

Regeneration & Economic Growth

Corporate Director: Andrew Wallhead

Economic Growth & Strategic Housing

Service Director: Sarah Pearson

Wakefield One

P O Box 700

Burton Street

Wakefield

WF1 2EB

T: 01924 305892

e-mail:jsutton@wakefield.gov.uk

F: 01924 306325

Typetalk calls welcome



Our ref:

Date:

Dear

**LOAN OFFER DOCUMENT FOR A MORTGAGE BREATHING SPACE LOAN**

**Customer Information for:**

**Date produced:**

This Loan Offer Document is for a Mortgage Breathing Space Loan for £xxxx and is to be secured against xxxxxxxxxxxx. The Offer Document has been issued by Wakefield Council which provides the loan on the assumption that the title to your property is good and marketable and free from any onerous matters and will form adequate security on completion.

This Breathing Space Loan Offer Document is valid for 1 month from the date of issue.

**Please read this offer document and if you agree to the terms and wish to proceed you should sign and date the Acceptance Declaration on page 6 and return the whole document to the address shown.**

**The Loan Offer**

We are pleased to offer you a Mortgage Breathing Space Loan of £xxxxxxx. This is subject to the condition that you obtain independent financial advice before returning this offer document, and that all relevant parties agree to a legal charge being registered against the property in respect of the loan.

DELETE IF NOT SUPPORT FOR SALE LOAN OFFER [This offer is also made subject to the following: You agree with Wakefield Council that you will continue to market your property at the agreed price of £xxxx, until your property is sold, so that this loan can be repaid from the proceeds of sale. Any decision to alter the price at which your property is being marketed or to remove your property from the market should be made in consultation with Wakefield Council.]

## 1. Do you have to accept this loan offer?

You are not bound by the terms of this Loan Offer Document until you have signed the legal charge and the funds are released for your Loan.

## 2. What assistance have we given you?

We have told you about the Mortgage Breathing Space Loan we have available based on your needs and circumstances. This Loan Offer Document has been produced to help you make an informed choice. We have no other loan products available and we have not given you any advice as to other loan products available on the market. You will need to make your own choice on whether or not to proceed.

## 3. What information have you given us about your needs.

You would like to borrow a lump sum of £XXXXXX to pay off arrears on your mortgage and/or secured loan *{and to assist with your mortgage and/or secured loan repayments}*.

Your property, on which the loan will be secured, is valued at £XXXXXX.

## 4. About the Breathing Space Loan

This Mortgage Breathing Space Loan is administered by Wakefield Council.

The loan can only be used by owner-occupiers to assist towards arrears and/or repayments on their existing mortgage/secured loan.

The Mortgage Breathing Space Loan is an interest free loan for a fixed term of three years.

The loan must be repaid in full at the end of the three year term or on first disposal of the property.

There are no regular repayments to make during the three year period. However you may choose to make repayments during the three year term of the loan.

You will be required to sign a legal charge on the above property to secure the money you owe to Wakefield Council under this agreement.

The loan will be paid direct to the lender of the existing mortgage or secured loan.

## 5. Total cost of the loan

The total amount you must pay back including the amount borrowed is £XXXXXX(= the amount borrowed).

The overall cost for comparison is 0% APR.

At the end of the 3 year term you will owe the full amount of the loan and will need to make arrangements to repay this.

#### **6. What regular repayments will you need to make?**

You do not need to make regular repayments.

#### **7. Will the interest rate change?**

There is no rate of interest associated with this loan other than punitive rates, which apply in the event of your breach of your obligations in this agreement.

If you do not repay the loan by the due date then Wakefield Council will be entitled to demand and receive payment in full together with interest at 3% above the Bank of England base rate (which is current on the due date) from the due date until repayment is made.

#### **8. What fees will you have to pay?**

No fees will be charged

#### **9. What are the obligations and risks of taking out this loan?**

**If you do not repay the loan in full by the end of the loan period Wakefield Council may take court action to recover the loan and/or to take possession of the property.**

**You may need to re-mortgage or sell your property in order to repay the loan at the end of the three year term.**

If you decide to move home, you will not be able to transfer your Mortgage Breathing Space Loan to your new home. If you sell the property you must repay the loan in full.

