

Traveller Accommodation

Pilot Caravan Loan Scheme - July 2021

Frequently Asked Questions

Is there an upper age limit on people who can avail of the loan scheme?

The loans are granted based on need. Once a person can satisfy the local authority that they have the means to repay the loan there is no upper age limit

Can an applicant top up the amount they are borrowing from their own resources to pay for a more expensive mobile/trailer?

An applicant can provide additional funding from their own resources. The term of the loan will be adjusted accordingly to take into account the additional funding provided.

For example, if an applicant borrows €30,000 on the caravan loan scheme and pays an additional €10,000 from their own resources the life span of the caravan and as a consequence the term of the loan will be adjusted accordingly.

CLS funding €30,000 (75%) + own resource funding €10,000 (25%) = €40,000 (100%)

If the life span of the caravan is deemed to be 8 years, then the loan term will be for 75% ie.6 years.

What if more than one mobile/trailer is required by an applicant to cater for a large family?

The local authority will assess the application based on need and the affordability of the loan repayments.

Is it intended that a Credit Check will be carried out?

Yes. Local authorities should make all necessary enquiries to satisfy themselves that an applicant can afford to make the loan repayments and that they will repay the loan. This is very important. If an applicant defaults on the loan they will become liable, as a simple contract debt, for the full amount of the loan advance and not the preferential amount.

Will people’s details be logged on the ICB register (Irish Credit Bureau)? - will people appear on their monthly reports?

Yes – in accordance with the standard rules.

Will ownership of the mobile be assigned to the joint applicants? Is there a possible scenario whereby a person will be liable to repay the loan but not own the mobile?

Yes ownership and the loan can be held jointly in the same way a social housing tenancy can be held jointly. Joint applicants will be jointly and individually liable for the loan repayments. Loan repayments may fluctuate in line with annual rent review assessments under the differential rent scheme or in line with increases or decreases in the jointly assessed income.

Will successful applicants be off the housing list?

If a person is in a bay already assigned to them by the local authority they are no longer on the housing list. If a person qualifies for a caravan loan in a location or halting area which is not an authorised halting site on which they have the tenancy of a bay, they will not be taken off the housing list. If a caravan loan recipient is accommodated in standard or group housing before the loan term has expired the balance of the loan outstanding, as determined by the local authority, will become payable.

If the applicant dies, during the period of the loan scheme and the mobile is of some monetary value, will the council take back the mobile?

The local authority will only take back a caravan under the provisions of loan default by the borrower or by agreement between the local authority and the borrower.

Next of kin of the deceased borrower will have to resolve the outstanding loan amount with the local authority. It is very likely that the mobile home/caravan/trailers value will exceed the outstanding loan and the next of kin would have the option of taking on the loan repayments or clearing the loan and releasing the equity on the asset.

Next of kin or their representative (s) should enter into discussions with the local authority on the matter as soon as possible

“You must have expressed a preference for Traveller specific accommodation” Does this mean that a person who has opted for standard accommodation is not entitled to apply for a CLS?

For the period of the pilot an applicant must have expressed a preference for Traveller specific accommodation. This may be reviewed after the pilot period.

How is the affordability of a loan repayment decided?

All applicants are advised and encouraged to contact MABS. If an applicant chooses not to contact MABs the local authority will assess the ability to repay. There is a MABS Budget Tool available at the link below which will help assess the affordability of the loan.

<https://www.mabs.ie/en/how_we_help/debt_and_budgeting_tools/mabs_budgeting.html>

How will the loan be calculated?

The loan will be calculated using the formula provided in the guidance document. The life span of the mobile home/trailer, agreed between the local authority and the applicant. This will determine the term of the loan.

Where can the mobile home/trailer be purchased from?

A mobile home/trailer can be purchased from any supplier once the local authority is satisfied that the supplier’s affairs are in order.

How will the mobile home/trailer be paid for?

The applicant should sign a payment mandate to permit the local authority to pay the funds directly to the supplier on behalf of the applicant. In all cases the local authority will make payment directly to the supplier. The local authority will not however negotiate on your behalf or have any contractual arrangement with the supplier.

What is the situation if the applicant wants to make changes to the mobile/trailer being purchased such as replacing carpets with vinyl etc. Will this be covered by the loan?

No. The loan will not provide for style preferences. These costs are outside the scope of the preferential loan.

What happens if my income changes before the loan is repaid?

The loans repayments will be adjusted to take into account changed circumstances and will be assessed in accordance with the differential rent assessment. It is important that changes in income and circumstances are notified to the local authority at the earliest possible time to avoid over or under payments.