STATUTORY INSTRUMENTS

2017 No. 725

SOCIAL SECURITY

The Loans for Mortgage Interest Regulations 2017

Made - - - -	*5th July 2017*
Laid before Parliament	*6th July 2017*
Coming into force in accordance with regulation 1(2)	

The Secretary of State, in exercise of the powers conferred by sections 4(5), 35(1), 36(2) and (4) of the Jobseekers Act 1995(**1**), sections 2(3)(b) and sections 17(1) and 19(1) of the State Pension Credit Act 2002(**2**), sections 123(1)(a), 135(1), 137(1) and (2)(d) and 175(1), (3) and (4) of the Social Security Contributions and Benefits Act 1992(**3**), sections 4(2)(a), 24(1) and 25(2), (3) and (5)(a) of the Welfare Reform Act 2007(**4**), sections 11(3) and (4) and 42(1), (2) and (3)(a) of, and paragraph 1(1) of Schedule 6 to, the Welfare Reform Act 2012(**5**) and sections 18, 19 and 21 of the Welfare Reform and Work Act 2016(**6**), makes the following Regulations.

This instrument contains only regulations made under, by virtue of, or consequential upon, sections 18, 19 and 21 of the Welfare Reform and Work Act 2016 and is made before the end of the period of 6 months beginning with the coming into force of those sections. Therefore, in accordance with section 173(5) of the Social Security Administration Act 1992(**7**), these Regulations are not required to be referred to the Social Security Advisory Committee.

Citation and commencement

1.—(1) These Regulations may be cited as the Loans for Mortgage Interest Regulations 2017.

(2) These Regulations come into force—

(a) for the purposes of regulations 18 to 21, on 6th April 2018;

(b) for all other purposes, on 27th July 2017.

(**1**) 1995 c. 18. Section 35(1) is cited for the meaning of "prescribed" and "regulations". Section 36(4) was amended by paragraph 63 of Schedule 3 to the Social Security Contributions (Transfer of Functions, etc.) Act 1999 (c. 9).

(**2**) 2002 c. 16. Section 17(1) is cited for the meaning of "prescribed" and "regulations". Section 19(1) applies section 175(1), (3) and (4) of the Social Security Contributions and Benefits Act 1992 (c. 4) to regulations under the State Pension Credit Act 2002.

(**3**) 1992 c. 4. Section 137(1) is cited for the meaning of "prescribed". Section 175(1) and (4) was amended by paragraph 29(2) and (4) of Schedule 3 to the Social Security Contributions (Transfer of Functions, etc.) Act 1999.

(**4**) 2007 c. 5. Section 24(1) is cited for the meaning of "prescribed" and "regulations".

(**5**) 2012 c. 5.

(**6**) 2016 c. 7.

(**7**) 1992 c. 5.

Interpretation

2.—(1) In these Regulations—

"the Act" means the Welfare Reform and Work Act 2016;

[[F1]"alternative finance arrangements" has the meaning given in paragraph 5(4) of Schedule 1 to these Regulations;**]**

"alternative finance payments" has the meaning given in paragraph 5(3) of Schedule 1 to these Regulations;

"applicable amount" means—

(a) in the case of employment and support allowance, the claimant's weekly applicable amount under regulations 67 to 70 of the ESA Regulations(**8**);

(b) in the case of income support, the claimant's weekly applicable amount under regulations 17 to 21AA of the IS Regulations(**9**);

(c) in the case of jobseeker's allowance, the claimant's weekly applicable amount under regulations 83 to 86C of the JSA Regulations(**10**);

(d) in the case of an SPC claimant, the claimant's weekly appropriate minimum guarantee under section 2 of the State Pension Credit Act 2002(**11**);

(e) in the case of a UC claimant, the maximum amount of a claimant's award of universal credit under regulation 23(1) of the UC Regulations(**12**);

"assessment period" has the meaning given in regulation 21 of the UC Regulations(**13**);

"benefit unit" means a single claimant and his or her partner (if any) or joint claimants;

"benefit week" has the meaning given—

(a) in the case of employment and support allowance, in regulation 2 of the ESA Regulations(**14**);

(b) in the case of income support, in paragraph 4 of Schedule 7 to the Claims and Payment Regulations(**15**);

(c) in the case of jobseeker's allowance, in regulation 1 of the JSA Regulations(**16**);

(d) in the case of state pension credit, in regulation 1 of the SPC Regulations(**17**);

"charge by way of legal mortgage" has the meaning given in section 132(1) of the Land Registration Act 2002(**18**);

"child" means a person under the age of 16;

"claimant" means a single claimant or each of joint claimants;

"Claims and Payment Regulations" means the Social Security (Claims and Payments) Regulations 1987(**19**);

