

Housing Actions

Summary

How to gather information, calculate and prepare payments for help with housing costs

Content

When a claimant wants to claim housing costs relating to mortgage interest, a telephony agent (TA) opens the Manual Data Gather Tool (MDGT) and populates this with the claimant's name, National Insurance number and date of birth.

The TA ensures the housing costs are in relation to mortgage interest or rent by asking the claimant if they or their partner own/will own their own home.

If the claimant owns their own home, the TA asks the following question and records the claimant's answer: "Do/will you or your partner have a mortgage or loan secured against your home which you are liable or treated as liable for?"

If the claimant rents their home, see 'Overview of rent and eligible service charges' below.

Claimant owns their own home

If the claimant has a mortgage or loan the TA asks the relevant questions on the MDGT and records the claimant's answers.

Support for Mortgage Interest will be decided after the 9 month qualifying period, however a UCMI12 has to be issued around 10 weeks before the qualifying period ends. If there is a link to a Legacy benefit claim, for example a partner joining the household as a change of circumstances, the qualifying period for the Legacy benefit may be applicable.

The linking rule will not apply if there is a gap of over one month between entitlement to the Legacy benefit ending and Universal Credit commencing.

See Housing - Support for Mortgage Interest.

If the claimant has rent and or eligible service charges in addition to mortgage costs (for example, shared ownership schemes) then this is considered straightaway by the agent. See 'Overview of rent and eligible service charges' below.

Agent action if a claimant has applied for Support for Mortgage Interest

After recording the answers to the questions on the MDGT the TA:

1. Saves the MDGT to the desktop
2. Uploads the MDGT to the Document Repository System (DRS).
3. Deletes the MDGT from the desktop.
4. Updates CAMLite Contact history with the reason for contact.
5. Creates a CAMLite task with the following detail:
 - Task Type: Housing
 - Sub Type: Support for Mortgage Interest
 - Start date: 29 weeks from the date of claim
 - SLA: 3 days
 - Notes 'Claimant has reported housing costs. Refer to Manual Data Gather Tool dated (dd/mm/yyyy) in DRS. Issue UCMI12 to claimant'.
 - Assigned To: UC - Housing

See CAMLite and Work Services Platform notes.

Claimant not eligible for housing costs

The claimant will not be eligible to claim housing costs for mortgage interest if they:

- have no mortgage, loan, service charges or alternative finance payment
- are receiving any type of earned income
- are not liable for housing costs

If the claimant is not eligible, the agent issues a UC236 stating the reasons why.

Account developer actions

An account developer (AD) receives a CAMLite task with the following details:

- Task Type: Housing
- Sub Type: Support for Mortgage Interests
- SLA: 3 days
- Notes: 'Claimant has reported housing costs. Refer to Manual Data Gather Tool dated (dd/mm/yyyy) in DRS. Issue UCMI12 to claimant'.

The AD:

1. Retrieves the MDGT 'Output relating to housing' from DRS.
2. Accesses the Agent Portal from CAMLite.
3. Selects Claim admin.
4. Selects 'Current earnings & historical'. From this screen the AD determines if the claimant(s) have had any earned income in the current assessment period and then takes the following action:
 - if the claimant(s) have earned income, they are not eligible to claim housing costs for mortgage interest and the AD completes and issues UC236
 - if the claimant and/or partner do not have any earned income the AD goes to the next step
5. Checks the MDGT to determine if there is Mortgage Payment Protection Insurance (MPPI):
 - if the claimant has MPPI. the AD issues form UCMI12 (help with housing costs)

and UC33 to gather Mortgage Protection Policy details

- if the claimant doesn't have MPPI, see 'MGP1 stored in the Document Repository System' below

6. Updates CAMLite Contact history to record that the UCMI12 and UC33 have been issued to the claimant.

7. Closes the task and exits all claimant records

If a claimant moves in with a partner who was previously receiving a Legacy benefit, an MGP1 (DWP) will have been received. The MGP1 (DWP) will contain details of the qualifying period for mortgage interest already served or whether they are already receiving Support for Mortgage Interest.

MGP1 stored in the Document Repository System

If the UCMGP1 indicates that the partner is not in receipt of SMI or in a qualifying period, the AD sets a task to issue the UCMI12. See 'Qualifying period end date exceeds 1 month' below.

If the partner is in a qualifying period the AD needs to establish the qualifying period start date:

- if the qualifying period start date is on or before 31/03/2016, transitional protection applies and the qualifying period will be 13 weeks (3 assessment periods) calculated from the original period start date
- if the qualifying period start date is on or after 01/04/2016, the qualifying period will be 39 weeks (9 assessment periods) calculated from the original qualifying period start date

The AD needs to establish if the qualifying period end date is within 1 month by:

- re-calculating the qualifying period and establishing the qualifying period end date
- accessing the relevant Universal Credit decision letter in DRS (this will be the notification issued when the partner joined the household)

Qualifying period end date is within 1 month

The AD:

1. Issues UCMI12 to the claimant to establish the relevant details.
2. Checks to see if any tasks on CAMLite have been set for the issuing of the UCMI12 and if so closes the clerical task.
3. Records the issue of the UCMI12 in CAMLite Contact history.

