

Regulated Financial Services and Support to Tenants

- A huge and necessarily complex area of interacting UK and international law and regulation.
- ***What has that got to do with me?***
 - Very easy to be caught by it
 - Potential criminal penalties if in breach
 - Significant compliance burden: SMCR, annual returns and reports
- Knowing and Deciding. Is this something you need to do for your core mission?



Consumer Credit and Hire Agreements

- Only concerned with consumers– your photocopier contract is not at risk
- A credit of “any amount”.
- Think about credit broadly, this may include extended repayment plans for rent and/or service charges.
- Hire Agreements- do you provide any equipment or adaptations on a HP basis, e.g. personal alarms, EV charging points?



Loans and Benefits to Employees

- Gratuities, hardship funds, interest free or other loans (think about car or travel loans...)

The Key Exemption(s)

- Interest Free
- No more than 12 payment instalments Your season ticket is safe!
- Term of less than 12 months

Regulated Mortgage Contracts

A loan to an individual secured on land where that land is intended to be used as a dwelling [that is not an unregulated mortgage contract]

Where might this come up? Regeneration!

- Equity release
- A loan for works secured on a property
- Incentive mortgages (decant mortgages, regeneration and rehousing incentives)
- Arranging and administering mortgage contracts. Do you put clients in touch with banks?



However, the Housing Authority Exemption:

- RPs and RSLs are generally exempt from 2016 onwards if:
 - free of interest; or
 - realisable from the sale proceeds of a property; or
 - pursuant to a credit agreement

This would not apply to a trading subsidiary

- What is Debt Counselling?

Giving advice to a borrower...about the liquidation of a debt under a credit [or hire] agreement

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Advising on a debt management plan

Advising on an IVA

Recommending what debts to pay in what order and restructuring debts

(do not offer to pay a tenant's debts...)

- What is **Not** Debt Counselling?

Sign posting to an external advice service

Recommending that a client does not borrow more money, or borrow more money than they can comfortably afford

Providing generic advice on repaying debts and managing household finances



Sidebar: Consider your Rules

- Consider whether your objects allow you to do this. Does it assist charitable beneficiaries and is it a good use and prudent use of funds?
- Also consider whether any lender consents are needed to grant credit or undertake other activities.

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Thank You

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