(**8**) S.I. 2008/794. Regulation 67 was amended by S.I. 2009/3228 and 2017/204.
(**9**) S.I. 1987/1967. Regulation 17 was amended by S.I. 1988/1445, 1989/1678, 1991/387, 2003/455, 2005/2687, 2006/588 and 2009/3228.
(**10**) S.I. 1996/207. Regulation 83 was amended by S.I. 2003/455 and 1121 and 2009/3228. Regulation 84 was amended by S.I 1996/1516, 2001/3767, 2003/455 and 1121 and 2009/3228. Regulations 86A and 86B were amended by S.I. 2000/1978, 2001/3767, 2003/1121 and 2009/3228.
(**11**) 2002 c. 6. Section 2 is amended by paragraph 14 of Schedule 24 to the Civil Partnership Act 2004 (c. 33).
(**12**) S.I. 2013/376. Regulation 23(1) was amended by S.I. 2017/204.
(**13**) Regulation 21 was amended by S.I. 2014/2887 and 2015/1362.
(**14**) There have been amendments to regulation 2 which are not relevant to these Regulations.
(**15**) S.I. 1987/1968. Paragraph 4 was amended by S.I. 1988/522.
(**16**) Regulation 2 was amended by S.I. 2009/604 and other amending instruments which are not relevant to these Regulations.
(**17**) There have been amendments to regulation 1 which are not relevant to these Regulations.
(**18**) 2002 c. 9.
(**19**) S.I. 1987/1968.

"close relative" means a parent, parent-in-law, son, son-in-law, daughter, daughter-in-law, step-parent, step-son, step-daughter, brother, sister, or, if any of the preceding persons is one member of a couple, the other member of that couple;

[[F2]"conveyancer" means—

(a) in England and Wales, a conveyancer within the meaning of rule 217A of the Land Registration Rules 2003;

(b) in Scotland, a solicitor or advocate within the meaning of section 65 of the Solicitors (Scotland) Act 1980, or a conveyancing practitioner as defined in section 23 of the Law Reform (Miscellaneous Provisions) (Scotland) Act 1990;**]**

"couple" means—

(a) two people who are married to, or civil partners of, each other and are members of the same household;

(b) two people who are not married to, or civil partners of, each other but are living together as a married couple or civil partners;

"disabled person" has the meaning given—

(a) in the case of employment and support allowance, in paragraph 1(3) of Schedule 6 to the ESA Regulations(**20**);

(b) in the case of income support, in paragraph 1(3) of Schedule 3 to the IS Regulations(**21**);

(c) in the case of jobseeker's allowance, in paragraph 1(3) of Schedule 2 to the JSA Regulations(**22**);

(d) in the case of state pension credit, in paragraph 1(2)(a) of Schedule 2 to the SPC Regulations(**23**);

(e) in the case of universal credit, in paragraph 14(3) of Schedule 3 to these Regulations;

"dwelling"—

(a) in England and Wales, means a dwelling within the meaning of Part 1 of the Local Government Finance Act 1992(**24**);

(b) in Scotland, means a dwelling within the meaning of Part 2 of that Act;

"earned income" has the meaning given in Chapter 2 of Part 6 of the UC Regulations;

"ESA Regulations" means the Employment and Support Allowance Regulations 2008(**25**);

"existing claimant" means a claimant who is entitled to a qualifying benefit, including an amount for owner-occupier payments, on 5th April 2018;

"financial year" has the meaning given in section 25(2) of the Budget Responsibility and National Audit Act 2011(**26**);

"income" means any income which is, or which is treated as, an individual's, including payments which are treated as earnings, and which is not disregarded, under—

(a) in the case of employment and support allowance, Part 10 of the ESA Regulations;

(b) in the case of income support, Part 5 of the IS Regulations;

(**20**) Paragraph 1(3) was amended by S.I. 2012/913, 2013/630 and 2017/204.
(**21**) Paragraph 1(3) was amended by S.I. 1995/2927, 2006/2378, 2008/1554, 2012/913, 2013/630 and 2017/204.
(**22**) Paragraph 1(3) was amended by S.I. 1989/534, 1996/1516, 2006/2378, 2008/1554, 2012/913, 2013/630 and 2017/204.
(**23**) Paragraph 1(2)(a) was amended by S.I. 2002/3197, 2005/3360, 2006/718, 2008/1554, 2012/913, 2013/388, 591 and 630, 2014/2888 and 2017/204.
(**24**) 1992 c. 14.
(**25**) S.I. 2008/794. The Regulations have been modified in their application to certain claimants by S.I. 2008/3195, as amended by S.I. 2009/3257.
(**26**) 2011 c. 4.

(c) in the case of jobseeker's allowance, Part 8 of the JSA Regulations;

(d) in the case of state pension credit, Part 3 of the SPC Regulations;

"IS Regulations" means the Income Support (General) Regulations 1987(**27**);

[[F3]"joint claimants"—

(a) in the case of jobseeker's allowance means—

(i) members of a joint-claim couple who have jointly made a claim for, and are entitled to, income-based jobseeker's allowance; or

(ii) members of a joint-claim couple who have made a claim for, but are not entitled to, such a benefit by reason only that they have income—

(aa) equal to or exceeding the applicable amount, but

(bb) less than the sum of that applicable amount and the amount of a loan payment applicable to the joint-claim couple;

(b) in the case of universal credit means members of a couple who have jointly made a claim for, and are entitled to, universal credit;**]**

