

Owner Occupier Loan Frequently Asked Questions



Q. What is the Owner Occupier Loan?

The Owner Occupier Loan is an interest free loan which has been developed by Torfaen County Borough Council. It is available to homeowners and landlords in the Torfaen area and must be used for home improvements/renovations that make a property safe, warm, secure and habitable.

Q. Who can apply for a loan?

Owners of sub standard residential properties in the Torfaen area.

Q. What is the maximum amount of loan I can apply for?

The maximum loan amount you can apply for is £25,000 per property or unit.

Please note that any loan offered, taking into account any existing mortgage cannot exceed 80% of the current property value. Therefore, if you have an existing mortgage of £65,000 on a property with a current market value of £100,000, the maximum loan that can be considered is £15,000, subject to a financial assessment. Where the cost of the works exceeds the value of the loan, the applicant must be able to evidence that they have adequate funds to meet the shortfall and complete the works.

Q. Do the home improvements have to be carried out to any sort of standards?

Yes. All work must be carried out in accordance with any planning permissions or building regulation approvals made in respect of the property. Additionally the property must comply with the Owner Occupier Loan standards on completion of the work. Further details about the standards are contained in the Owner Occupier Loans guidance.

Q. Are there any conditions attached to approving the loan?

Yes, the conditions are:

- A financial assessment is undertaken as part of the application process. Torfaen Council must be satisfied that the loan is affordable before a loan application is approved.
- The loan funding must be used for the purposes agreed in the loan facility agreement.
- The loan instalment must be paid every month as agreed in the loan facility agreement.
- If the property is sold during the term of the loan, the loan must be repaid in full immediately.

- A legal charge will be placed on the property for the life time of the loan.

Q. Are the loans secured loans?

Yes. All loans approved must be secured by a first or second charge being secured against the property. If there is an existing mortgage on the property we will need the lenders consent to secure our charge.

Please be aware that your home may be repossessed if you do not keep up repayments on a secured loan.

Q. I am interested in applying for a loan, what do I do next?

You will need to complete and return the application form which has been provided as part of this pack.

Q. What is the interest rate for this loan?

The loans are interest free, however an upfront administration fee will be required as a contribution towards the costs of processing your application.

Loan Amount	Fee
£0 - £25,000	£295

There will also be a charge of the payable as the Council's legal services section are required to register a first or second charge on the property being offered as security. The fee is £50.00 per title.

Q. When will I have to repay the loan?

The maximum loan period is 5 years for a landlord or 10 years for an owner occupier. It will depend upon the financial assessment as to how long an applicant will have to repay the loan. If the property is sold within the loan term, the loan must be repaid immediately. All loans can be repaid sooner than the end of the term if the applicant wishes to do so.

If you require any further clarification of the Owner Occupier Loan, please do not hesitate to contact:

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