Qualifying period end date exceeds 1 month

The AD creates a CAMLite task to issue the Universal Credit form UCMI12 to the claimant for mortgage details. The task details are as follows:

- Task Type: Housing
- Sub Type: Support for Mortgage Interest
- Start date: The first day of the final assessment period of the qualifying period
- SLA: 3 days
- Notes: 'Issue UCMI12'
- Assigned To: UC - Housing

See CAMLite and Work Services Platform notes.

Partner receiving Support for Mortgage Interest as part of a Legacy benefit

The AD:

1. Reviews the UCMI12 and the UCMGP1 to determine if there is MPPI or service charges in payment.

2. Re-assesses the housing costs before including them in the Universal Credit calculation.
3. Considers any loans secured on the property that were not eligible for SMI in the Legacy benefits but may be eligible in UC. The AD issues UCMI12s for these loans.

Note that payments for mortgage/loan interest as part of Universal Credit are paid on a monthly basis in arrears direct to the mortgage lender when the lender is a member of the Mortgage Interest Direct (MID) scheme. MID payments are made 4 weekly in arrears direct to lenders in the Legacy benefits. Therefore periodicity will need to be altered on a transfer from Legacy benefits to Universal Credit.

Agent receives a task to issue UCMI12

The AD receives a CAMLite on the first day task on the first day of the final assessment period to issues the Universal Credit form UCMI12 to the claimant for mortgage details. The task details are as follows:

- Task Type: Housing
- Sub Type: Support for Mortgage Interest
- SLA: 3 Days
- Notes: 'Issue UCMI12'

The AD:

1. Accesses the Agent Portal from CAMLite.
2. Selects Claim admin.
3. Selects 'View claim data'.
4. Selects 'Current award' to view address above your postal address.
5. Selects 'Current award' and establishes if the claimant's address has changed during the qualifying period:

- if the address has changed the process ends - the AD closes the task and updates CAMLite Contact history
- if the address has not changed, the AD navigates back to the 'Report changes and earnings' screen and selects 'Current earnings & historical'

From the 'Current earnings & historical' screen the AD determines if the claimant(s) have had any earned income from the start of the qualifying period up to the current assessment period, then takes the following action.

Claimant(s) had earned income during the qualifying period

If the claimant(s) currently have earned income they are not eligible to claim housing costs for mortgage interest and the AD completes and issues a UC236.

Claimant(s) have no earned income during the qualifying period

If the claimant(s) have no earned income during the qualifying period, the AD completes and issues a UCMI12.

Claimant has had no current earned income but had earned income during the qualifying period

If the claimant has no current income but has had earned income during the qualifying period, the AD recalculates the claimant's qualifying period from the first day of the assessment period where earnings are not received and issues a UC458 to the claimant.

The AD creates a CAMLite task for the recalculated qualifying period to issue the Universal Credit form UCMI12 to the claimant for mortgage details. The task details are as follows:

- Task Type: Housing
- Sub Type: Support for Mortgage Interest
- Start date: the first day of the final assessment period of the qualifying period
- SLA: 3 days

- Notes: 'Issue UCMI12'

See CAMLite and Work Services Platform notes.

The AD should be aware that if the waiting period has been served on an income-related Legacy benefit (for example, Jobseekers Allowance (JSA), Employment Support Allowance (ESA) or Income Support) this period is not affected by earned income. For periods in which the claimant has received contribution-based JSA or ESA, any earnings during the qualifying period will be taken into account.

The AD then closes the task and exits all claimant records.

Action on receipt of the UCMI12 and UC33

A CAMLite task is received from the Mail Opening Unit (MOU) when the claimant returns the UCMI12 and UC33 (where appropriate) with the following details:

- Task Type: Scanned correspondence
- Sub-Type: UCMI12

The AD:

1. Accesses DRS.
2. Retrieves the UCMI12 and UC33 (where appropriate).
3. Determines if these have been fully completed.

UCMI12 form fully completed

If the UCMI12 form is fully completed the AD:

1. Access the Agent Portal from CAMLite.
2. Selects Claim admin and updates the evidence status. See Handling Evidence.
3. Determines if any service charges have been declared and goes to 'Service charges declared/not declared' below.

UCMI12 form incomplete

If the lender's part of the form is incomplete, the AD clearly marks the incomplete parts of the form and returns it to the lender with a pre-paid envelope.

The AD then creates a generic CAMLite clerical task for the return of the UCMI12 with the following details:

- Task Type: Generic Clerical Task
- Sub Type: Action Required
- Start Date: Todays Date
- SLA: 14 Days
- Notes: 'UCMI12 form 'Help with housing costs' returned to lender'
- Assigned To: UC - Housing

See CAMLite and Work Services Platform notes.

If the lender or claimant's part of the form is incomplete, the AD makes an outbound call. See Handling Calls.

If the call is unsuccessful, the AD returns the UCMI12 to the lender or claimant with a compliment slip explaining what details are required. They update CAMLite Contact history with the action taken. The AD should attempt to make contact twice before taking this action.

