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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations amend the standard rate which is used to calculate the amount of interest payable on a qualifying loan under the housing costs provisions of the Income Support (General) Regulations (Northern Ireland) 1987, the Jobseeker's Allowance Regulations (Northern Ireland) 1996, the State Pension Credit Regulations (Northern Ireland) 2003 and the Employment and Support Allowance Regulations (Northern Ireland) 2008.

Regulation 2 amends each of those sets of Regulations with the result that, on the coming into operation of these Regulations, the standard rate is to be the effective interest rate for loans to households secured on dwellings ("the average mortgage rate") published by the Bank of England in August 2010.

Regulation 2 also provides that, after 1st October 2010, the standard rate is to be based on the average mortgage rate published by the Bank of England in respect of the most recent period for that rate specified at the time of publication. Changes to the standard rate are triggered when the standard rate and the average mortgage rate differ by 0.5% or more. When that happens, the Bank of England average mortgage rate becomes the new standard rate. For the purposes of calculating the weekly amount of housing costs to which a person is entitled, any change in the standard rate comes into effect on the day specified by the Department.

Regulation 3 revokes regulation 2 of the Social Security (Housing Costs Special Arrangements) (Amendment and Modification) Regulations (Northern Ireland) 2008 which provided for a standard rate of 6.08%.

These regulations make in relation to Northern Ireland only provision corresponding to provision contained in Regulations made by the Secretary of State for Work and Pensions in relation to Great Britain and accordingly, by virtue of section 149(3) of, and paragraph 10 of Schedule 5 to, the Social Security Administration (Northern Ireland) Act 1992, are not subject to the requirement of section 149(2) of that Act for prior reference to the Social Security Advisory Committee.