

## SCHEDULE 4

### Direct payments to qualifying lenders

#### Application by qualifying lenders of any amount which exceeds liability

5.—(1) Where—

- (a) a direct payment is made to a qualifying lender under regulation 17(1) (direct payments to qualifying lenders); and
- (b) the amount paid exceeds the claimant's liability to make owner-occupier payments to the qualifying lender,

the qualifying lender must apply the amount of excess in accordance with sub-paragraph (2).

(2) Subject to sub-paragraph (3), the qualifying lender must apply the amount of excess as follows—

- (a) first, towards discharging the amount of any liability of the claimant for arrears of owner-occupier payments in respect of the qualifying loan or alternative finance arrangement in question;
- (b) if any amount of the excess is then remaining, towards discharging any liability of the claimant to repay—
  - (i) the principal sum in respect of the qualifying loan or alternative finance arrangement, or
  - (ii) any other sum payable by the claimant to that lender in respect of that qualifying loan or alternative finance arrangement.

(3) Where owner-occupier payments on 2 or more qualifying loans or alternative finance arrangements are payable to the same qualifying lender, the lender must apply the amount of the excess as follows—

- [<sup>F1</sup>(a) first, towards discharging the amount of any liability of the claimant for arrears of owner-occupier payments in respect of the qualifying loan or alternative finance arrangement in respect of which the excess amount was paid;
- (b) if any amount of the excess is then remaining, towards discharging any liability of the claimant to repay—
  - (i) in respect of the loan or alternative finance arrangement referred to in sub-paragraph (3)(a), the principal sum or any other sum payable by the claimant to that lender, or
  - (ii) in respect of any other loan or alternative finance arrangement, any sum payable by the claimant to that lender where the liability to pay that sum is not already discharged.]

#### Textual Amendments

- F1** Sch. 4 para. 5(3)(a)(b) substituted (6.4.2018) by [The Loans for Mortgage Interest and Social Fund Maternity Grant \(Amendment\) Regulations \(Northern Ireland\) 2018 \(S.R. 2018/37\)](#), **regs. 1(2), 2(17)(d)**

**Changes to legislation:**

There are currently no known outstanding effects for the The Loans for Mortgage Interest Regulations (Northern Ireland) 2017, Paragraph 5.