

Response to Consultation Document: Proposed Mortgage Rescue Scheme for Northern Ireland

Issued by Department of Social Development

November 2008

1.0 Introduction

1.1 Housing Rights Service was established in 1964 and is the leading provider of independent specialist housing advice services in Northern Ireland. We believe everyone has the right to a decent safe affordable home. Our services include:

- Providing a housing advice line
- Undertaking advocacy and legal representation on behalf of people with housing problems
- Providing online advice through our award winning website www.housingadviceNI.org and an email advice service
- Providing a specialist housing advice service within the prisons
- Delivering a skills and knowledge based training programme on housing
- Producing housing information resources
- Supporting (In partnership with Citizens Advice and AdviceNI) generalist advice agencies to deliver high quality housing in their local communities
- Providing client based comment to influence the development of relevant public policy and legislation

All our services are delivered throughout NI and focus on the key areas of preventing homelessness; accessing accommodation; tackling poor housing conditions and affordability.

1.2 The organisation first became involved in the provision of money advice and debt counselling in the early 1990's when interest rates, and also the number of homes being repossessed, were at record levels. As the primary purpose of our organisation is preventing and alleviating homelessness our debt service is only available to clients who have a housing related debt (i.e. *mortgage/ rent or rates arrears*). The service provided is however holistic and takes into account all of the client's outstanding debts.

In December, Housing Rights Service will commence a "Preventing Possession Initiative" which will involve the provision of specialist housing debt advice facilities at the Royal Courts of Justice where all of the mortgage repossession hearings for NI are held. This will seek to make advice available free of charge to people facing the imminent threat of repossession who do not have their own legal representation and who have not engaged with an advice agency prior to the court date.

1.3 Funding for our work comes from a range of different sources. Our core services are funded by the Housing Division within the Department for Social

Development. In the last three years additional support for project work has been received from:

- The Northern Ireland Housing Executive
- European Regional Development Fund
- Department for Enterprise, Trade & Industry
- Big Lottery Fund
- Vodafone UK Foundation
- Fold Housing Association
- Shelter
- Marks & Spencer
- RIBA
- Co-operative Group
- Oak Foundation
- Lloyds TSB Foundation

- 1.4 We welcome this opportunity to respond to the Department of Social Development's (DSD) consultation on the Proposed Mortgage Rescue Scheme for Northern Ireland. In addition to responding to the specific questions raised in this consultation paper Housing Rights Service has also offered a number of other related comments which it believes are important for the Department to consider when taking the Scheme forward.

2.0 Context of submission

2.1 Increasing number of clients under threat of losing their home

Housing debt enquiries to Housing Right Service have more than trebled in the last 5 years. In 2007/08 we received 1115 housing debt enquiries and around 85% of our work in this area directly involved preventing possession. This upward trend has accelerated in the first six months of 2008/09 (i.e. April to September 2008); during this time we have been contacted by 150 individuals who were already facing legal action to recover their home and we have represented 54 of these clients at the subsequent possession hearings in the Chancery Division of the High Court (*this compares with a 12 month period April 2007- March 2008 when we represented a total of 34 clients in debt related possession hearings*)

This submission is based on the experience of the people who contact us for housing debt advice, many of who are under threat of losing their home. Analysis of the experience of our clients suggests that in addition to the more "traditional" actions as a consequence of rent and mortgage arrears, many of these actions are now related to secured loans. These appear to be linked directly to greater availability of credit, a prevalence of secured loans, irresponsible lending practices and aggressive marketing of higher interest loans

particularly to people who are financially vulnerable i.e. on benefits or low incomes.

2.2 Increasing number of possession hearings

Statistics published by the NI Court Service show that there has been a steady increase in court action initiated for home possession over the past number of years. This has grown at an alarming rate in the current year - in the first three quarters of 2008 (i.e to end of September) the number of repossession actions taken has risen by more than 60% and already well exceeds the total number of actions taken during all of 2007. Whilst a similar trend has been noted in areas such as England and Wales the rise is much sharper in NI. The Council for Mortgage Lenders has predicted that by the end of 2008, repossessions in the UK will be up from 30,000 to 45,000 and mortgages with more than three months arrears will be up by 17% to 170,000. The Financial Services Authority (FSA) has recently stated that arrears and repossessions have increased significantly and also highlighted future potential problems for 1.4 million borrowers who have taken out short-term fixed-rate mortgages when interest rates were much lower and who are due to refinance in the next 12 months.

