

## Private Sector Home Loan Policy – April 2011

Home loans are subsidised loans available for eligible home owners and private landlords wishing to repair, improve or adapt their property in particular ways. The loan is usually secured against the property. Loans will be provided by Wessex Home Improvement Loans on behalf of Wiltshire Council.

Wiltshire Council wants to improve privately owned and privately rented housing in order to benefit people living in Wiltshire.

The Wiltshire Private Sector House Condition Survey (2009) shows that a higher percentage (21%) than nationally (17%) of private sector households are in receipt of benefits, possibly showing lower household incomes and a potential increased level of vulnerability. The owner occupied stock has 10.2% of households in fuel poverty (which is defined as spending more than 10% of income on domestic fuel use), and 27.7% in non-decent homes. The private rented stock has 20.7% of households in fuel poverty, and 41.7% of households in non-decent homes.

Research by the Institute for Public Policy Research found that a million older homeowners have more than £100,000 of housing equity, yet their incomes are so low that they qualify for Pension Credit and other means tested benefits.<sup>1</sup> Loans secured on housing assets are one way to use this resource to ensure safe and decent housing conditions.

Loans are to be provided by Wessex Home Improvement Loans (WHIL) at an interest rate set below that commonly available from high street lenders. The Council subsidises the loans so that people on a low income, who would find it difficult to manage repayments on a normal high street loan, can access funds to undertake improvements and repairs to their home.

WHIL is a social enterprise and has been selected by Wiltshire Council as its delivery agent for this service.

Loans will be considered to help finance essential repairs and improvements to remove hazards, energy efficient heating systems, as well as helping those people needing to make adaptations to maintain their independence.

Loans will be available for the majority of home owners and will take into account income and expenditure levels, savings and the amount of equity available in the property.

In the financial year 2011-12 Wiltshire Council has funds to offer grant funding to eligible householders needing works to their property and therefore grant assistance will be offered first before any referral is made for a loan. However, this policy is written at a time of financial uncertainty and it is possible that council funding for repair and improvement work for privately owned property will be reduced. At this time, the council will review its policy in this regard.

The award of all grants, with the exception of mandatory disabled facilities grants, and loans is subject to the council having funds to support the work.

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<sup>1</sup> Institute of Public Policy Research (Sonia Sodha), *Housing Rich, Income Poor*, 2005