

## *Policy Circular*

**Document No 07/04**

**Owner:** Strategy & Communications Directorate

**Subject:** Mortgage Payments

**Version:** 2 of 2

**Last Amended:** 9 June 2010

**Date Reviewed:** 9 June 2010

**Next Review:** June 2012

### **1.0 Background**

When completing a Notional Assessment the fund gives regard to certain essential housing related costs including mortgage payments.

### **2.0 Policy**

When assessing a user's housing costs the ILF will allow the full amount of any Repayment or Endowment Mortgage to be included. For Endowment mortgages this includes all elements of the endowment policy.

The Funds will also allow the cost of Life Insurance that is directly linked to an endowment mortgage to be included as a housing expense.

The funds will allow for the cost of Mortgage Protection Payments that a user may make to protect their repayments during times of illness and unemployment to be included as an essential housing cost.

#### **Independent Living Fund**

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The Independent Living Fund is an Executive Non-Departmental Public Body of the Department for Work and Pensions

If circumstances arise where a mortgage protection policy is activated due to a change in the user's circumstances the Funds will not allow the mortgage payments to continue to form part of the individual's housing costs. This is because due to the user's mortgage protection plan the insurance company and not the user will make the payment.

There may be circumstances where a user has such a policy to protect just a proportion of their mortgage. If the policy is activated the funds will only allow the net cost of the mortgage payments incurred by the user to be included as a housing cost.

Other types of insurance such as buildings and contents etc will not be accepted as part of the user's housing costs.

If it is discovered that a user has not informed the ILF of a change in their mortgage arrangements causing an overpayment of the grant to occur, this should be referred to the Grant Recovery team in the normal way.

### **3.0 Procedure**

When collecting information for the purposes of a Notional Assessment it will be necessary for the following facts to be established/issues to be considered:

- The mortgage figure should be provided exclusive of any buildings and contents insurance policies but should include both the 'endowment' and 'interest' parts of an endowment mortgage. The figure provided will already include the endowment life insurance costs
- Is a mortgage protection plan in place to protect against illness or unemployment? If so how much does this cost per week?
- Is the mortgage currently being paid by the individual or their partner or are costs being covered by the activation of a mortgage protection plan? (I.e. an insurance company)

Where a user discloses that their mortgage costs are being covered by a protection policy no figure should be included within the Notional Assessment.

In these circumstances it will be necessary to include information within the offer letter explaining that the mortgage payments have not been included within the financial assessment. The user should also be informed that once the Insurance company stops paying for the mortgage and the user resumes the payments they should notify the funds so payments can be amended.

#### **4.0 Source**

Strategic Policy meeting 28 November 2003

SMT 22 March 2004

#### **5.0 Cross References**

Available Income policy

#### **6.0 History Date Reviewed**

25 March 2008

9 June 2010

# Equality Impact Assessment

## Screening Template

This preliminary impact assessment form is to help you screen your policy, project, function or new service. It should help you consider whether a full Equality Impact Assessment is required by looking at whether there is a potential negative or positive impact on any of the equality groups, if there is an opportunity to promote equality, and whether further data is needed.

**Title of policy, project, function or service:**

Mortgage Payments Policy

**Short description of aims and objectives**

Sets out how mortgage payments are treated for the purpose of calculating a users available income.

**Thinking about each group below, does (or could) the policy, project, service or function have an impact on members of each equality group? If so, how?**

Equality Group	Yes – negatively	Yes – positively	Unclear	No impact
Age	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Race	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Gender	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Transgender	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Sexual orientation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Religion or belief	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Socio-economic groups	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

## What information or research has been considered in judging these impacts?

ILF Conditions of Grant Agreement (COGA)

You should consider a full Equality Impact Assessment (EIA) if:

- (a) you feel one or more equality groups will be negatively impacted by the policy, project or service, or
- (b) there is an opportunity to promote equality and eradicate discrimination.

You may also consider further research if it is unclear, at this stage, what the impact may be.

### Based on your findings, is a full EIA required?

Yes       No

### Please provide a short summary of your decision-making below:

The policy sets out how mortgage payments will be treated when calculating how much available income the user has to contribute towards their ILF funding.

The policy allows for the amount paid by the user in mortgage payments and the cost of any payment protection insurance, to be disregarded within the financial assessment. This is equivalent to the treatment of rent payments.

There is no evidence that this policy discriminates against any user as a result of their belonging to one of the equality groups.

**Notes:**

- The completed EIA Screening Template should be sent to Jon Duckworth, User Liaison Manager for approval by the Equality Impact Assessment Board (EIAB).
- We will contact you with any comments or queries about the completed form.

**This form was  
completed by:**

Helen Janes
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