

MAJOR WORKS – GUIDE TO LEASEHOLDER PAYMENT OPTIONS

The following information covers the options available to leaseholders for paying for major works.

1. Standard Payment Method

Payment in full within 28 days of receipt of invoice or via service charge monthly payments. This may require the use of personal savings, a loan, mortgage advance or equity release.

2. Discretionary Payment Agreement

If you are unable to access any of the above methods Aster may offer discretionary payment options.

We may be able to agree with you that you can pay the amount you owe us over 12, 18, 24, 36 or 60 months dependant on the amount owed.

To qualify for this option you must:

- Live in the leasehold property as your main home
- Complete and return the payment options application form with 28 days of receipt
- Supply details of income and provide all other documents that are reasonably required to assess your financial circumstances.
- Supply evidence that other payment options have been explored and are unavailable
- Sign a repayment agreement accepting responsibility for the debt

| Recoverable cost of major works | Suggested repayment period |
|---------------------------------|----------------------------|
| Up to £1000 | 12 months |
| Between £1000 and £1999 | 18 months |
| Between £2000 and £4999 | 24 months |
| Between £5000 and £9999* | 36 months |
| Over £10000 ** | 60 months |

* Aster may secure these payments by means of a charge on the property

** Aster will secure these payments by means of a charge on the property

Legal costs will be charged on amounts over £2,000 on a sliding scale as follows:

£2000-£4999 £295

£5000-£9999 £450

£10000 - £20000 £550

Disbursements: Land Registry search fee £3; Land Registry Official Copy fees £6; Land Registry fee for registration of Charge £20.

Interest will not be charged.

What are the broad terms of a discretionary instalment payment agreement?

- The charges are repaid by equal instalments over an agreed term
- You may make additional payments over and above the minimum repayments to pay the charges more quickly
- You may clear the charge in full at any time provided you pay all outstanding fees at the time of repayment
- Payment shall be by DD
- Aster may register a charge on your property for any payment plan where the total cost is over £5000. You will be liable for the legal costs as shown above.
- If payment is not made as agreed Aster will pursue the debt including taking court action and seeking forfeiture of the lease. We only take legal action as a last resort, if your circumstances change it is important to let us know.
- The entire amount outstanding must be paid if the property is sold.