



FLOWCHART OF RESIDENTIAL POSSESSION PROCEEDINGS

It is important to note that the loan agreements entered into with HCF are non-regulated loans and as such are not bound by the pre action protocol for residential possession proceedings however the Court recommends that the spirit of the protocol is adopted.

To briefly summarise the steps taken by HCF where the Borrower fails to redeem the loan on the redemption date.

Step 1

Letter Before Action

Notify the Borrower that they are in default and demand full repayment of loan setting out the costs which will now be incurred as a result of the default. This letter also provides them with formal notice that pursuant to the terms of the loan agreement that the loan is immediately due and payable and that the security documentation is now enforceable.

We request that the loan is repayable in 14 days otherwise legal proceedings will be issued.

Generally one waits 28 days before issuing proceedings to keep to the spirit of the protocol



Step 2

Claim for Possession

The claim form is issued to the Court in triplicate with a request of a hearing date from the Court. Once received from the Court we serve notice of the Court hearing on the Borrower.

The time frame as to when a note of the hearing date is issued by the Court very much depends on the Court so it is difficult to give a time scale on this aspect.



Step 3

Witness Statement

Prepare and serve a witness statement before the hearing date setting out the details of HCF's claim



Step 4

Possession Hearing

Counsel will attend the Court to represent HCF and attempt to secure a possession order who then advise the outcome. However sometimes the Court will give the borrower additional time if the

borrower has sufficiently demonstrated to the Court that they have the ability to repay the loan in a reasonable time.

If further extension of time is awarded and the Borrower fails to repay then a further possession hearing will take place.



Step 5

Warrant of Possession

On the basis the possession hearing is successful and there is no adjournment to possession then a request is made for the issue of a warrant for possession this can be 28, 42 and 56 days after the hearing.

We will then receive details of the eviction appointment from the bailiff which includes the time and date



Step 6

Appointment of Bailiff/Eviction

The bailiff will attend with HCF appointed agent and the locksmith to secure the Property for HCF and if necessary evict the borrower should they not have left the Property.



Step 7

Possession

HCF then have possession of the Property



Step 8

Property marketed/sold

HCF can then place the Property on the market and sell the Property for the best possible price



Step 9

Sale Proceeds

HCF will use the proceeds of sale to redeem the balance outstanding on the loan and any balance returned to the borrower. If there are not sufficient funds then further court action can be taken to recover this shortfall.