



Welfare Reform and Work Act 2016

2016 CHAPTER 7

Loans for mortgage interest etc

19 Section 18: further provision

- (1) This section makes further provision about regulations under section 18.
- (2) The regulations may make provision about—
 - (a) circumstances in which a person is to be treated as liable or not liable to make owner-occupier payments;
 - (b) circumstances in which a person is to be treated as occupying or not occupying particular accommodation as a home.
- (3) The regulations may include—
 - (a) provision about applying for a loan;
 - (b) provision requiring a person to satisfy requirements prescribed by the regulations before a loan may be made under the regulations, including requirements about receiving financial advice;
 - (c) provision about entering into an agreement (which may contain such terms and conditions as the Secretary of State thinks fit, subject to what may be provided in the regulations);
 - (d) provision about the time when, and manner in which, a loan must be repaid;
 - (e) provision about other terms upon which a loan is made;
 - (f) provision about the payment of interest, including provision prescribing or providing for the determination of the rate of interest;
 - (g) provision enabling administrative costs to be charged;
 - (h) provision about adding administrative costs to the amount of a loan;
 - (i) provision about accepting substituted security.
- (4) The regulations may make provision—
 - (a) requiring that, in circumstances prescribed by the regulations, money lent in respect of a person's liability to make owner-occupier payments—
 - (i) is paid directly to the qualifying lender;

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- (ii) is applied by the qualifying lender towards discharging the person's liability to make owner-occupier payments;
 - (b) for the costs of administering the making of payments to qualifying lenders to be defrayed, in whole or in part, at the expense of the qualifying lenders, whether by requiring them to pay fees prescribed by the regulations, by deducting and retaining such part as may be prescribed by the regulations of the amounts that would otherwise be paid to them or otherwise;
 - (c) for requiring a qualifying lender, in a case where by virtue of paragraph (b) the amount paid to the lender is less than it would otherwise have been, to credit against the liability in relation to which the amount is paid the amount of the difference (in addition to the payment actually made);
 - (d) for enabling a body which, or person who, would otherwise be a qualifying lender to elect not to be regarded as a qualifying lender for the purposes of this section (other than this paragraph);
 - (e) for the recovery from any body or person—
 - (i) of any sums paid to that body or person by way of payment under the regulations that ought not to have been so paid;
 - (ii) of any fees or other sums due from that body or person by virtue of paragraph (b);
 - (f) for cases where the same person is liable to make owner-occupier payments under more than one agreement to make such payments.
- (5) The regulations may provide for the Secretary of State to make arrangements with another person for the exercise of functions under the regulations.
- (6) The regulations may include—
- (a) provision requiring information and documents to be provided;
 - (b) provision authorising the disclosure of information.
- (7) The bodies and persons who are “qualifying lenders” for the purposes of this section are—
- (a) a deposit taker;
 - (b) an insurer;
 - (c) a county council, a county borough council, a district council, a London Borough Council, the Common Council of the City of London or the Council of the Isles of Scilly;
 - (d) a council constituted under section 2 of the Local Government etc. (Scotland) Act 1994;
 - (e) a new town corporation;
 - (f) other bodies or persons prescribed by regulations under section 18.
- (8) In this section—
- “deposit taker” means—
- (a) a person who has permission under Part 4A of the Financial Services and Markets Act 2000 to accept deposits, ^{F1}...
 - (b) ^{F1}...
- “insurer” means—
- (a) a person who has permission under Part 4A of the Financial Services and Markets Act 2000 to effect and carry out contracts of insurance, ^{F2}...
 - (b) ^{F2}...

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- (9) The definitions of “deposit taker” and ‘insurer’ in this section must be read with—
- (a) section 22 of the Financial Services and Markets Act 2000;
 - (b) any relevant order under that section;
 - (c) Schedule 2 to that Act.

Textual Amendments

- F1** Words in s. 19(8) omitted (31.12.2020) by virtue of [The EEA Passport Rights \(Amendment, etc., and Transitional Provisions\) \(EU Exit\) Regulations 2018 \(S.I. 2018/1149\)](#), reg. 1(3), **Sch. para. 44(a)** (with reg. 4); 2020 c. 1, Sch. 5 para. 1(1)
- F2** Words in s. 19(8) omitted (31.12.2020) by virtue of [The EEA Passport Rights \(Amendment, etc., and Transitional Provisions\) \(EU Exit\) Regulations 2018 \(S.I. 2018/1149\)](#), reg. 1(3), **Sch. para. 44(b)** (with reg. 4); 2020 c. 1, Sch. 5 para. 1(1)

Commencement Information

- I1** S. 19 in force at 3.4.2017 by [S.I. 2017/111](#), **reg. 3(e)**

Changes to legislation:

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