The AD then creates a generic CAMLite clerical task for the return of the UCMI12 with the following details:

- Task Type: Housing
- Sub Type: Support for Mortgage Interest
- Start Date: 14 Days from today's date
- SLA: 3 Days
- Notes: 'UCMI12 form 'Help with housing costs' returned to claimant'
- Assigned To: UC - Housing

See CAMLite and Work Services Platform notes.

The AD closes the originating task and exits all claimant records

If the call is successful the AD:

1. Prints a copy of the UCMI12.
2. Manually completes the UCMI12 with the missing information.
3. Updates CAMLite Contact history with the action taken.
4. Sends the completed/updated UCMI12s to MOU who upload it to DRS.

In all cases the AD:

1. Accesses the Agent Portal.
2. Selects Claim admin and updates the evidence status. See Handling Evidence.
 - evidence incomplete – the AD exits all claimant records and the process ends
 - evidence complete – the AD determines if any service charges have been declared and goes to 'Service charges declared/not declared' below

UC33 form fully completed

If the UC33 has been fully completed the AD:

1. Accesses the Agent Portal.
2. Selects Claim admin and updates the evidence status. See Handling Evidence.
3. Determines if a claim against MPPI has been made:
 - MPPI not claimed, has been refused or the claimant is waiting for a decision – the AD refers the case to a specialist decision maker (see Complex Case Management Referral)

- MPPI claimed and awarded (see 'Calculating Support for Mortgage Interest' below)
- MPPI claimed but has exhausted

UC33 form incomplete

If the UC33 isn't fully completed, the AD makes an outbound call to the claimant. See Handling calls.

If the call is unsuccessful, the AD returns the UC33 to the claimant with a compliment slip explaining what details are required. They update CAMLite Contact history with the action taken. The AD should attempt to make contact twice before taking this action.

If the call is successful the AD:

1. Prints a copy of the UC33.
2. Manually completes with the missing information.
3. Updates CAMLite Contact history with the action taken.
4. Sends the completed/updated UCMI12s to MOU who upload them to DRS.

In all cases the AD:

1. Accesses the Agent Portal from CAMLite.
2. Selects Claim admin and updates the evidence status. See Handling evidence.
3. Where evidence is now complete, the AD determines if a claim against MPPI has been made:
 - MPPI not claimed, has been refused or the claimant is waiting for a decision – the AD refers the case to a specialist decision maker (see Complex Case Management Referral)

- MPPI claimed and awarded (see 'Calculating Support for Mortgage Interest' below)
- MPPI claimed but has exhausted

Service charges declared

If the claimant has declared a service charge, the AD sends a referral to a decision maker for a specialist decision. See Complex Case Management Referral.

The AD creates a CAMLite task for the decision maker as follows:

- Task Type: Decision Maker Complex
- Sub Type: Entitlement Decision
- Start Date: Todays Date
- SLA: 3 Days
- Notes: Decision required on service charges declared by the claimant see UCMI12 held in DRS
- Assigned To: UC – UC – DM Complex

See CAMLite and Work Services Platform notes.

When the decision has been made, the AD obtains the decision on the service charge from DRS prompted by a CAMLite task with the following details:

- Task Type: Generic clerical task
- Sub-Type: Action required
- Notes: 'Service charge decision made see LT54 in DRS dated (dd/mm/yyyy)'

The AD checks the 'Earnings indicator' in the Agent Portal, and any previous Universal Credit decisions in DRS, to see if the claimant and/or partner have done any paid work in the relevant period.

If any paid work has been undertaken from the start of the qualifying period up to the current assessment period, the claimant is ineligible for help with service charges.

The AD:

1. Issues a manual notification UC236 to claimant that Universal Credit cannot help pay service charges.
2. Updates CAMLite Contact history with the details.

If the claimant is eligible the AD:

1. Identifies the allowable annual service charges from the decision.
2. Calculates the allowable service charges for the assessment period (annual allowable service charges divided by 12).
3. Determines the first assessment period that service charges are due to be paid for.
4. Records all the above on an UC6.
5. Issues a UC227 or if arrears are due a UC229.

If service charges are due for both a previous and current assessment period, the AD considers making the payment for the previous assessment period (see 'Preparing a payment' below) before returning to this process at the next step.

If service charges are due for the current assessment period, the AD creates a generic clerical task for a monthly service charges eligibility check completed with the following:

- Task Type: Generic Clerical
- Sub Type: Action required
- Start Date: 2 days after the assessment period ends
- SLA : 3 days
- Notes: 'Undertake monthly service charges check. Consider whether the claimant and/or partner have undertaken any paid work in the assessment period. If paid work has not been

undertaken consider eligibility for service charges and pay to claimant as appropriate'

- Assigned To: UC - Housing

See CAMLite and Work Services Platform notes.

The AD uploads the UC6 and a copy of the notification issued (either a UC227 or a UC229) to DRS.

The AD considers making a payment only after they have confirmed earnings have or have not been received and a Service Charge check has been undertaken.

