

SCHEDULE 5

DIRECT PAYMENT TO LENDER OF DEDUCTIONS IN RESPECT OF INTEREST ON SECURED LOANS

Interpretation

1.—(1) In this Schedule—

“housing costs element” means an amount in respect of housing costs which is included in a claimant’s award of universal credit under section 11(1) of the 2012 Act⁽¹⁾;

“qualifying lender” means (subject to paragraph 10)—

- (a) the bodies or persons listed in paragraphs (a) to (g) of section 15A(3)⁽²⁾ of the Administration Act;
- (b) the Regulator of Social Housing;
- (c) the Greater London Authority; and
- (d) any body incorporated under the Companies Act 1985⁽³⁾, the main objects of which include the making of loans secured by—
 - (i) a mortgage of or charge over land, or
 - (ii) in Scotland a heritable security;

“loan interest payments” has the meaning given by paragraph 5 of Schedule 1 to the Universal Credit Regulations⁽⁴⁾;

“relevant claimant” has the meaning given in paragraph 2(1);

“specified benefits”, in relation to a relevant claimant, means the benefits specified in paragraph 2(2)—

- (a) to which the relevant claimant is entitled; or
- (b) where the relevant claimant is a member of a couple, to which the other member of the couple is entitled;

“standard rate” means the standard rate of interest determined under paragraph 12 of Schedule 5 to the Universal Credit Regulations.

(2) References in this Schedule to a relevant claimant who meets the payment condition or the liability condition are to a claimant who meets those conditions in accordance with regulation 25 of the Universal Credit Regulations (the housing costs element).

(1) 2012 c.5.

(2) Section 15A(3)(a) was substituted by Article 330(1) and (2)(a) of S.I. 2001/3649. Section 15A(3)(c) was substituted by Article 330(1) and (2)(c) of S.I. 2001/3649. Section 15A(3)(d) was amended by paragraph 11 of Schedule 8 to the Local Government (Wales) Act 1994 (c.19). Section 15A(3)(ee) was inserted by paragraph 175(2) of Schedule 13 to the Local Government etc. (Scotland) Act 1994 (c.39).

(3) 1985 c.6.

(4) S.I. 2013/376.