



## Frequently Asked Questions about Support for Mortgage Interest loans

### General questions

<b>What is Support for Mortgage Interest (SMI)?</b>	<p>At the moment you get a benefit called Support for Mortgage Interest (SMI). You may know it as Help with Housing Costs. It pays towards the interest on your mortgage and some home improvement loans which you may have taken out with a lender.</p> <p>It's either paid straight to your lender or in some cases, paid to you to pass on to your lender. SMI benefit will end on 5 April 2018.</p>
<b>Why is Support for Mortgage Interest changing to a loan?</b>	<p>In 2015, the Government announced that Support for Mortgage Interest benefit would end.</p> <p>Support for mortgage interest provides support to help protect claimants on income based benefits. However, the Department for Communities can still provide the same amount of support but as a loan instead of a benefit from 6 April 2018.</p>
<b>Who is offering the loan?</b>	<p>The Department for Communities will be offering you the Support for Mortgage Interest loan.</p>
<b>What is a Support for Mortgage Interest Loan?</b>	<p>A Support for Mortgage Interest loan is an amount of money lent by the Department for Communities to pay towards the interest on your mortgage and some home improvement loans. If you accept the loan the Department for Communities will carry on paying towards the interest on your mortgage and the interest on some other home improvement loans, but as a loan instead of a benefit.</p> <p>Support for Mortgage Interest loan payments can start from 6 April 2018. If you accept the loan you will be responsible for paying back any Support for Mortgage Interest loan payments from 6 April 2018 onwards. The loan may be secured against your property.</p> <p>It isn't the same as a normal loan. You don't need to pay back the Support for Mortgage Interest loan until you sell your property or transfer ownership.</p>

<b>When will Support for Mortgage Interest loans be introduced?</b>	The Support for Mortgage Interest loan will be available from 6 April 2018.
<b>Who will be offered a Support for Mortgage Interest loan?</b>	<p>Anyone who gets a qualifying benefit or is being treated by the Department for Communities as though they are - and has a mortgage to pay - will be offered a Support for Mortgage Interest loan.</p> <p>The qualifying benefits are Pension Credit, Universal Credit, Income Support, income-based Jobseekers Allowance and income-related Employment and Support Allowance.</p> <p>The rules for being offered a Support for Mortgage Interest loan are the same as the rules for receiving Support for Mortgage Interest benefit.</p>
<b>How will I afford to repay a loan when I'm on benefit?</b>	<p>Even though it is a loan, only people who end up with equity in their property will have to pay it back.</p> <p>After a house is sold or transferred to someone else, you will pay off any mortgages and prior secured loans. You will then pay back the Department for Communities from any remaining equity. But if there isn't enough equity, any amount that can't be paid back will be completely written off.</p>
<b>Who is being affected by the Support for Mortgage Interest change?</b>	Everyone who receives Support for Mortgage Interest as a benefit is affected - it will end on 5 April 2018. After that date, any claimants who qualify for support will be offered a Support for Mortgage Interest loan instead of Support for Mortgage Interest benefit.
<b>Will my income based benefit be affected if I accept the offer of a support for Mortgage Interest loan?</b>	<p><b>If you get your Support for Mortgage Interest paid to your lender</b></p> <p>Your income based benefit is based on your personal circumstances. If your circumstances don't change, the amount you get to live on won't change. Your lender will also carry on getting payments towards the interest on your mortgage and/or home improvement loans that you have received from a lender.</p> <p><b>If you get your Support for Mortgage Interest as part of your income-based benefit</b></p> <p>Your income based benefit is based on your personal circumstances. If your circumstances don't change, the amount you get to live on won't change. You will also carry on getting payments towards the interest on your mortgage and/or home improvement loans that you have received from a lender.</p>

<p><b>If I accept the loan offer now, when will it start?</b></p>	<p>The earliest the Support for Mortgage Interest loan can start is 6 April 2018. Any payments before that are Support for Mortgage Interest benefit payments and they won't need to be repaid.</p>
<p><b>When can I accept a Support for Mortgage Interest loan?</b></p>	<p>It can be accepted at any time as long as you still get a qualifying benefit and you have a mortgage.</p>
<p><b>Can I choose to stop getting Support for Mortgage Interest loan payments?</b></p>	<p>Yes, you can stop getting Support for Mortgage Interest loan payments at any time. You just need to contact the Department for Communities on one of the following numbers and let them know.</p> <p>Jobseeker's Allowance 0800 022 4250  Employment and Support Allowance 0300 123 3012  Income Support 0800 022 4250  Pension Credit 0300 123 3014</p> <p>Your Support for Mortgage Interest loan will still have interest added to it until it is paid back.</p> <p>It is your responsibility to carry on paying the interest on your mortgage and home improvement loans. If you have problems paying your mortgage or home improvement loans please contact your mortgage lender straight away.</p>
<p><b>Am I definitely going to be offered a Support for Mortgage Interest loan?</b></p>	<p>Yes. As long as you carry on getting a qualifying benefit (or are being treated by the Department for Communities as though you are), and have a mortgage to pay.</p> <p><b><u>If you claim Universal Credit</u></b> – Yes. As long as you carry on getting Universal Credit payments, have a mortgage to pay and you/your husband/wife/partner/civil partner have not received any earned income.</p>
<p><b>Will accepting this Support for Mortgage Interest loan affect my Credit Rating?</b></p>	<p>No. The Support for Mortgage Interest loan will not appear on any credit report and the Department for Communities won't do a credit check.</p>
<p><b>I have a poor Credit Rating; can I still get a Support for Mortgage Interest loan?</b></p>	<p>Yes – there is no credit check.</p>

