

What do Landlords say about us?

“Thank you for your help. Every landlord should use your service”

“Many thanks for all your assistance over the past year”

“I insist all my tenants join the Credit Union scheme”

“Thank you for the excellent feedback. Compared to the potential cost of an eviction the cost of the service is a drop in the bucket”

“I recently took on a new property and tenant.

I knew immediately that your scheme would help protect my interests”

HRCU



Need Further Information?

Contact us at:

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**HASTINGS & ROTHER
CREDIT UNION Ltd**

**Community Based
Financial Solutions**

**Assisting Landlords & Tenants
through the uncertainties of
Local Housing Allowance**



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The Uncertainties

Hastings & Rother Credit Union (HRCU) introduced in 2008 a service for both tenants and landlords to bring greater certainty to the payment of rent for persons in receipt of Local Housing Allowance (LHA).

The advent of LHA payable to tenants rather than direct to landlords introduced a degree of uncertainty for landlords. It also, for some tenants, gave them additional responsibilities and concerns that they did not wish to manage.

Mixing LHA payments in tenants' general bank accounts means that there is a risk of inadequate funds being available for rent payments on the due day. Often there are other pressures and claims on their funds (sometimes outside their control) that reduce bank balances below the required level.

How does the Scheme Work?

The tenant becomes a member of the Credit Union and opens a specific "LHA" account. Their LHA is paid direct into this account. From details given by the tenant HRCU then pays (via BACS) the appropriate rent to the landlord, generally within 1 working day of receipt.

The "LHA" account with HRCU is specifically for that purpose and, whilst the tenant is always entitled to withdraw monies before rent is paid, the processes within HRCU are such that this is difficult to do in practice before the rent money has been paid out.

Additionally, because of the personal service offered by HRCU, tenants always have to speak to a staff member before any withdrawal can be made. In the event that a planned withdrawal prejudices a rental payment strong contrary advice is given.

HRCU do not have "holes in the wall" for cash withdrawals and do not allow overdrafts.

In the event that a tenant's LHA does not cover their rent they are given a Paypoint card to enable them to make the necessary top up. In the event that a top up is not made the landlord will still receive the LHA monies in the tenant's account.

In the event that LHA exceeds the agreed rent then the tenant is permitted to withdraw the excess after rent has been paid.

In some circumstances tenants may have access to a property on the understanding that they save for a deposit during occupancy. Our scheme provides a vehicle for tenants to do this. Sums saved are automatically paid over to landlords at agreed points.

About Us

HRCU is a community based organisation & part of the global credit union movement which promotes responsible money management. HRCU has over 1100 members in the Hastings & Rother area and processes over £1.0 million of community funds every year.

Credit Unions in the UK are subject to regulation and monitoring by the Prudential Regulatory Authority (PRA) and the Financial Conduct Authority (FCA).

HRCU was a national trailblazer with this scheme, which has now been operating for over five years. HRCU has made many thousands of individual payments to landlords. Many Credit Unions across the UK have adopted the scheme.

By closely monitoring fortnightly LHA payments HRCU has averted many potential difficulties between tenants and landlords when there have been sudden (sometimes temporary) changes in benefit levels.

- Landlords know they can trust HRCU to pay over benefits.
- Tenants know they do not have to worry about the rent being paid.

What is the cost of the Scheme?

HRCU is a "not for profit" community organisation but has to make a charge for providing this service to cover costs. This is £7 per month per tenant which covers up to two rental payments per month. This is borne by the landlord as a deduction from rent payable.