3.0 General Comments

3.1 Housing Rights Service believes that the situation facing homeowners in NI has now reached crisis level. It is demonstrably worse than when the Minister announced, in February 2008, her intention to introduce a Mortgage Rescue Scheme. Indeed it has deteriorated further in the 2 month period since this Consultation document was issued – the document predicts that, during 2008, a total of 800 homeowners could be repossessed in NI but by the end of September already 776 outright possession orders had been granted by the High Court. Urgent government intervention is therefore required to help address the scale of this problem and there is a pressing need for the Executive to allocate an adequate level of resources to enable the Scheme to be implemented without further delay.

3.2 The number of people the Scheme will help and its overall impact will obviously be limited by the level of funds allocated for its implementation. This does not mean however, as some have suggested, it is a wasted effort or should not be pursued. The level of impact which it will potentially have on the lives of those living in those households who benefit is hugely significant and therefore it is still a very worthwhile initiative.

- 3.3** There is a need for the Department to state more clearly the primary policy intention and associated objectives for introducing the Scheme. This will help to inform decisions still to be taken on the final shape of the Scheme.
- 3.4** It is imperative that the Department carefully manages the promotion and subsequent public expectations of the Scheme. Given that it will have limited funds and therefore strict qualifying criteria it is a last resort option and will only have potential to help a limited number of people. There is a real danger that the Scheme will be discredited in the eyes of the public and others if this message is not accurately communicated.
- 3.5** The successful operation of this Scheme will depend on obtaining the co-operation of housing providers (*to engage with the Scheme*), advice providers and lending institutions (*willingness to lend on shared equity products to those with poor credit history and also to defer action to enable this alternative to be explored*). The Department needs to secure this commitment in advance of launching the Scheme to the public.
- 3.6** It is our view that this Scheme would not be viable without public subsidy being provided. The document offers no detail on the proposed nature of any such arrangements and this should be addressed with housing providers as a matter of priority.
- 3.7** There is a need to clarify the role of the Housing Executive in relation to the Scheme and to examine in more detail the relationship of the Scheme with existing statutory provisions in relation to homelessness (e.g. eligibility for assistance), the Common Selection Scheme and Housing Benefit. The involvement of the Housing Executive in these discussions would be invaluable.
- 3.8** Housing Rights Service recognises that the document which has been issued for public consultation is only a broad outline of the Scheme and does not include much of detail which would be required for the Scheme to be implemented in practice. There is therefore a significant amount of work still to be done and a pressing need to complete this within a short timeframe. Housing Rights Service feels this could be best achieved by the Department establishing a time limited multi agency working group of stakeholders including the Housing Executive, Housing Associations, representatives from the advice sector and lending institutions.
- 3.9** The Mortgage Rescue scheme is an innovative proposal and it would seem prudent for the Department to review its operation after a period (*possibly 12 months*) and implement any changes which may be recommended.

3.10 Whilst the Mortgage Rescue Scheme is a welcome initiative by the Department to help address the acute problems facing owner occupiers in NI it is not a panacea and alone cannot constitute an adequate response to the current situation. There is a need for a concerted and co-ordinated effort by ALL government departments, both locally and at Westminster, to deliver a broad range of policy interventions such as:

- Refocusing efforts on increasing provision of social and affordable housing.
- Ensuring free advice and representation is available for people facing debt related possession proceedings
- Implementation in NI of pre action protocol for possession proceedings based on mortgage arrears in respect of residential property (*proposal currently out for public consultation*)
- Exploring ways to increase the availability of affordable credit and greater recognition of the role which agencies such as housing providers can have in tackling debt and promoting financial inclusion.
- Deferring the implementation of recent legislative change contained in Tribunals, Courts & Enforcement Act 2007. This legislation makes it easier for creditors to obtain orders charging land and as a consequence places more homes at risk as a result of (previously unsecured) debt.
- Stricter regulation and proactive enforcement to prevent irresponsible lending & aggressive marketing by financial providers.
- Regulation of private buy & rent back schemes

4.0 Mortgage Rescue Scheme: Element 1

4.1 The Advice Service

Housing Rights Service welcomes the explicit recognition of the key role which advice agencies have to play both in helping to prevent individual households reaching crisis point, and also assisting clients to examine the full range of alternative options available to them prior to referral to the Scheme. Advice services in NI are however already overstretched and struggling to cope with demand. Any enhanced level of service will require an investment of additional resources and we are concerned that the level of additional resources being proposed for this essential element of the Scheme appears very limited. It is important that the Department strikes an appropriate balance when investing any additional resources between the “emergency advice” element and the second “direct purchase” element of the Scheme.

