



Department
for Work &
Pensions

Support for Mortgage Interest

Money Advice Liaison Group (MALG)
London Regional Meeting, 24 April 2018

Background

OVERVIEW

- Helps towards mortgage interest for homeowners receiving income-related benefits
- Objective: to prevent repossession as far as is possible

FISCAL CONSOLIDATION

- No impact on available support

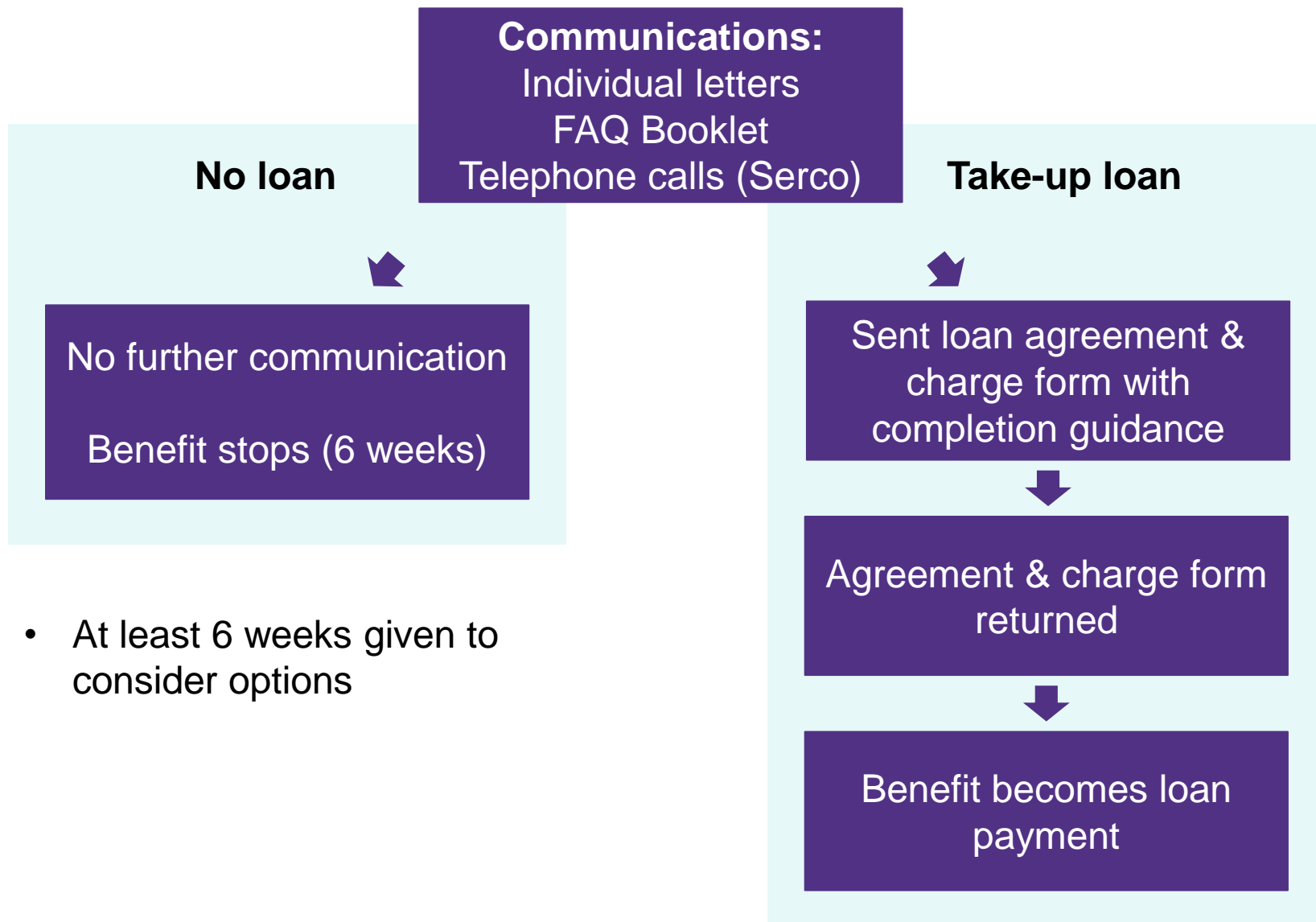
FAIRNESS

- Balance – individual need and taxpayer

SUSTAINABILITY

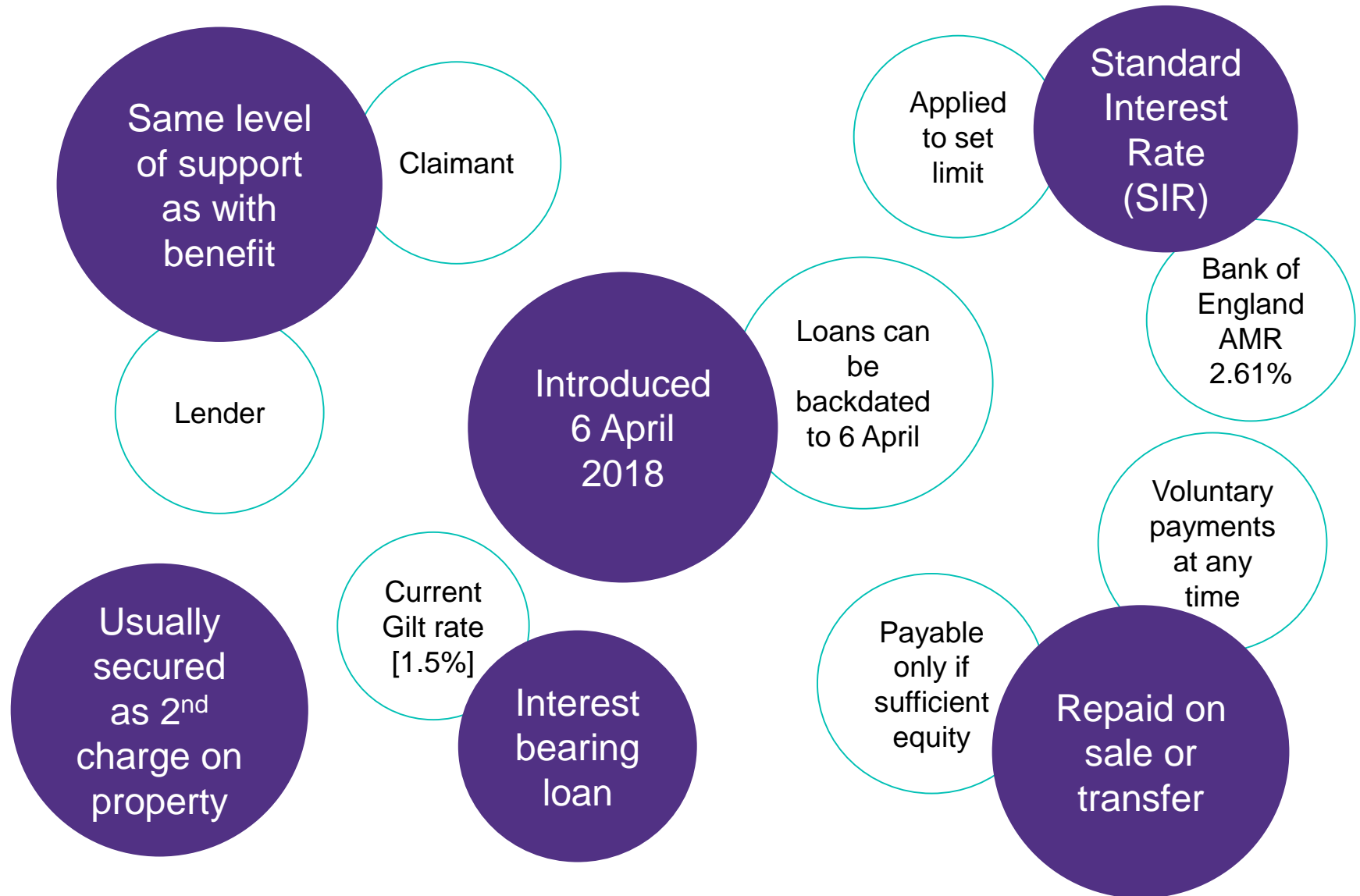
- Costs rise with interest rates
- Help at point of need

The process



- At least 6 weeks given to consider options

How will SMI Loans work?



How will LMI work? (continued)

- Repayable only if equity available
- Past payments as a benefit
- DWP - Loan issue, management & recovery
- Accepting or declining the SMI loan at any time
- Can be backdated to 6 April 2018

Vulnerable claimants

PROCESS

- Process in place to help claimants who may lack the mental capacity to make financial decisions
- Referral to specially trained staff

ATTORNEY/DEPUTY

- Claimant will need representative (power of attorney/Deputy by the Court of Protection/Scottish equivalent)
- DWP will appoint Financial Deputy/Intervener where one not in place

CONTINUED BENEFIT

- In such cases benefit may continue until at least **November 2018**

Current status

- All current claimants contacted by letter
- Telephone contact
- Take-up of loan and stated intention to take-up increasing
- DWP Focus
 - Returned Forms
 - Seamless Transfer to loan for claimants and lenders
- Factsheet available for stakeholder use

Further SMI Information

- Stakeholder factsheet available from DWP – speak to me or DWP colleagues in today’s session
- Visit: www.gov.uk/support-for-mortgage-interest for further information