

## **Payment Options for Major Works**

The following payment options are available to leaseholders to repay the cost of major works.

### **Option 1 – Full Payment by Leaseholder**

You are required to pay the invoice in full within 30 days of the invoice date. This may involve making your own loan arrangements with your mortgage lender, bank or building society where this is applicable.

You are advised to seek independent financial and legal advice before entering into any agreement to secure a mortgage or a loan on your home. This option applies to all Leaseholders.

### **Option 2 – Discretionary Payment Agreement**

Where you are unable to pay the full amount within 30 days of the demand for payment, the Council may, on a discretionary basis, allow deferred, interest-free payments by instalment over specified time periods, as outlined below:

- Up to 12 months (12 equal payments) on major works bills under £2,500
- Up to 24 months (24 equal payments) on major works bills over £2,500

If you are wishing to pursue this payment option, you should contact the Leasehold team within the 30-day period of the demand being issued, to prevent arrears enforcement action. This will also enable the Council to carry out an affordability assessment and suitability for this type of arrangement on a case-by-case basis.

Where deferred payment arrangements are established, you will be required to set up a Direct Debit or Standing Order to cover the amount outstanding in equal monthly payments as outlined above. Our bank details are below if you require them.

If your circumstances change you should cancel the Direct Debit and settle the outstanding amounts in full if you are able to.

If any default in payments occur without explanation or agreement, the Council reserve the right to commence arrears recovery actions.

## **Non-Resident leaseholders**

**If you do not reside in the property and / or rent it to tenants / family, only payment options 1 and 2 are available.**

### **Option 3 – Statutory Loan Scheme (Right to a Loan)**

This is a loan governed by statute and is available to leaseholders within a maximum of 10 years since the property was purchased under the Right to Buy scheme. If eligible, this right to a loan is a right to leave the whole or part of the service charges outstanding. The following applies:

- When the Council sends out an invoice for major works, it will ensure that the invoice states if the Council believes that a leaseholder is eligible for a statutory loan and what he/she must do to claim it.
- The leaseholder has 6 weeks from the date of the invoice to exercise their right to a loan. The Council must then tell the leaseholder the terms of the loan and the time allowed to accept it. The leaseholder then has 4 weeks to accept the Council's offer.
- The Council is obliged to secure statutory loans by way of a mortgage.
- The mortgage will be secured on the property (whether or not the property is adequate security). This will involve placing a charge via the Land Registry.
- The Council will charge a set administrative fee to the leaseholder.
- This administrative fee is limited to £100. This may be added to the amount of the loan if the leaseholder wishes or can be paid separately.
- Monthly repayment instalments are required via direct debit.

#### **Option 4 - Deferred Payment Option**

If you are a resident leaseholder and are facing severe hardship and are unable to secure funding from a High Street Bank/Building Society, the Council offers a deferred payment option secured by a charge on the property for the actual amount. The loan is repaid on the sale of the property. The charge is noted at the Land Registry and the property cannot be sold unless the amount owed is redeemed. This option may be available if there is sufficient equity to cover the debt.

#### **Option 5 - Purchase of the Leasehold Property by the Council**

Options include for the Council to purchase the property and will be determined on a scheme by scheme basis. This is also subject to the availability of funds.

#### **Option 6 - Purchase Equity share by the Council**

The Council can offset major works service charges by taking an equity share in your property, by way of a shared ownership lease (i.e. equity share scheme). The Council would need to complete a valuation of the property to estimate the works cost as a percentage of the value. This is also subject to the availability of funds.

#### **Payments can be made in the following ways:**

By Telephone:	Payments can be made using a touch-tone telephone by calling 01277 312500. Please ensure you have your service charge account number and credit/debit card details available.
By Post:	Cheques & Postal Orders should be payable to <b>Brentwood Borough Council</b> , please make sure that you quote your Service Charge Account Number on the reverse of the Cheque / Postal Order or any documentation sent with the payment. Payments to be sent to: <b>Brentwood Borough Council, Town Hall, Ingrave Road, Brentwood, CM15 8AY</b> . The Council does not automatically issue receipts for payments received by post.

By Debit or Credit Card: Payment can be made by debit or credit card on the Council's website at [www.brentwood.gov.uk](http://www.brentwood.gov.uk). Please select the 'Rent, Garages and Service Charge' payment option and not 'Invoice' payments.

By Direct Debit: If you would like to pay by Direct Debit, please contact the Housing Services Department who can arrange for a direct debit mandate to be forwarded to you.

By Standing Order: If you would like to pay by Standing Order, the details are as follows:

Payee; Brentwood Borough Council  
Bank Sort Code: 30-91-17  
Bank Account Number 01731291  
**Reference:**

**All payments must quote your major works account number in order for us to allocate payments to your correct account**