
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations bring into force provisions in the Welfare Reform and Work Act 2016 (c. 7) relating to loans for mortgage interest, subject to a transitional provision.

Regulation 2(1) brings subsections (1), (8), (9) and (11) of section 20 (which contains consequential amendments to primary legislation) into force on 6th April 2018, subject to the transitional provision in regulation 2(2).

The consequential amendments:

- a) repeal section 15A of the Social Security Administration Act 1992 (c. 5), which confers power to make regulations about payment out of benefit of sums in respect of mortgage interest to certain lenders;
- b) amend section 3A(5)(a) of the State Pension Credit Act 2002 (c. 16), which relates to the housing credit element of state pension credit, to omit a reference to mortgage payments (section 3A is not yet in force);
- c) amend section 11(3)(a) of the Welfare Reform Act 2012 (c. 5), which relates to the housing costs element of universal credit, to omit a reference to mortgage payments;
- d) repeal various provisions that relate to payment out of benefit of sums in respect of mortgage interest.

The transitional provision in regulation 2(2) provides that, in relation to an “existing claimant”, subsections (1), (8), (9) and (11) of section 20 are treated as though they are not in force on any day on which, under regulation 19, 19A or 20 of the Loans for Mortgage Interest Regulations 2017 (S.I. 2017/725) (transitional provisions), the amendments made by Schedule 5 to those Regulations (which in particular revoke provisions relating to owner-occupier payments as part of benefits) are treated as not having effect in relation to that claimant.

In the previous paragraph, “existing claimant” means a person who, on 5th April 2018, is entitled to an income-related employment and support allowance, an income-based jobseeker’s allowance, income support, state pension credit or universal credit, where the benefit includes an amount for owner-occupier payments.