, which is again a mortgage secured on the property, and can be for a period of up to 25 years. There are no restrictions concerning when the property was bought, or how much the bill is for, but:

- There must be sufficient equity in your property to secure the loan, and
- You must be able to prove that you have applied to, and been refused, by at least two commercial lenders.
- You must be able to demonstrate that you have the ability to meet the monthly repayments (however, we are willing to take into account the income of all adult members of your household).

Again, you will be responsible for meeting our legal costs in arranging the loan, but these can be added to the loan.

You should remember that your home is at risk if you do not keep up payments on a loan secured on it.

### **Securing the debt on your property**

If you are 60 years old or over (or in the case of joint leaseholders, one of you is over 60), then you can apply to have the debt secured on your property by way of a charge.

In order for us to consider your application you must be able to prove that:

- At least one leaseholder is over 60 at the date of invoicing
- That the lease was granted over 5 years ago
- There is adequate equity in the property to secure the loan, taking into account any other mortgage or debt secured on it.

This option is not available if the work or the charge are the subject of a dispute.

No repayment is due until the property is sold or otherwise changes hands, or until the qualifying leaseholder and their named spouse (if any) dies.

A written agreement between us ('Hackney Homes') and you ('the leaseholder') will enforce the charge, which will be secured by way of a mortgage on the property. Interest will be charged at the Local Government Lending Rate.

We estimate that the following costs will be associated with a Maturity Loan, and must be paid in full by the leaseholder before the completion of the mortgage:

Hackney Legal Services fees	£250
Disbursements, eg Land registry fees	£100
Mortgage Valuation fee	£150
<b>Estimated Total fees</b>	<b>£500</b>

In addition you will have to pay your own Solicitor's costs.

We recommend that you obtain independent financial advice before entering into any loan or mortgage secured on your property.

### **House-Proud**

For leaseholders over 60 who do not have a mortgage on their property, or households with a disabled person of any age, there is the option of House-Proud.

House-Proud is a group of 'not for profit' organisations headed by the Council. Their aim is to help homeowners aged 60 or over – or households aged 60 or over – or households with a disabled person of any age – to repair, improve or adapt their homes. House-Proud can offer:

- Capital release loan
- Interest only loan
- Capital and interest repayment loan

For the elderly and vulnerable the benefit of the House-Proud option is that the lender guarantees not to repossess the property in the unlikely event that you are unable to keep up the payments on a loan taken out to pay a major works bill. If you require more information about the House-Proud scheme contact: Freephone **0800 783 7569**.

### **Grant Aid**

Leaseholders who have lived in their present home for more than three years and who are on a low income or are claiming a means-tested benefit such as Income Support or Council Tax Benefit may be able to get some help with the cost of major works by applying for a grant. Applications for Grant Aid must be made before work begins. For more details please contact the Private Sector Housing team on **020 8356 4556**.

### **Payment Methods**

There are several ways in which you can make payments for service charges and major works which are listed below.

#### **1. By Post**

Borough Treasurer, Cashiers Office, Hackney Town Hall  
Mare Street, London E8 1EA

Cheques and Postal Orders should be made payable to London Borough of Hackney and crossed 'ACCOUNT PAYEE ONLY'.

#### **2. In Person**

During Monday to Friday 9.00am to 4.30pm at Cashiers located at either:

1. Stoke Newington Municipal Offices Stoke Newington Church Street N16	2. Hackney Town Hall Mare Street E8 1HE
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#### **3. By Bank Giro Credit**

If you wish to pay at your bank, please use the instalment slips for service charges or invoice tear-off slip for major works invoices. Your bank may charge for this service.

#### 4. By Standing Order

A Standing Order form can be obtained from our Customer Services Team in Leasehold and Right to Buy Services, 298 Mare Street, London E1 8HE. Please telephone **020 8356 2100**.

If you wish to set up your own Standing Order, please quote the following details

Council's Bank Account Number	61150009
Council's Bank Sort Code	08-90-30
Always quote the Reference Number (Shown on your invoice or statement) or	MRA2005 (example only) 228765432 (example only)

#### 5. By Telephone

You may telephone the Hackney Service Centre on **020 8356 3000** and an officer will take your payment. You will require your service charge account or major works invoice number and have your debit/credit card to hand.

#### 6. 24-Hour Payment Line

You may also pay your service charges or major works by debit/credit card on our 24-hour automated payment line on **020 8356 5050**.

***The option you require is number 5 for service charge and major works payments.***

#### 7. Internet Payments

Online payments may be made at any time for your convenience. You will need your service charge or major works account details and your debit/credit card. Find us online at: [www.hackneyhomes.org.uk](http://www.hackneyhomes.org.uk).

### Getting Help and Advice with Paying

Hackney Homes has a dedicated Recovery Team ready to speak with you regarding any concerns you may have about paying your service charges or major works.

We can advise you about repayment agreements; how to pay; when you need to make payments; how to avoid interest charges; and offer advice about suitable payment schemes.

## **Difficulty in Paying**

If you are concerned about your ability to pay your service or major works charges please do not hesitate to contact us to discuss the options open to you.

Specialist independent debt advice is available for leaseholders experiencing difficulty in paying. This service includes providing information and advice on a wide range of housing and debt options, accessing benefits and help in restructuring your finances to ensure a long-term solution to housing and debt problems. Further information may be obtained by contacting the Recover Team on **020 8356 2299**.

## **Contacting Us Regarding Payment Options**

For written enquiries relating to payment options for major works you should contact the Recovery Team, details as below:

### **Leasehold and Right to Buy Services**

**Recovery Team**

**1<sup>st</sup> Floor**

**298 Mare Street**

**London E8 1HE**

**Telephone 020 8356 2299**

**Opening times: 9.00am – 5.00pm Monday to Friday**