

Residential Subsidy Unit

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Residential Care Loans

Residential Care Loans assist older people who can't get Residential Care Subsidy to pay for the cost of their contracted care services.

You may be able to get a Residential Care Loan if you:

- can't get a Residential Care Subsidy as your assets exceed the limit
- still own your home
- have limited other assets (generally this is \$15,000 for a single client and \$30,000 for a couple).

How the Loan Works

- Residential Care Loans are offered by the Ministry of Health
- the Ministry of Social Development, as agent for the Ministry of Health, provides legal and administrative services. These include preparing Loan agreements and other documents, and handling settlements
- the loan is a legal agreement with the Crown and a caveat is placed over your home
- it is a term of the loan that your New Zealand Superannuation or other benefit is paid to the rest home/hospital (less a personal allowance amount which is paid to you)
- each time a loan payment is made, the amount paid is added to the total of your loan
- the loan will stop if you apply for and are financially eligible for a Residential Care Subsidy
- the loan is repayable when you sell your home, or six months after your death, whichever is earliest
- no interest is charged during the period of the Loan. Penalty interest may be incurred if there is a delay in repaying the Loan after it is due.

Any private agreement between the client and the provider for any services that are not contracted care services are not included in the loan agreement and remains your responsibility.

For more information call us on **0800 999 727**.