Service charges not declared/service charge decision made

If the claimant does not have a service charge, or once a service charge decision has been made, the AD continues to assess the housing costs.

Calculating Support for Mortgage Interest

The AD:

1. Accesses the Agent Portal from CAMLite.
2. Opens Claim admin.
3. Selects 'Current earnings & historical'. From this screen the AD determines if the claimant(s) have had any earned income in the final assessment period of the qualifying period.
4. If the claimant is in receipt of, or has received earned income, the AD issues manual notification UC236 to the claimant advising them that they are not entitled to SMI
5. Updates CAMLite Contact History recording that the UC236 has been issued to the claimant.
6. Closes the Agent portal.

If the claimant is not in receipt of, or has not received earned income, the AD:

1. Calculates the allowable SMI with MPPI but no service charges.
2. Identifies from the UCMI12 which loans are secured on the property.
3. Adds together the total balance outstanding for all mortgages and loans and records this on form UC6.
4. Applies the amount to the total balance outstanding, up to a limit of £200,000 for Universal Credit and Legacy benefits. If the total amount of mortgage and loans is below the maximum figure, the AD notes this figure on form UC6. If the total is above the maximum figure the AD notes the maximum figure only.
5. Identifies the Standard Interest Rate (SIR).
This is:
 - 2.61 from 15 June 2017
 - 3.12% from 6 July 2015
 - 3.63% up to and including 5 July 2015

The AD applies this to the total balance outstanding (up to the capital loan limit of £200,000) and records it on form UC6.

There are certain exceptions to the capital limit of £200,000.

A qualifying mortgage or loan (or any part of such a mortgage or loan) taken out specifically to make adaptations to meet the needs of a disabled person in the benefit unit is not subject to the limit of £200,000.

A disabled person is a member of the benefit unit who receives a specified benefit paid on account of disability. The specified benefits are:

- Attendance Allowance
- Disability Living Allowance (DLA) care component at the middle or higher rate

- Personal Independence Payment (PIP) daily living component (either rate)
- Armed Forces Independence Payment (AFIP)
- Constant Attendance Allowance paid as part of Industrial Injuries Disablement Benefit or War Disablement Pension

Further guidance and examples can be found in the Advice for Decision Makers (ADM) guide.

Example of calculating Support for Mortgage Interest

- the claimant has an outstanding balance of £80,000
- the SIR from 6 July 2015 was 3.12%
- divide the SIR by 100 = $3.12 / 100 = 0.0312$
- multiply the outstanding balance by 0.0312 = $£80,000 \times 0.0312 = £2496$ (allowable annual SMI)
- calculate the amount for the assessment period
- there are 12 assessment periods in a year, divide the annual allowable SMI by 12
- $£2496 / 12 = £208$ per assessment period (rounded up or down)

The allowable SMI and/or service charges are recorded on the UC6.

Calculating the assessment period for housing costs payments

The AD can see the start and end dates of the claimant's assessment period by viewing the previous Universal Credit decision in DRS. The AD uses these details to determine the first assessment period for which housing costs are due.

The AD records the first assessment period for which SMI and/or service charge is due in the Manual Payment Tool and updates CAMLite Contact history.

Calculation of Support for Mortgage Interest and Mortgage Payment Protection Insurance

The AD retrieves the following documents from DRS:

- UC33 (MPPI letter)
- Decision Makers decision(s) regarding MPPI
- original MPPI calculation (assessed as other income)
- UC6

The AD then completes a new MPPI calculation form and records on form UC6 the SMI due less the MPPI amount. This would be the figure previously calculated for SMI £242 minus the MPPI figure from the MPPI calculation form.

To determine whether SMI is payable the AD considers the following:

- if the SMI is higher than the MPPI there will be some SMI payable for each assessment period
- if the SMI is equal to or lower than the MPPI there will be no SMI payable for each assessment period until the MPPI has exhausted

Support for Mortgage Interest not payable due to Mortgage Payment Protection Insurance

If SMI is not payable due to MPPI, the AD:

1. Issues a manual notification letter to the claimant. Their address can be located in their CAMLite record.
2. Updates CAMLite Contact history and records in the notes field: 'Notification issued to the claimant'.
3. Creates a CAMLite task reassess SMI when MPPI exhausts as follows:
 - Task Type: Generic Clerical

- Sub Type: Action Required
- Start Date: The date the MPPI exhausts
- SLA: 3 days
- Notes: 'Reassess SMI and check final payment of MPPI'
- Assigned To: UC - Housing

See CAMLite and Work Services Platform notes.

4. Accesses the MDGT and records: 'SMI is not payable due to MPPI'.

If the MPPI income exceeds the SMI, the calculation form may show an amount of 'Other income'. This amount is to be treated as 'Non-work income' and deducted from the Universal Credit claim.

Support for Mortgage Interest is payable

The AD:

1. Records the total amount of SMI allowable and states the first assessment period for which SMI is due on the UC6.
2. Accesses DRS and upload the UC6, as the notepad will not be available for Phase.
3. Accesses the Qualifying Lenders Register (QLR) and establishes whether the lender is on the register.