This section of the document appears to suggest, up to three parties may be involved in the decision making process and there is a need for greater clarity on

where decision making responsibility will rest. This is clearly not an appropriate role for an advice agency and given the imminent threat of repossession the timescale of the decision making process is also critical. The Scheme needs to include safeguards to ensure that the proposed route can deliver a definitive outcome within required timescale.

- Q1.** Housing Rights Service understands the scheme is essentially about not only helping the client to find solutions to debt but also preventing homelessness. The advice service must therefore, be able to offer the client a combination of high quality debt and specialist housing advice. Housing Rights Service believes it is uniquely placed to be involved in delivering this service in NI. We would suggest that the model of the existing Community Housing Advice Project (*this combines the specialist housing expertise of HRS with the extensive geographical coverage of 24 frontline generalist advice agencies*) would be a useful model on which to base this service. This involves a small team located within Housing Rights Service providing specialist support through training, information, consultancy support to staff and volunteers within the partner agencies and also offering a referral service for more complex cases. The model could be expanded, with their agreement, to include other agencies with specialist debt advisers who are not currently within the CHAP partner agencies. This could not be done within existing resources and the amount of clients which could be assisted would be dependent on the additional resources allocated for the delivery of the service. If, as the paper suggests, only one additional worker is to be provided in a nominated agency this worker could only offer training, information, consultancy support and a very limited referral facility around this specific issue of debt related repossession and the Mortgage Rescue Scheme. This would not significantly alter the capacity of advice agencies to deal with any additional demand from clients seeking advice.
- Q2** Housing Rights Service would suggest that the advice service provided needs to be free at point of delivery, independent, accessible and quality assured. Prior to referral to the second element of the Scheme, the client needs to obtain good quality advice not only on debt and possible financial solutions but also on the alternative housing options available to those unable to negotiate a satisfactory financial solution.
- Q3** Housing Rights Service agrees that any advice agency which is able to demonstrate quality standards in the provision of not only debt but also housing advice should be able to refer clients to the Mortgage Rescue Scheme. Unlike some other jurisdictions there is no universally recognised quality standard on specialist housing/debt advice operating in NI. Housing Rights Service believes such standards should be developed as a matter of priority and thereafter those agencies demonstrating that they meet the standards would be ideally placed to offer this service. In the interim, the mechanism for

assuring the quality of advice provided requires further consideration by the Department.

- Q4** Housing Rights Service agrees that suitable applicants should be referred to a centrally co-ordinated Mortgage Rescue Unit and believes this could either be located within the DSD (Housing Division) or the Housing Executive.
- Q5** Housing Rights Service believes that, if a number of different Associations are to be involved in the Scheme, the case should be allocated to the Housing Association most likely to deliver a positive outcome for the client. This may include consideration of: availability of resources/willingness to participate in the scheme; operation of housing association within client's geographical area/community of origin; specialist expertise in management of particular client groups e.g. disabled, elderly. We also believe that, if the equity sharing arrangement is the preferred option, it may be more appropriate to nominate a housing association with proven expertise in this area (*i.e. NI Co-ownership Housing Association*) to deal with all applications.

5.0 Mortgage Rescue Scheme: Element 2

- 5.1** Housing Rights Service welcomes inclusion of this second "buy out" element for those who are unable, with the assistance of specialist advice, to identify a financial solution to their situation. We agree that it is useful to include both the options of shared equity or Mortgage to Rent (*for those who are unable to retain the minimum level of equity in their home*). There appears to be a suggestion, on page 6 of the document, that the Mortgage to Rent option would only be available to those who have NO equity in their property – Housing Rights Service would suggest that the relevant tests to be applied are: can the applicant afford it and can they access a loan to retain the agreed level of minimum equity?.

