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STATUTORY INSTRUMENTS

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**2017 No. 725**

**The Loans for Mortgage Interest Regulations 2017**

**Repayment**

**16.**—(1) [<sup>F1</sup>Subject to regulation 16A, the outstanding amount] shall become immediately due and payable, together with any further interest which accrues on that amount under regulation 15, where one of the following events occurs—

- (a) the relevant accommodation is sold;
- (b) legal or beneficial title in, or in Scotland, heritable or registered title to, the relevant accommodation is transferred, assigned or otherwise disposed of, unless paragraph (3) applies;

[<sup>F2</sup>(c) in the case of—

- (i) a claimant who is the sole legal owner of the relevant accommodation or the legal owner of the accommodation with someone other than a partner, the claimant's death;
- (ii) a claimant with a partner who is the sole legal owner of the relevant accommodation or the legal owner of the accommodation with someone other than the claimant, the partner's death; or
- (iii) a claimant and partner who are both legal owners (whether or not with anyone else) of the relevant accommodation, the death of the last member of the couple.]

(2) Subject to paragraphs (4) to (7), repayment shall occur—

- (a) in the event described in paragraph (1)(a) or (b), from the proceeds of sale, transfer, assignment or disposition;
- (b) in the event described in paragraph (1)(c), from the relevant person's estate.

(3) This paragraph applies where legal or beneficial title is transferred to—

- (a) the claimant's partner, following the death of the claimant, where the partner is in occupation of the relevant accommodation; or

[<sup>F3</sup>(aa) the claimant, following the death of the claimant's partner, where the claimant is in occupation of the relevant accommodation; or]

- (b) the claimant, from a former spouse or civil partner, under a court order or an agreement for maintenance where the claimant is in occupation of the relevant accommodation.

(4) Where, in England and Wales—

- (a) the Secretary of State has a charge by way of legal mortgage over the relevant accommodation; and
- (b) there is insufficient equity available in the relevant accommodation to discharge the outstanding amount,

repayment shall be limited to the amount of available equity in the relevant accommodation after any prior ranking charges by way of legal mortgage have been repaid, and, in the event described in paragraph (1)(c), this shall be taken to be the amount of equity at the date of death of the relevant person.

(5) Where, in England and Wales—

- (a) the Secretary of State has an equitable charge over one legal owner's equitable interest in the relevant accommodation, repayment shall be limited to the amount of that legal owner's equitable interest in the relevant accommodation and, in the event described in paragraph (1)(c), this shall be taken to be the value of that equitable interest at the date of death of the relevant person;
- (b) the Secretary of State has an equitable charge over more than one legal owner's equitable interest in the relevant accommodation, repayment shall be limited to the sum of the equitable interests in the relevant accommodation of all legal owners within the benefit unit and, in the event described in paragraph (1)(c), this shall be taken to be the value of those equitable interests at the date of death of the relevant person.

(6) Where, in Scotland—

- (a) the Secretary of State has a standard security over the whole or part of the relevant accommodation; and
- (b) there is insufficient equity available in the whole or part of the relevant accommodation over which the standard security is held,

repayment shall be limited to the amount of available equity in the whole or part of the relevant accommodation over which the standard security is held after any prior ranking standard securities have been repaid, and, in the event described in paragraph (1)(c), this shall be taken to be the amount of equity at the date of death of the relevant person.

(7) In the event that the relevant accommodation is sold or legal or beneficial title in, or in Scotland, heritable or registered title to, the relevant accommodation is transferred, assigned or otherwise disposed of for less than market value, the disposal shall be treated as if it occurred at market value for the purposes of repayment.

(8) Subject to paragraph (9), a claimant shall be permitted to repay some or all of the outstanding amount before an event in paragraph (1) occurs if the amount of each repayment is equal to or more than £100.

(9) Where the outstanding amount is less than £100, a claimant shall be permitted to repay that sum in full in one repayment.

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| <p><b>F1</b> Words in reg. 16(1) substituted (15.3.2021) by <a href="#">The Loans for Mortgage Interest (Amendment) Regulations 2021 (S.I. 2021/131)</a>, regs. 1(b), <b>2(4)</b></p> <p><b>F2</b> Reg. 16(1)(c) substituted (6.4.2018) by <a href="#">The Loans for Mortgage Interest and Social Fund Maternity Grant (Amendment) Regulations 2018 (S.I. 2018/307)</a>, regs. 1(2), <b>2(10)(a)</b></p> <p><b>F3</b> Reg. 16(3)(aa) inserted (6.4.2018) by <a href="#">The Loans for Mortgage Interest and Social Fund Maternity Grant (Amendment) Regulations 2018 (S.I. 2018/307)</a>, regs. 1(2), <b>2(10)(b)</b></p> |
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**Changes to legislation:**

There are currently no known outstanding effects for the The Loans for Mortgage Interest Regulations 2017, Section 16.