<p><b>Will I be asked to pay back what I have already received as benefit before the loan was introduced?</b></p>	<p>No. Anything paid before 5 April 2018 is a benefit payment and will never need to be paid back.</p>
<p><b>Will the Department for Communities profit from these loans?</b></p>	<p>No. The Department for Communities won't make a profit from Support for Mortgage Interest loans. The interest rate charged is the same as the Department for Communities pays to borrow the money.</p>
<p><b>I want to think about whether this Support for Mortgage Interest loan is the best option for me. Is there somewhere that can give me information if I think of anything after this call?</b></p>	<p>You have been sent an information booklet that contains helpful information.</p> <p>You can contact independent organisations such as</p> <ul style="list-style-type: none"> <li>• Welfare Changes Helpline <b>0808 802 0020</b></li> <li>• your local Citizens Advice or Independent Advice Provider</li> <li>• Housing Rights – <b>www.housingadviceni.org</b> or call on <b>028 9024 5640</b></li> <li>• Citizens Advice Debt Advice – <b>www.citizensadvice.org.uk/nireland/Debt-and-money</b> or call on <b>0800 028 1881</b> Money Advice service</li> <li>• <b>www.moneyadvice.service.org.uk/en/tools/debt-advice-locator</b> or call <b>0800 138 7777</b>.</li> </ul> <p>You may wish to seek independent advice from other sources. Advice from other sources may not be free and the Department for Communities will not pay the costs.</p>
<p><b>Can you advise me on whether accepting the offer of the Support for Mortgage Interest loan is the best thing for me?</b></p>	<p>The Department for Communities cannot offer you advice on what you should do. It's up to you to consider your options before making any decision. If you need help or support, you can speak to independent organisations such as those listed below</p> <ul style="list-style-type: none"> <li>• Welfare Changes Helpline <b>0808 802 0020</b></li> <li>• Contact your local Citizens Advice or Independent Advice Provider</li> <li>• Housing Rights – <b>www.housingadviceni.org</b> or call on <b>028 9024 5640</b></li> <li>• Citizens Advice Debt Advice – <b>www.citizensadvice.org.uk/nireland/Debt-and-money</b> or call on <b>0800 028 1881</b></li> <li>• Money Advice Service <b>www.moneyadvice.service.org.uk/en/tools/debt-advice-locator</b> or call <b>0800 138 7777</b>.</li> </ul>

	<p>You may wish to seek independent advice from other sources. Advice from other sources may not be free and the Department for Communities will not pay the costs.</p>
<p><b>I would like some more information about the loan and its terms and conditions</b></p>	<p>You might want to get independent help and support to talk you through the terms and conditions.</p> <p>The organisations below can advise you who to talk to.</p> <ul style="list-style-type: none"> <li>• Welfare Changes Helpline <b>0808 802 0020</b></li> <li>• Contact your local Citizens Advice or Independent Advice Provider</li> <li>• Money Advice Service - <a href="http://www.moneyadviceservice.org.uk">www.moneyadviceservice.org.uk</a> or call <b>0800 138 7777</b></li> <li>• Housing Rights – <a href="http://www.housingadviceni.org">www.housingadviceni.org</a> or call on <b>028 9024 5640</b></li> <li>• Citizens Advice Debt Advice – <a href="http://www.citizensadvice.org.uk/nireland/Debt-and-money">www.citizensadvice.org.uk/nireland/Debt-and-money</a> or call on <b>0800 028 1881</b></li> </ul> <p>You may wish to seek independent advice from other sources. Advice from other sources may not be free and the Department for Communities will not pay the costs.</p>
<p><b>How will I know how much Support for Mortgage Interest loan and interest I need to pay back?</b></p>	<p>You will get a statement each year giving you this information.</p>