"joint-claim couple" has the meaning in section 1(4) of the Jobseekers Act 1995;

"JSA Regulations" means the Jobseeker's Allowance Regulations 1996(**28**);

"legacy benefit" means income-related employment and support allowance, income support or income-based jobseeker's allowance;

"legacy benefit claimant" means a claimant who is entitled to**[**[F4], or is treated as entitled to,**]** a legacy benefit;

"legal estate" means any of the legal estates set out in section 1(1) of the Law of Property Act 1925(**29**);

"legal owner" means the owner, whether alone or with others, of a legal estate or, in Scotland, a heritable or registered interest, in the relevant accommodation;

"loan agreement" means an agreement entered into by a single claimant and his or her partner (if any), or each joint claimant, and the Secretary of State, which sets out the terms and conditions upon which the loan payments are made to the claimant;

"loan payments" means one or more payments, calculated under regulation 10, in respect of a claimant's liability to make owner-occupier payments in respect of the relevant accommodation;

"loan payments offer date" means the day on which the Secretary of State sends the loan agreement to a claimant;

"Modified Rules" means the Social Security (Housing Costs Special Arrangements) (Amendment and Modification) Regulations 2008(**30**);

"new claimant partner" has the meaning given in regulation 7 of the Transitional Provisions Regulations (**31**);

"non-dependant" has the meaning given—

(**27**) S.I. 1987/1967. The Regulations have been modified in their application to certain claimants by S.I. 2008/3195, as amended by S.I. 2009/3257.
(**28**) S.I. 1996/207. The Regulations have been modified in their application to certain claimants by S.I. 2008/3195, as amended by S.I. 2009/3257.
(**29**) 1925 c. 20.
(**30**) S.I. 2008/3195. The Regulations were amended by S.I. 2009/3257.
(**31**) S.I. 2014/1230. Regulation 7 was amended by S.I. 2014/2887.

(a) in the case of employment and support allowance, in regulation 71 of the ESA Regulations;

(b) in the case of income support, in regulation 3 of the IS Regulations(**32**);

(c) in the case of jobseeker's allowance, in regulation 2 of the JSA Regulations(**33**);

(d) in the case of state pension credit, in paragraph 1(4) of Schedule 2 to the SPC Regulations;

"owner-occupier payments" has the meaning given in regulation 3(2)(a);

"partner" means—

(a) where a claimant is a member of a couple, the other member of that couple;

(b) where a claimant is married polygamously to two or more members of the claimant's household, all such members;

"person who lacks capacity"—

(a) in England and Wales, has the meaning given in section 2 of the Mental Capacity Act 2005(**34**);

(b) in Scotland, means a person who is incapable under section 1(6) of the Adults with Incapacity (Scotland) Act 2000(**35**);

"polygamous marriage" means a marriage during which a party to it is married to more than one person and which took place under the laws of a country which permits polygamy;

"qualifying benefit" means income-related employment and support allowance, income support, income-based jobseeker's allowance, state pension credit or universal credit;

"qualifying lender" has the meaning given in section 19(7) of the Act;

"qualifying loan" means—

(a) in the case of a legacy benefit or state pension credit, a loan which qualifies under paragraph 2(2) or (4) of Schedule 1 to these Regulations;

(b) in the case of universal credit, a loan which qualifies under paragraph 5(2) of Schedule 1 to these Regulations;

"qualifying period" means a period of—

(a) nine consecutive assessment periods in which a claimant has been entitled to universal credit;

(b) 39 consecutive weeks in which a claimant—

(i) has been entitled to a legacy benefit; or

(ii) is treated as having been entitled to such a benefit under —

(aa) paragraph 14 of Schedule 3 to the IS Regulations(**36**);

(bb) paragraph 13 of Schedule 2 to the JSA Regulations(**37**); or

(cc) paragraph 15 of Schedule 6 to the ESA Regulations(**38**);

"qualifying young person" has the meaning given—

(**32**) Regulation 3 was amended by S.I. 1988/1445, 1989/534 and 1678, 1990/1776, 1991/2334, 1994/3061 and 1995/516.
(**33**) There have been amendments to regulation 2 which are not relevant to these Regulations.
(**34**) 2005 c. 9.
(**35**) 2000 asp 4.
(**36**) Paragraph 14 was amended by S.I. 1995/2927, 1996/206 and 1944, 1997/2863, 1998/2231, 1999/714, 1921 and 3178, 2000/724 and 1981, 2001/488 and 1029, 2002/841 and 3019, 2005/2465, 2006/2378, 2008/698, 1554, 2428 and 2767 and 2011/674 .
(**37**) Paragraph 13 was amended by S.I. 1996/1516, 1517 and 2538, 1997/827 and 2863, 1998/2231, 1999/714, 1921 and 2860, 2000/724 and 1978, 2001/488 and 1029, 2002/841 and 3019, 2005/2465, 2006/2378, 2008/698, 1554, 1826 and 2767, 2009/480 and 2011/674 and 2425.
(**38**) Paragraph 15 was amended by S.I. 2008/2428, 2011/674, 2425 and 2428, 2013/388 and 599 and 2015/1647.