If the lender is on the QLR the AD issues a UC228 notification to the claimant advising that Universal Credit will pay mortgage/home loan interest direct to the lender, and the UC232 notification to the lender with the start date of payment, frequency and amount

If the lender is not on the QLR the AD issues the following to the claimant:

- a UC230 notification to claimant that UC will pay mortgage/home loan payments direct to claimant, or

- a UC231 UC pay mortgage home loan including arrears to claimant as appropriate.

These are completed with the start date of payment, frequency and amount (this must also highlight that it is the claimant's responsibility to make the mortgage payments to their lender).

The AD updates CAMLite Contact History that notifications have been issued to claimant/lender and specifies if the lender is on the QLR.

Payment and CAMLite tasks

The AD determines if there is any SMI payable for a previous or current assessment period, this can be done by accessing the latest Universal Credit decision letter held on DRS.

Standard Mortgage Interest payable for a previous assessment period

The AD calculates the arrears for the previous assessment periods by multiplying the SMI by the number of assessment periods affected.

The AD then completes a Universal Credit Payment Instruction (UCPI). See 'Preparing a payment' below.

Setting a CAMLite task for Standard Mortgage Interest payable for a current and/or future assessment period

The AD creates a CAMLite task to undertake a monthly check for any paid work in the assessment period and to pay SMI where appropriate:

- Task Type: Generic clerical
- Sub Type: Action required
- Start Date: 2 days after the assessment period ends
- SLA: 3 days
- Notes: 'Undertake monthly SMI check. Consider whether claimant and/or partner have undertaken any paid work in the assessment period and consider eligibility for SMI and make payment.'

QLR checked and is payable to the (specify claimant or Lender)'

- Assigned To: UC - Housing

See CAMLite and Work Services Platform notes.

The start date is overridden to 2 days after the assessment period ends so that the AD can check if the claimant has received earnings and determine if the claimant is entitled to SMI for the previous assessment period.

The AD completes a UCPI. See 'Preparing a payment' below.

The AD considers making a payment only after they have confirmed earnings have not been received and a SMI check has been undertaken, closes DRS and the MDGT

Setting a CAMLite task for a yearly review of Standard Mortgage Interest

The AD creates a CAMLite generic clerical task for the processing adviser to review the SMI with the following details.

- Task Type: Housing
- Sub Type: Support for Mortgage Interest
- Start Date: 12 months from the start of the SMI
- SLA: 3 days
- Notes: 'Review SMI award to check balance and amounts payable: Issue UC review form Help with housing costs (UCMI12R)'
- Assigned To: UC - Housing

See CAMLite and Work Services Platform notes.

Preparing a payment

An AD completes the Manual Payment Tool (MPT) where either:

- a manual payment of SMI is to be paid to the lender, or

- service charges are to be paid to either the lender or the claimant

The MPT needs to include:

- the lenders name in the 'Account Name field, if not the claimant' field where SMI is paid to the lender
- the lenders account information on the relevant section of the MPT

The UCPI is generated electronically by the MPT, is then printed off and signed.

See Manual Payment Tool Visual Guide for more information

The AD attaches supporting information, which could include:

- Universal Credit form 'Help with Housing Costs' (form UCMI12)
- Universal Credit form 'Review of Mortgage Interest and Home Loans' (form UCMI12R)
- UC33 (MPPI letter)
- SMI or service charges award on form UC6 or from CAMLite Contact history notes
- DM decision relating to MPPI/Service charges

The AD passes the completed UCPI and attached supporting information for checking.

When it is confirmed that the payment is correct, the AD:

1. Updates CAMLite Contact history with details of the payment.
2. Obfuscates the bank account details from the UCPI, except for the last 4 digits.
3. Uploads the UCPI to DRS.
4. Securely destroys the printed copy of the UCPI.

Eligibility check

A monthly task to review eligibility for SMI and/or service charges is received by an AD with the following detail

- Task Type: Generic clerical
- Sub Type: Action required
- Start Date: 2 days after the assessment period ends
- SLA : 3 days
- Notes:
 - notes for SMI will read: 'Undertake monthly SMI check. Consider whether claimant and/or partner have undertaken any paid work in the assessment period and consider eligibility for SMI and make payment. QLR checked and is payable to the (specify claimant or lender)', or
 - notes for service charges will read: 'Undertake monthly service charges check. Consider whether the claimant and/or partner has undertaken any paid work in the assessment period' if paid work has not been undertaken consider eligibility for service charges and pay to claimant as appropriate
- Assigned To: UC - Housing

The AD considers whether the claimant and/or partner has received any earned income in the assessment period and confirms if the claimant or partner has had any earned income from the start of the qualifying period to the current assessment period

If the claimant or partner has had any earned income, SMI and/or service charges will cease. The AD issues a UC236 to the claimant stating that they are ineligible for housing costs.

The AD updates CAMLite Contact history to record that the UC236 has been issued to claimant.