Where the home is jointly owned all the owners will be jointly and severally liable to pay the loan in full.

The property must be kept in good repair throughout the loan period.

The loan will not be paid if the property is repossessed or if all the applicants give up residence in the property before payment of the loan has been issued to the mortgagee (mortgage lender).

In the event that the loan does not proceed to completion, then Wakefield Council will not be liable in law or otherwise for any claims, costs or loss.

Wakefield Council shall be entitled to demand immediate repayment of the loan upon the happening of any of the following events:

- If in the event of the applicant's death the property has not been sold or loan repaid within a period of 18 months by the executors of the applicant's estate: OR
- If someone else moves into the property with the applicant, without the consent of Wakefield Council: OR
- If the applicant lets out the property to another party without the prior approval of Wakefield Council: OR
- The applicant ceases to live in the property as their principal residence or the property changes type from an owner occupied residential property: OR
- If any information provided by the applicant for the purposes of the loan proves to be incomplete or inaccurate: OR
- The applicant takes out an additional charge secured against the property, other than any mortgage or loan taken without the full knowledge and agreement of Wakefield Council at the time the property is purchased: OR
- The applicant takes out a further advance of monies from a mortgage provider who either already has a charge registered on the property or subsequently takes a charge over the property without obtaining Wakefield Council's written consent.

#### **10. Review meetings and debt counselling**

You must agree to regular review meetings to monitor your financial situation.

You must agree to receive debt counselling.

#### **11. Building Insurance**

It is a condition of the Loan that you have adequate Building Insurance for the duration of your loan. You must provide Wakefield Council with a copy of your insurance policy on an annual basis when requested to do so.

#### **12. Independent Advice**

You are required to obtain independent financial advice before entering into the Loan with Wakefield Council. Wakefield Council will pay up to £300 to the Independent Financial Adviser for this. You may wish to seek independent legal advice (but this will be at your own cost).

Taking out this Mortgage Breathing Space Loan may affect your ability to claim social security benefits. If you are worried about this and need further advice you should contact the Jobcentre Plus, the Pension Service or your local Citizens Advice Bureau

#### **13. What happens if you no longer want this loan?**

If you take out this Loan, then decide you no longer want it, you can repay the Loan in full at any time. There are no early repayment charges.

#### 14. Special Conditions

DELETE IF NOT SUPPORT FOR SALE LOAN

- a) Your property must be actively marketed at a reasonable price until sold.
- b) If your property is removed from the market or the price altered without prior written consent from Wakefield Council you will be in breach of the loan conditions:
- c) The Council may take legal action to force the sale of your property.
- d) If you change estate agents you must provide their written consent to share and provide information.

#### 15. Contact details

If you have any queries regarding any of the information in this Loan Offer Document, please contact:

Breathing Space, WMDC,  
P O Box 700  
Wakefield One  
Burton Street  
Wakefield  
WF1 2EB

Tel: 01924 305892

***You will need to repay this loan in full at the end of the three year term. Think carefully about how you will be able to do this. Your home may be repossessed if you do not repay the loan by the due date.***

Yours sincerely

**THINK CAREFULLY BEFORE SECURING OTHER DEBTS AGAINST YOUR HOME.**

**YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP PAYMENTS ON  
A MORTGAGE OR ANY OTHER DEBT SECURED ON IT.**

**Acceptance Declaration**

**I/We have read the Loan Offer Document above for a Mortgage Breathing Space Loan and agree to the terms stated in it.**

**I/We have received independent financial advice from:** *(state name, company and telephone number of the independent financial adviser)*.....

.....  
.....

**Applicant 1**

**Applicant 2**

**Print Name** .....

**Print Name** .....

**Signature** .....

**Signature** .....

**Date** .....

**Date** .....

Please return this document to-

Breathing Space, WMDC,  
P O Box 700  
Wakefield One  
Burton Street  
Wakefield  
WF1 2EB