

Your guide

to repaying the equity loan for your home

Whether you're buying or selling, if you're interested in repaying the Equity Loan you received, this leaflet will help you understand the process.

1. The first step is to work out how much it will cost to repay the grant (you repay your original percentage at the current market value) in your home. You can do this through a qualified independent valuer, who must be registered with the Royal Institute of Chartered Surveyors (see the enclosed valuers' list). You are responsible for this cost which is currently between £115 and £176.50. To go ahead with the valuation, you need to fill in the enclosed valuation request form and return this, and your payment (one made payable to your valuer and the other made payable to L&Q) to cover our administration costs (see the enclosed administration leaflet). Remember, if you bought your home with someone else, you will both need to sign the form.
2. When we receive your request, we will send it to your chosen surveyor within five working days. We will contact you by phone to confirm the day we send your request to the surveyor. They will then contact you directly by phone to arrange a suitable appointment.
3. Having the valuation carried out does not commit you to repaying your equity loan. When your valuation has been carried out, the valuer will send us the report within five working days. We will work out how much it will cost to repay the equity loan and send you this information with your valuation report.
4. After receiving your valuation report, you should contact your mortgage lender or financial advisor for financial advice on buying your extra share (equity). We recommend you get advice to make sure you are not overstressing yourself financially. If you are buying the rest of the equity and not selling your home, you can normally just extend your existing mortgage though there may be some extra costs to pay your lender. The valuation is only valid for three months. If it takes longer than three months to complete, you may have to pay for another. If a new valuation is necessary and it is higher than the previous one, a new premium will apply.
5. When you're ready to go ahead, you will need to appoint a solicitor who will act on your behalf and release our restrictions which were registered at the Land Registry. You will need to confirm in writing that you want to go ahead, and give your solicitor's name and address. Please fill in the enclosed acceptance form. We will send you this with your valuation report.
6. When we receive your solicitor's details, we will contact them within five working days. We will confirm in writing what the value of the equity loan is and how you should repay this. Please remember you will be responsible for paying your legal costs and you may also have to pay fees to your mortgage lender.

You will find the answers to some common questions over the page.

What if I have made improvements which have increased the value of my home?

You should already have informed us in writing and provided proof of any improvements you have carried out. You should also tell the valuer about these improvements and they will assess how much the improvements have added to the value of your home. We will take this amount off the full value before we work out the cost of the share you are buying.

However, it is important to be aware that the value of your home won't always increase by the amount you spend – for example, putting in double glazing is expensive but rarely increases the value of your home by the same amount.

Why do you tell the valuer to value my home?

The conditions of your scheme say that we should tell the valuer to value your home. This is because there are public funds invested in your home and we own the share you want to buy. The Housing Corporation (our funders and regulators) check that we do this. All the valuers we use are fully qualified members of the Royal Institution of Chartered Surveyors and are completely independent from us.

What happens if I don't agree with the valuation?

Valuing properties is not an exact science – valuers base their valuations on the actual sale price of similar properties and their experience of the area. If you do not agree with the valuation, you will need to put your concerns in writing, along with evidence of at least three similar (local) properties that are for sale or have sold within the last three months. We will send this information to the valuer and ask them to explain how they arrived at their valuation. We expect to receive a reply within five working days.

If you are still not happy, you can ask for another valuation. You will be responsible for

the cost of this valuation and, if there is a great difference in the values (that is, more than 5%), we will refund your cost of the original valuation. In extreme cases (if the value cannot be agreed), we will ask the Royal Institution of Chartered Surveyors to help reach an agreement.

What happens if my valuation runs out and I've not completed my staircasing application?

Normally, if you have nearly completed the staircasing, we will contact the valuer and they will advise whether the valuation can be extended to help you complete it.

In extreme circumstances where you cannot complete the staircasing within three to six months, a new valuation may be needed. This means the staircasing value will depend on the new valuation. (In some circumstances, this has been known to increase. If this happens, you will need to pay the higher charge.)

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