Receiving a yearly review of Support for Mortgage Interest CAMLite task

An AD receives a CAMLite task for an SMI review with the following detail:

- Task Type: Housing
- Sub Type: Support for Mortgage Interest
- SLA: 3 days
- Notes: 'Review SMI award to check balance and amounts payable: Issue UC review form Help with housing costs (UCMI12R)'

The AD sends the claimant a form UCMI12R for each lender with a covering letter.

The AD creates a CAMLite task with the following details:

- Task Type: Housing
- Sub Type: Support for Mortgage Interest
- Start Date: 1 month from the issue of UCMI12R
- SLA : 3 days
- Notes: 'Check UCMI12R has been returned and consider SMI award to check balance and amounts payable'
- Assigned To: UC - Housing

See CAMLite and Work Services Platform notes.

UCMI12R not returned after 1 month

The AD opens the CAMLite task with the following details:

- Task Type: Housing
- Sub Type: Support for Mortgage Interest
- SLA : 3 days

- Notes: 'Check UCMI12R has been returned and consider SMI award to check balance and amounts payable'

If the UCMI12R has not been returned the AD issues a reminder letter UC288 to the claimant and sets a further CAMLite task with the following details:

- Task Type: Housing
- Sub Type: Support for Mortgage Interest
- Start Date: 14 days from issue of UC288
- SLA: 3 days
- Notes: 'Check UCMI12R has been returned and consider SMI award to check balance and amounts payable'
- Assigned To: UC - Housing

See CAMLite and Work Services Platform notes.

UCMI12R not returned after further 14 days

If the UCMI12R has still not been returned after a further 14 days the AD receives a CAMLite task with the following details:

- Task Type: Housing
- Task Sub-Type: Support for Mortgage Interest
- SLA: 3 days
- Notes: 'Check UCMI12R has been returned and consider SMI award to check balance and amounts payable'

If the UCMI12R has still not been received, the AD issues a manual notification to the claimant notifying them that SMI will no longer be paid. The AD records this in CAMLite Contact history, completing the notes field with 'SMI no longer due because UCMI12R not received within 1 month'.

The AD closes any tasks regarding SMI reminders.

UCMI12R returned

When the UCMI12R is returned the agent reviews it, verifies the details are correct and updates CAMLite Contact history.

If the UCMI12R is not complete, the AD returns it to the lender for full completion and creates a CAMLite task with the following details

- Task Type: Housing
- Sub Type: Support for Mortgage Interest
- Start Date: 14 days from the issue of UCMI12R
- SLA: 3 days
- Notes: 'UCMI12R (Review of Mortgage Interest and Home Loan Interest) returned to (Lender(s))'
- Assigned To: UC - Housing

See CAMLite and Work Services Platform notes.

On receipt of a completed UCMI12R the AD checks the balance outstanding on the form and assesses and calculates the claimant's entitlement to SMI.

From the recalculated SMI the AD determines if the claimant's entitlement has increased, reduced or is unchanged.

Further guidance on when to take into account any changes to the capital balance on a loan/mortgage can be found in UC Regs, Sched 5, para 10(4), (5).

Increase in Support for Mortgage Interest

If the SMI has increased or reduced the AD determines the first assessment period that the recalculated SMI is due from and records this on the Manual IT Tool and a UC6 for scanning on to DRS.

If the increased SMI is for a previous assessment period and is informing the AD to pay arrears to the claimant, see 'Preparing a payment' above.

If the revised SMI is only due from the current assessment period, the AD creates a CAMLite task with the following details:

- Task Type: Generic Clerical
- Sub Type: Action required

- Start Date: 2 days after assessment period ends
- SLA : 3 days
- Notes: 'Consider eligibility for SMI and pay as appropriate'
- Assigned To: UC - Housing.

See CAMLite and Work Services Platform notes.

Reduction in Support for Mortgage Interest

If the revised SMI is reduced, the AD creates a CAMLite task with the following details:

- Task Type: Generic Clerical
- Sub Type: Action required
- Start Date: 2 days after assessment period ends
- SLA: 3 days
- Notes: 'Consider eligibility for SMI and pay as appropriate'
- Assigned To: UC - Housing

See CAMLite and Work Services Platform notes.

Further guidance and examples on how to take action on changes to the outstanding balance of a loan/mortgage can be found in ADM Guidance.

Claimant rents their home

Overview of rent and eligible service charges

For housing costs to be included in a claimant's Universal Credit, three conditions need to be satisfied:

1. **Liability condition**

Liability to pay rent means the claimant has a responsibility to make rent payments by a contract/written rent agreement with a landlord, organisation or agency. In limited

circumstances (for example, a partner's death) they can meet this condition without being on the contract. If the rental agreement is with a close relative who also lives in that house then this condition is NOT met.

2. Occupation condition

The general rule is that a claimant is treated as only occupying the accommodation which they normally live in as their home. A claimant can only be treated as occupying a different (second) home in very specific temporary circumstances (for example, disability adaptations). Temporary absence from that home is also allowed in some circumstances.

3. Payment condition

Only those payments that qualify as rental payments for the purpose of Universal Credit can be met. Apart from the ordinary meaning of rent, these include other types of payment (for example, eligible service charges for Social Rented Sector accommodation).

