

Where a traditional type of loan is more appropriate for the home owner's needs and circumstances:

Capital & Interest Repayment Loan

This loan is for those who are unable to obtain a loan from high street Banks and Building Societies, but are able to afford modest regular monthly repayments.

The loan is designed to be affordable, convenient and comparable to high street lenders.

Loan term can be from 1 to 10 years.

Interest is charged at a rate of 1.5% above the variable Bank of England base rate.

The loan will be secured by legal charge on your property.

For Example:

Repair works needed: £8,000

Loan arranged for 7 years

Interest rate **6.5%**
(Base rate 5% + 1.5%)

APR 6.7% typical

Monthly payments of:
£118.08 for 84 months

Total charge for credit
£1918.72

The overall cost for comparison is **6.7%** APR.
Interest rates correct at time of print August 2008

Written details are available on request.

E-mail: info@arthomes.org.uk

This leaflet shows cost information in different ways because there are separate rules for advertising mortgages from FSA-regulated lenders and non-FSA regulated lenders.

ART Homes Ltd is authorised and regulated by the Financial Services Authority for mortgages.

ART Homes Ltd is licenced by the Office of Fair Trading for secured lending.

YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON A MORTGAGE OR ANY LOAN SECURED ON IT.

'CHECK THAT THIS MORTGAGE WILL MEET YOUR NEEDS IF YOU WANT TO MOVE OR SELL YOUR HOME OR IF YOU WANT YOUR FAMILY TO INHERIT IT. IF IN ANY DOUBT, SEEK INDEPENDENT ADVICE'.

For further information call

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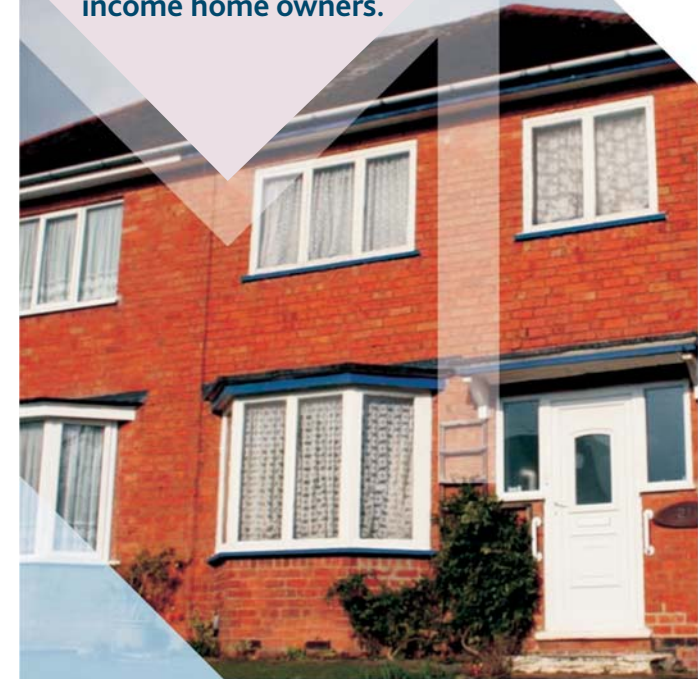
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ART Homes
Affordable Finance

About us?

ART Homes Limited provides affordable finance solutions to assist low income home owners.



“By working with local authorities we are able to deliver more affordable loans to meet the needs of home owners”



ABOUT US

ART Homes Limited (AHL) is run as a not-for-profit organisation established in April 2000, now owned by Mercian Housing Association. The aim of AHL is to provide affordable finance solutions to low income home owners to assist them with the maintenance, repairs and adaptations of their properties. AHL also offers financial assistance for re-location for those whose properties are subject to a clearance or regeneration programme.

The affordable loans provided by AHL are specifically designed for home owners unable to obtain affordable finance from high street Banks or Building Societies. All loan packages offered by AHL are based on individual circumstances and accessible only to home owners through schemes established with local authorities.

HOW WE WORK FOR YOU

Home Repairs / Improvements

- ◆ Through a local authority referral, our loans officers will visit you at home to assess your needs, circumstances, affordability and suitability
- ◆ Following this assessment a pre-recommendation is made based on how much you can afford to borrow
- ◆ The local authority will then confirm the work and its cost with you and advise us if you wish to proceed
- ◆ AHL will then send you a formal offer and proceed with the loan
- ◆ Once the loan funds are issued, the local authority will arrange the repair works via Home Improvement Agencies or Quality Mark Approved Builders.

Re-location

- ◆ Through a local authority referral, our loans officers will visit you at home to assess your needs, affordability and suitability
- ◆ The assessment will identify the financial gap between the value of your current home and the new property which you wish to purchase
- ◆ You will receive an official loan offer suitable to your needs with an explanation of how the loan is expressed as a % of the value of your new property.

OUR PRODUCTS

The product we provide the most often is a **Property Appreciation Loan (PAL)**.

This is a secured loan designed for home owners who are unable to afford regular monthly repayments.

The amount lent is shown as a percentage of your property value. We have processes in place to ensure you only borrow a limited percentage of the value not already secured via any mortgage/loan you have. We aim to ensure that you do not exceed borrowing of more than 80% of your property value.

BENEFITS

- No regular repayments
- No interest or fees
- Loan can be repaid at any time
- No early repayment penalties
- A guarantee of no repossession is provided on most schemes

An Example

Repair Works Cost	£8,000
Current Property Value	£80,000
Loan required	£8,000

A legal charge is taken on **10%** of the property value representing **Expressed as 10% of the £8,000 loan or 8/80ths the property value**

No repayments of interest or capital needed during the term of the loan

Repayment:

Loans must be repaid when a property is sold or there is a transfer of ownership. You can repay at any time subject to a new revaluation.

Examples of repayment:

Assumed property value in 5 years	£110,000 <i>(independent revaluation required currently costing £40.00)</i>
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Amount to redeem <i>(10% of new value)</i>	£11,040 (10 % of £110,000 plus revaluation fee.)
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Assumed property value in 10 years	£140,000 <i>(independent revaluation required currently costing £40.00)</i>
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Amount to redeem <i>(10% of new value)</i>	£14,040 (10 % of £140,000 plus revaluation fee.)
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If the property value does not increase or fall, then the original loan amount including the revaluation fee is repayable.

The APR is variable depending on the property value and length of time the loan is outstanding.

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