**Questions about the call you had with Serco, your letters and loan documents**

<p><b>I have been sent the loan documents. What do I do with them?</b></p>	<p>We have sent you two copies of your loan documents. If you want to accept the offer of the loan you need to:</p> <ul style="list-style-type: none"> <li>• Make sure you have signed all the correct documents. The letter that accompanies the loan agreement documents will explain who needs to sign where</li> <li>• Keep one copy of the loan agreement documents for your records</li> <li>• Send the other copy of the loan documents back in the pre-paid envelope.</li> </ul> <p>If you don't want to accept the offer of the loan, you don't need to do anything with the documents.</p>
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<p><b>Why does my husband/wife/partner/civil partner need to sign the loan form when they're not on the mortgage?</b></p>	<p>When the Department for Communities considers what support it can give, we treat you and your husband/wife/partner/civil partner as a couple and not two separate people. So to accept the Support for Mortgage Interest loan, you both need to sign the loan agreement.</p>
<p><b>What happens if my husband/wife/partner/civil partner doesn't agree to sign the loan documents?</b></p>	<p>If your husband/ wife/ partner/ civil partner who lives with you does not agree to sign the loan documents, the Support for Mortgage Interest loan payments can't be made because we treat you as a couple not two separate people.</p>
<p><b>The personal details on the Charge / Mortgage deed I have received are not correct</b></p>	<p>The personal details included on the Charge / Mortgage Deed match those held on the Land Register. These details <b>must not</b> be amended. The signatures of those who need to sign this document must match the personal details we have included.</p> <p>If you need to change the details held on the land register you should contact Land and Property services on 0300 200 7803 or visit: <a href="http://www.nidirect.gov.uk">http://www.nidirect.gov.uk</a></p>

### Questions about the SMI loan

<p><b>How much does it cost to set up a Support for Mortgage Interest loan?</b></p>	<p>You won't have to pay any fees to set up the Support for Mortgage Interest loan, cancel it or repay it early.</p> <p>If you get paid advice or help with filling in the forms, the Department for Communities won't be able to pay for this.</p>
<p><b>How is a Support for Mortgage Interest loan repaid?</b></p>	<p>You pay back the support for Mortgage Interest loan to the Department for Communities when you sell your property or transfer ownership to someone.</p> <p>You might want to make voluntary repayments – for example, if you find work. That's completely up to you but the Department for Communities will never ask for early repayments.</p> <p>The minimum voluntary repayment will be £100.</p>
<p><b>If I turn down the Support for Mortgage Interest loan, when will my Support for Mortgage Interest benefit payments stop?</b></p>	<p>5 April 2018 is the last day that Support for Mortgage Interest will be paid as a benefit.</p>

<p><b>How much interest will I have to pay?</b></p>	<p>The interest you pay will depend on the amount of your Support for Mortgage Interest loan, the interest rate and how long it takes to pay back the Department for Communities.</p> <p>The longer you have the loan, the more interest you will need to pay back.</p>
<p><b>What if there isn't enough when I sell my property to repay the Support for Mortgage Interest loan in full, will I only pay part of the loan?</b></p>	<p>If you don't have enough equity left to pay back the loan in full, the Department for Communities will write off what you can't pay back.</p> <p>For example:</p> <p>You sell your house and have £3000 equity remaining</p> <p>If you owe £5000 in Support for Mortgage Interest loan payments and interest, you will pay back £3000 to the Department for Communities. The remaining £2000 will be written off. You will never be asked to repay this extra amount.</p>

**Some other questions you may have**

<p><b>What happens to the Support for Mortgage Interest loan if I leave my property to my children/a beneficiary?</b></p>	<p>If someone inherits your property, they will need to pay the loan back to the Department for Communities from any available equity when the property is sold or ownership transferred.</p> <p>Any outstanding mortgage will always be paid first. If there isn't enough money left to pay back the Department for Communities, any remaining amount will be written off.</p>
<p><b>What happens if there is a family member, other than a husband/wife/partner/civil partner or a third party, with interest in my house?</b></p>	<p>The Department for Communities will still offer you a Support for Mortgage Interest loan. They don't need to sign the forms, as we will not place a charge on the property at this time. However, the Department may place a statutory charge over your property at a later date.</p>
<p><b>If I accept this Support for Mortgage Interest loan, will it affect me applying for any further loans secured against my property?</b></p>	<p>The decision to give you a further secured loan is up to the lender. However, the Department for Communities can place a legal charge on your property so anyone who searches the Land Register would be able to see that.</p>

<p><b>What is a statutory charge?</b></p>	<p>A statutory charge refers to a charge, enabled by legislation, which can be put in place over a property. The existence of the charge is found in the Statutory Charges Register.</p>
<p><b>When I return to work, or if my benefit payments stop, will I have to start repaying the Support for Mortgage Interest loan?</b></p>	<p>You don't have to pay back anything until your property is sold or ownership is transferred to someone else.</p> <p>However, you might want to make voluntary repayments if you can afford to. This would reduce the amount that you will need to pay back when you sell your property or transfer ownership.</p> <p>Repaying the SMI loan early would mean you pay less SMI interest.</p> <p>Voluntary repayments are completely up to you but the Department for Communities will never ask for early repayments.</p> <p>The minimum voluntary repayment will be £100.</p>
<p><b>I am a lone parent, I bought the property with my ex-husband/wife /partner/civil partner and they pay half of the mortgage. If I want to accept this Support for Mortgage Interest loan, can I do so without their agreement?</b></p>	<p>Yes you can. In these circumstances the Department for Communities will not place a charge on your property at this time but may place a statutory charge over your property at a later date.</p>
<p><b>How do I get, or become, a Power Of Attorney?</b></p>	<p>If you think you need a Power Of Attorney, or need to become one, please visit <a href="http://www.courtsni.gov.uk">http://www.courtsni.gov.uk</a> or <a href="http://www.nidirect.gov.uk">http://www.nidirect.gov.uk</a></p>