

# Affordability of Major works

PCH understands that paying a Major Works invoice in full can sometimes not be manageable especially in the current financial climate. We offer various payment methods for leaseholders to help them meet the cost of Major Work. These are set out below.

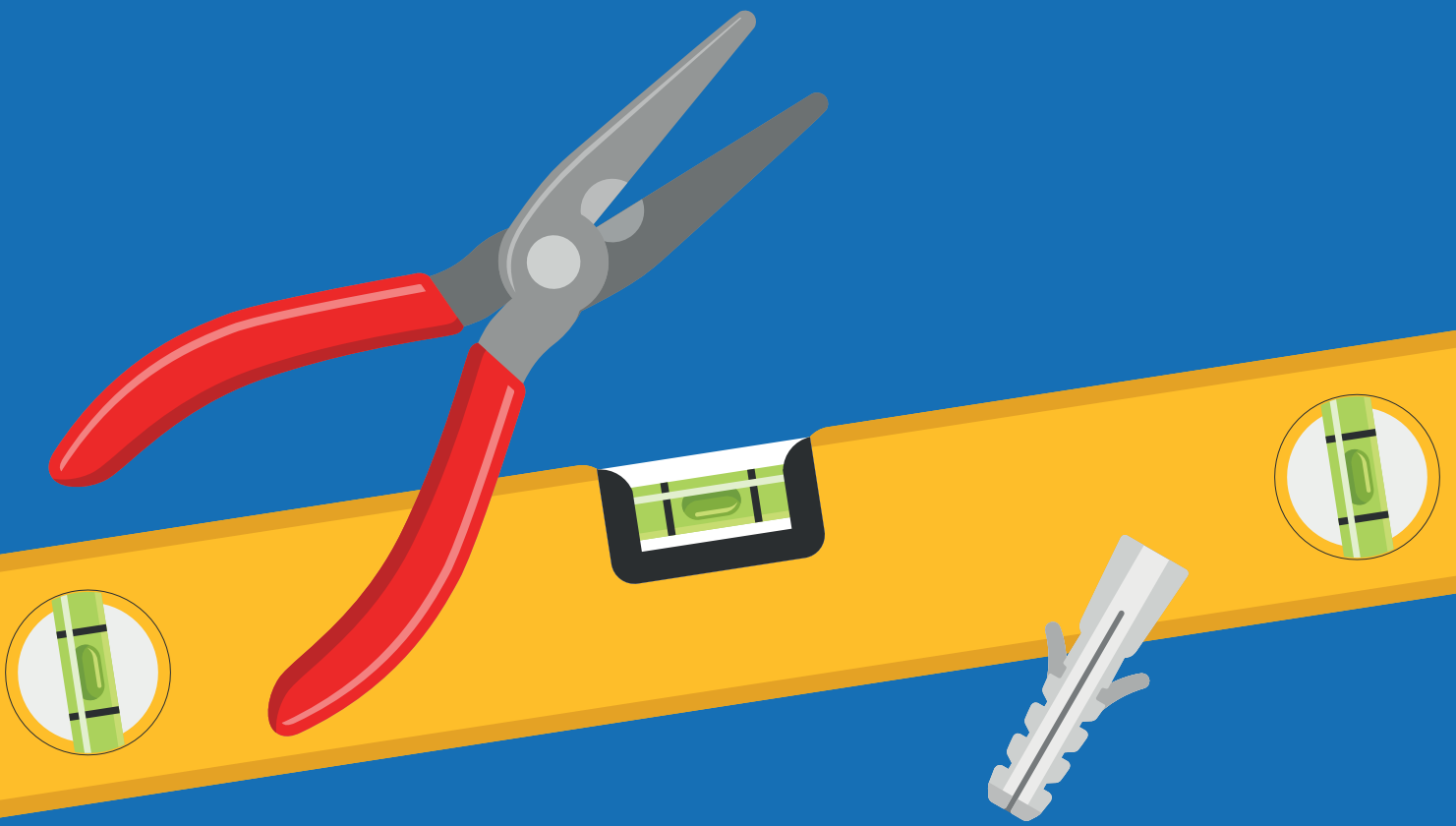
Payment Options	Leaseholders, or their families, who exercised the Right to Buy or Right to Acquire and continue to use the property as their principal home	Leaseholders who bought the property from others, but who continue to use the property as their principal home	Leaseholders who do not live in the property as their principal home
1. Payment in full within 21 days, as per the terms of the lease. (PCH offers a discount for full payment within 30 days – see two below).	✓	✓	✓
2. A prompt payment discount of 2.5% - available for those who pay major works invoices in full within 30 days. (This will not apply to: <ul style="list-style-type: none"> <li>• part payments</li> <li>• payments for specialised already discounted programmes of work).</li> </ul>	✓	✓	✓
3. A deferred payment plan over a maximum period of 12 months.	✓	✓	✓
4. An arrangement to pay by instalments over a longer period as follows: Invoice amount Payment period: ≤£5,000 = 3 years, £5,001 - £10,000 = 4 years, £10,001 - £15,000 = 5 years, ≥£15,001 = 6 years. Agreement to a payment plan over 12 months is subject to completion of an affordability assessment, as required by the Financial Conduct Authority.	✓	✓	
5. If the affordability assessment conducted in relation to option four above shows that the leaseholder is not able to make the repayment required within the terms of this provision, PCH may agree to cap the monthly payment at £250 and accept that there will be a longer payment terms as a result. In these circumstances, PCH reserves the right to place a charge on the property as part of agreeing a longer payment plan.	✓	✓	
6. Full payment of any outstanding balance must be made when the property is sold, or ownership transferred to another party. If a non-residential leaseholder is unable to make the payments due under their lease, they should contact the leasehold team to discuss options available to them.	✓	✓	✓
7. Once the Section 20 notice of intention has been issued, leaseholders may pay or start to pay in advance, at any rate they choose, and the money will be held on their account and allocated once the final bill has been issued.	✓	✓	✓



In order for us to agree to a repayment plan for longer than a 12-month period, The Financial Conduct Authority requires us to complete an affordability assessment for every Leaseholder who requests one.

To complete this we require:

- Latest bank statement showing 3 months of transactions (including savings accounts) for each person named on the Leasehold account.
- 3 wage slips / latest pension statement / latest benefit statements, utility bills we only require these if not shown on your bank statements
- Whilst we are completing the affordability assessment a Direct Debit must be set up for a 3-month period for the minimum amount you can afford.
- PCH will also carry out a credit check which includes a Land Registry check before agreeing to any payment plan. If there is a question about which is the leaseholder's principal home, PCH will adopt whatever choice has been made with HM Revenue and Customs.



If a leaseholder wishes to take up the option of a payment plan, we reserve the right to request that the leaseholder agrees to PCH placing a voluntary charge on their property as security. The Leaseholder will also be liable for cost, and this can be added onto the long-term credit agreement that is signed after a completed affordability assessment. PCH reserves the right not to agree to a payment plan if we have requested a voluntary charge and the leaseholder has not agreed to this.

If the affordability assessment process identifies that there are exceptional circumstances, PCH may wish to offer a payment plan outside the provisions set out in section 4 of the table above. Any approvals for exceptions must also comply with PCH's financial policy.

Any disputes with a Major Works invoice must be discussed with your Leasehold Officer at the time of billing, the Invoice will still remain payable whilst the dispute is investigated, and a resolution is agreed.