

# Shared Ownership Occupancy Charge Arrears

Anyone can have money troubles from time to time. If you are having difficulty paying your occupancy charge, you should contact your Housing Officer as soon as you have a problem. If we know there is a problem, we can often help you:

- Contact us as soon as you have a problem
- We will help you come to an affordable arrangement with us
- Paying something towards your arrears is better than paying nothing at all.

**Your home will be at risk if you do not pay your occupancy charge.**

## What happens if I can't pay my occupancy charge?

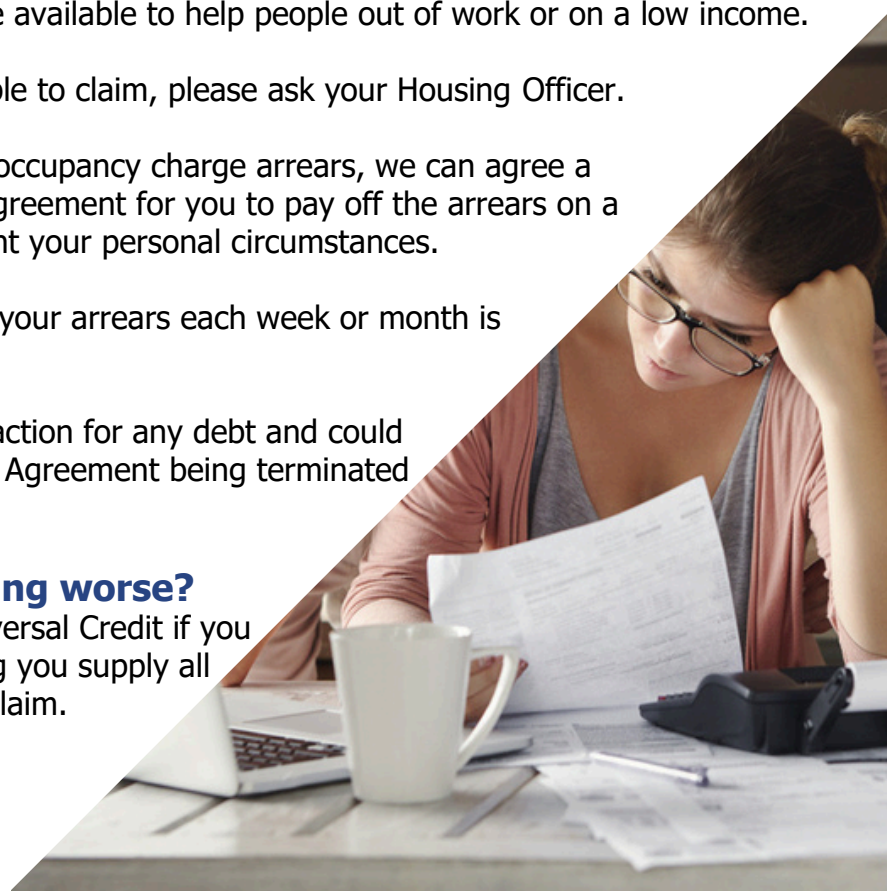
If you can't pay your occupancy charge or other charges you should contact your Housing Officer as soon as you have a problem. It is important to contact us immediately, because if you do not take action it can lead to your home being at risk of being sold or repossessed. Do not just ignore the situation, your problems will not just disappear and if we have to take legal action against you, you may be liable for our legal costs, which can be expensive.

## What can the Association do to help?

- ✓ We will treat your case confidentially and fairly and we can help you get specialist advice if you need it.
- ✓ Your Housing Officer can make an appointment to visit you at home if this would be more convenient.
- ✓ We can also help you to apply for Housing Benefit or Universal Credit. This will help you with your housing costs. These benefits are available to help people out of work or on a low income.
- ✓ If you are not sure what you are eligible to claim, please ask your Housing Officer.
- ✓ If you cannot clear the whole of your occupancy charge arrears, we can agree a repayment plan with you. This is an agreement for you to pay off the arrears on a regular basis, whilst taking into account your personal circumstances.
- ✓ Paying an affordable amount towards your arrears each week or month is better than paying nothing at all.
- ✗ Paying nothing will result in recovery action for any debt and could also lead to your Exclusive Occupancy Agreement being terminated and a forced sale.

## What can I do to stop things getting worse?

You should apply for Housing Benefit or Universal Credit if you are on a low income or out of work, ensuring you supply all the required information in support of your claim.



If there is anything affecting your ability to pay your occupancy charge like other debts, you should let us know and we will help you get specialist help. Most importantly you should get in touch with us as soon as there is a problem.

### **What do you do if I don't pay my occupancy charge or service charges?**

A court action may be raised against you for payment of your outstanding charges. Your Exclusive Occupancy Agreement may be terminated, with court proceedings then raised to force a sale of your home.

We also have a 'Co-operation Agreement' with the mortgage lenders which means that where a sharing owner accrues arrears of either their occupancy charge, or arrears of any mortgage they have, then we are obliged to jointly enter into legal action with the lender once notified. Your home will be therefore be at risk. You will be at risk of homelessness.

This means that if you fall into arrears and do not attempt to resolve the issue with us, a court action may be raised against you for repayment of your outstanding arrears. This would incur further costs, which we would then seek against you. While we will try to resolve any arrears issues with sharing owners, if your arrears are not addressed and ongoing occupancy charges are not maintained, then steps may have to be taken to terminate your Exclusive Occupancy Agreement.

If that was to become necessary, then we would seek to reach an agreement with you for either a buy back of your share of the property, a sale of our share of the property, or, a joint sale of the property. If no agreement can be reached, then a court action would be raised against you for a sale of the property. This would likely result in you losing your home. We would also seek to recover the legal costs we incur against you. However if you work with us and keep making the payments we have agreed with you, that should avoid us having to take this course of action.

Should we be required to take legal action to force a sale of your property, we would have to notify your lender. Equally, if you fall into arrears with your mortgage, your lender will contact us and we would be obliged to assist in their repossession proceedings against you.

If your property is sold under court order or if it is repossessed, you may find it difficult to find somewhere else to live. The Highland Council may consider that you made yourself homeless and will not re-house you.

The steps we follow are shown below but we may not take the steps in the order shown if your arrears are serious or persistent:

- Send you reminder letters
- Call you, e-mail you and visit you
- Send you demand letters
- Take court action seeking payment of your arrears
- Terminate your Exclusive Occupancy Agreement
- Take court action seeking to sell your home
- Eviction and sale of your home.

**Lochaber Housing Association**

Telephone: 01397 702530

Email: [housingmgt@lochaberhousing.org.uk](mailto:housingmgt@lochaberhousing.org.uk)

May 2024