When the Housing Costs element is not payable

There may be some situations where housing costs can't be paid (for example, a Universal Credit claimant in a bail hostel, residential care home or supported exempt accommodation is unable to receive the Housing Costs element). A claimant aged 16 or 17 who was in local authority care on their 16th birthday is also not entitled to the Housing Costs element.

Housing Costs element calculation – overview

The Housing Costs element calculation takes account of:

- the type of home lived in (more specifically – whether it is Private Rented Sector (PRS) or Social Rented Sector (SRS) accommodation as different calculation rules apply)

- the number of rooms required by the extended benefit unit based on the people who live there (this includes people whom we call non-dependants, for example an elderly relative or grown up son/daughter)
- its location (relevant for PRS rents only)
- total rental payments including other allowable elements like eligible service charges (but ignoring other elements such as rent arrears)
- the percentage of rent you are legally responsible for if you are a joint tenant

In shared ownership cases, the Housing Costs element will include an amount for mortgage interest and an amount for rent.

Housing Costs should be calculated using the MPT - See Manual Payment Tool Visual Guide for more information.

The calculations must then be copied from the note generator in the MPT and pasted into CAMLite Contact history.

Housing Costs element key concepts – (1) assessing the required number of bedrooms

This calculation is the same for both SRS and PRS accommodation.

To assess the correct amount of the Housing Costs element where the three basic conditions have been met, it is necessary to calculate how many bedrooms are required (up to a maximum of 4 for Private Rented Sector) for the adults, children and non-dependants (for example an elderly relative or grown up son/daughter) in the household.

One bedroom is allowed for each of the following members of the extended benefit unit:

- the main claimant(s), these are a single claimant or a couple
- any other person aged 16 or over
- any 2 children under 16 of the same sex

- any 2 children aged under 10 (regardless of their sex)
- any children aged over 10 of different sexes

An additional bedroom is allowed when the following circumstances apply:

- a disabled adult, non-dependant or child require overnight care from a non resident carer - see Additional bedroom Allowance for a non-residential carer
- a disabled adult or child is unable to share a bedroom because of their disability - see Additional bedroom allowance for a disabled adult or child
- a qualifying foster parent who has responsibility for a child (or children) - see Additional bedroom allowance for a foster carer

No rooms are allocated for any boarders or lodgers, joint tenants or a landlord (where the landlord lives in the same property).

All children can be expected to share rooms together (these are children of the main claimant(s) with those of non-dependants).

There is no limit to the number of bedrooms for the SRS.

Housing Costs element key concepts – (2) assessing the required number of bedrooms

The non-dependent and Housing Cost Contribution (HCC) policy applies to both SRS and PRS accommodation

Where there has been a room allocated to a non-dependant aged 21 or over, a HCC of £70.06 per month (for 2017-2018 figure see Benefit Up-rating Schedule) will be deducted from the Housing Costs element. This deduction is made in respect of each adult non-dependant aged 21 or over, unless the main claimant is in receipt of a specified disability benefit or an exemption applies because of the circumstances of the non-dependant.

Exemptions from the HCC are where the non-dependant is:

- under 21 years of age
- in receipt of Pension Credit
- in receipt of a specified benefit paid on account of disability (mainly the middle or higher rate care component of Disability Living Allowance (DLA), the daily living component of Personal Independence Payment (PIP), Armed Forces Independence Payment (AFIP), Attendance Allowance)
- in receipt of Carers Allowance
- responsible for a child under age 5
- a person temporarily absent due to imprisonment

When the main claimant is in receipt of the daily living component of PIP, or middle or higher rate care component of DLA, the HCC non-dependant deduction will continue as there is no functionality to enter PIP on the Agent Portal.

The claimant is manually reimbursed if the deduction has been made incorrectly see Issuing manual payments. A manual override of the Housing element needs to be input to pay the correct amount of Housing element without the HCC.

To enter the manual override to the Agent Portal, the AD:

1. Selects 'Claim admin'.
2. Selects 'Override or suspend element'.
3. Selects 'Housing'.
4. Enters the override value (the amount of Housing element appropriate for this claim) and reason (for example 'No HCC applied as claimant IRO PIP/DLA).
5. Selects No against 'Is additional evidence required'?
6. Selects 'Next'.
7. Reviews the details and selects 'Submit'.

The AD updates CAMLite Contact history with all action taken.

Housing Costs element calculation – Social Rented Sector

The SRS consists of housing that is owned and managed by local authorities and other registered providers (registered social landlords in Scotland and Wales).

Housing owned or managed by other providers contracted via local authorities or the Homes and Communities Agency are covered by this definition.

Affordable Rent Tenure rents are determined by the local authorities and registered providers with reference to equivalent local PRS rents.

In Universal Credit, those in SRS housing will normally have their full rent and any eligible service charges included in the housing costs calculation, subject to two provisos:

- a standard percentage-rate deduction where the accommodation is under-occupied (this policy is called the Spare Room Subsidy)

followed by

- a reduction (called a housing cost contribution or HCC) to be applied where a non-dependent aged over 21 has been allocated a bedroom (unless exceptions apply)

The case of a Spare Room Subsidy, the Housing Costs element will be reduced by 14% if there is one more bedroom in the property than required according to the room allocation policy above and by 25% if two or more bedrooms are not used.

