

Appendix 2 - Criteria For Loaning Funds To Third Parties

Maximum TCL charge	A one off administration fee of up to 15 per cent e.g. a £10,000 TCL could incur a fee of £1,500.
Minimum and maximum TCL value	£5,000 up to £1 million
Improvement required	Works which make a residential property safe, warm and/or secure.
TCL can be used to improve a property to/for:	<ul style="list-style-type: none"> • Continued ownership • Sell • Rent • Unlock a vacant or stalled site
Loan criteria for private rented sector only	<ul style="list-style-type: none"> • Must be free of category 1 hazards.
Interest	TCLs must be interest free
Maximum TCL Period	5 years
Repayment terms	Choice of staged repayments or full repayment at end of loan term or on sale of the property if earlier.
Eligible applicants	Owners of sub standard properties e.g. landlords, owner occupiers who pass affordability checks i.e: charities – last 3 years financial accounts, companies/businesses – last 3 years accounts.
Risk mitigation measures	Two or more of the following: loan to value ratio, second property charges, local land charges, staged

	repayments.
Other funding options	<ul style="list-style-type: none">• Other funding options such as Arbed must be explained to the applicant.• Other funding options can be used in conjunction with the loan as long as they are funding separate works.• Applicants that can easily obtain commercial finance to fund the improvement works should be directed to appropriate sources of funding.