Any HCC will be applied to the Housing Costs element after the spare room subsidy reduction has been applied.

This reduction will not apply if the claimant is a joint tenant.

Social Rented Sector – eligible service charges

The Housing Costs element may also include an amount towards eligible service charges.

These service charges must be a condition of the rent or leasehold agreement and can only be for any of the following:

- general maintenance of the building (for example outside repairs and window cleaning)
- general upkeep of communal areas (for example gardens and hallways)
- basic shared services (for example lifts and rubbish collection)
- specified accommodation costs (for example basic furniture or domestic appliances)

The amount of any eligible service charges will be set out in an Eligible Service Charges Statement which will be given to the claimant by their landlord. Service charges are only payable where the claimant lives in the SRS.

Housing Costs element calculation – Private Rented Sector

The PRS is all other rented accommodation not covered in the SRS definition (see Housing Costs element calculation - Social Rented Sector' above).

The amount the claimant gets is the lower of either their actual rent or the appropriate Local Housing Allowance (LHA) for the property. An amount will be paid based on the bedrooms that the claimant needs (up to a maximum of 4). LHA rates are set within each Broad Rental Market Area (BRMA) for properties of between 1 and 4 bedrooms and are set by the local authority (LA).

If the claimant is under the age of 35 and is single and childless, a lower Shared Accommodation Rate will be the amount of the Housing Costs element paid to them unless they fall into an exemption group in which case a 1-bedroom rate will apply.

The exemption categories cover claimants in receipt of certain disability benefits, those who have recently left care, those who were previously homeless and certain ex-offenders. See Housing - Shared Accommodation Rate.

Data-gather and evidence requirements

For a new claim, the claimant reports details of their housing costs when they make their claim online or over the telephone. For a change in circumstances this will be over the phone.

In both cases the Universal Credit system will gather all details about these housing costs, including:

- rent (which is the total liability due including any utilities or service charges paid within the total rent - but not arrears)
- eligible service charges
- name and address of the property owner (if rented)
- name and address of the person the claimant pays rent to
- non-dependants in the household

An AD is responsible for verifying that the owner and landlord details are correct. Please refer to Housing Costs element - claimant responds to UC183.

The AD must also confirm the amounts provided by the claimant in the data-gather in respect of their rent liability and match the details of the evidence provided.

Calculating Social Rented Sector rent

The calculation is based on how much rent the claimant is liable for plus any eligible service charges. Some rental agreements also have a specified number of rent free periods during the year.

The maximum housing cost is determined by the rent for the year divided by 12 (even if this includes rent free weeks).

Universal Credit housing costs are calculated by averaging the yearly rental liability into monthly amounts to fit in with the Universal Credit assessment period. For example, if a tenant has four rent free week periods in year and their rent is due weekly, they are liable for 48 weekly rent payments a year. This is then calculated automatically by taking the annual total of the 48 weekly rent payments and dividing by 12 to arrive at the monthly liability.

The next step is to look at whether the property is under-occupied as per the bedroom rule - for one bedroom under-occupied the Housing Costs element is reduced by 14%, for two or more bedrooms under-occupied it is reduced by 25%.

Example:

The claimant lives in a 3 bedroom property with a partner, an 8 year old son and a 6 year old daughter. Rent is calculated at £250.00. As the property is under-occupied the Housing Costs element will reduce by 14%. The allowable Housing Costs element would therefore be £215.00.

Calculating rent and eligible service charges manually

There are circumstances where the Universal Credit system will not be able to automatically calculate housing costs, for example where there:

- are children in the benefit unit
- are severely disabled children in the benefit unit
- are overnight carers
- is a second home
- is no BRMA in the system for that area

Where this is the case, a manual calculation and override will be required.

The AD accesses the MPT and completes using the information gathered. This is used to review all the household information so that the changes can be reflected in the Housing Costs element override in Claim admin

See Manual Payment Tool Visual guide for more information.

The AD overrides the Housing Costs element in Claim admin using the amount determined by the MPT. See Claims Administration overview.

The consequences of not taking the correct action when determining if a claimant is in Social or Private Rented Sector may include:

-
- risk of eviction
-
- increased rent arrears
-
- incorrect payments of Universal Credit
-
- delay in paying the Housing Costs Element
-
- increased telephone calls to confirm details
-

more anxiety for the claimant

Claimant declares they are having difficulty meeting their monthly rent / Council Tax

If a claimant declares they are financially struggling to pay their rent, they may be able to get further support and financial help from their LA and should be signposted to apply for a Discretionary Housing Payment (DHP). The AD/TA/DM signposts the claimant to their LA and if appropriate sends them an SMS text using the template - UC LA Financial Assistance (DHP).

If the claimant would like help and support with their Council Tax payments, the AD should signpost them to their LA and if appropriate sends an SMS text using the template - UC Council Tax Reduction Support.

See Housing – SMS text messaging templates.