5.2 Initial Eligibility

Proposal

Housing Rights Service understands that the Scheme will extend to people who may not be in mortgage arrears but are under threat of losing their home as a consequence of default on a loan secured on their home and would welcome this aspect of the proposal.

We would suggest that prospective beneficiaries may also be identified by housing providers – the Housing Executive, in particular, is an agency which people may seek advice from if they are in danger of being made homeless.

Q6 **Criteria**

- Housing Rights Service agrees that a fundamental criterion for consideration is that the client is in arrears on debt which is secured on their home. It does not believe that any particular type of debt should be excluded (*unless the loan was obtained fraudulently*) and believes that the paramount consideration should be whether or not the debt is placing the clients home at risk;
- We recognise the need for inclusion of the criterion re inhibitions/legal action prohibiting sale
- Housing Rights Service experience strongly supports the view that the prospect of achieving a long term sustainable solution to the client's situation is significantly enhanced if they have received, and acted on, advice about their financial situation. We believe therefore that this is an essential criterion for consideration under the Scheme.
- Housing Rights Service agrees that full consideration should be given to other re-housing options and that the client must receive independent and impartial advice on the alternative options which may be available and which they would have a realistic prospect of obtaining within an acceptable timeframe.
- We would welcome further discussion/clarification on the nature/level of evidence considered appropriate to demonstrate that the other housing options may be unsuitable in any particular case and also on the relationship/links between consideration for assistance under the Mortgage Buy Out element of this scheme and the statutory homelessness assessment procedure.

5.3 **Applying to the Scheme for Help**

Housing Rights Service believes further discussion would be helpful on the procedure for applying for help under the Scheme. Access to independent financial advice is clearly important in relation to the decision by the applicant on the level of equity (*if any*) which they should retain. Due to the limited timeframe available in which to find a solution for these clients the Department should examine the options to ensure the whole process is as streamlined as possible.

Q7 Housing Rights Service believes referrals to the Scheme MUST come via an advice agency but does not believe that any advice agency should be placed in the role of decision maker within this scheme and does not agree that advice agencies should be requested to provide a letter of support for clients or to decide which option (Flexible Tenure or Mortgage to Rent) is most appropriate. It is our view that any client wishing to apply should not be prevented from doing so. The likelihood of a positive outcome (*to be determined by the relevant*

statutory agency) will of course vary depending on the client's ability to meet the various criteria outlined in the scheme. Advice agencies are well placed to assist clients by providing guidance on their prospect of meeting the criteria and, if they wish to pursue an application, in collating the relevant information to assist them to complete the application. They would also be in a position to confirm the preliminary work which has taken place with the client (*e.g in relation to debt advice and re-housing options*) prior to the application being submitted

Q8 Housing Rights Service agrees there is a need for a central co-ordination of this Scheme and believes this responsibility should be placed within DSD (Housing Division) or administered by the Housing Executive on their behalf.

Q9 Housing Rights Service strongly advocates the need for the Scheme to contain an appeals process and believes that, even though this scheme is discretionary, adverse decisions made under the Scheme will potentially be subject to legal challenge. Indeed, it is our view that this is more likely to happen if no acceptable system is in place to review decisions made. It is also essential that the decision making process is accountable and transparent and clarification is required on how decisions would be made within the Associations on whether or not the application should be accepted. In the interest of achieving a level of uniformity and consistency in the decisions reached we believe it may be better to restrict the number of participating associations – one with expertise in operating equity sharing arrangements such as NICHA and possibly one with traditional housing management expertise.

5.4 Housing Requirements

Q10 Housing Rights Service broadly agrees with all the five requirements outlined in the proposal but would welcome further discussion on the level/nature of evidence required to demonstrate compliance with each of the criterion.

We also consider that some flexibility would be required in the application of the fifth criterion (*i.e suitable for needs of the household*). There is no statutory definition of overcrowding in NI and there may be no "suitably sized" accommodation available to the client in their local area. The principle, contained within the homelessness legislation, of having regard to the general housing circumstances prevailing in the local area may be useful in making decisions on this criterion.

Q11 The need for a particular residence should generally include consideration of issues such as connection with schools/employment/family support/community support/caring requirements or responsibilities/special needs. There is provision for award of family/care support points within the existing Common Selection Scheme and it may be helpful to refer to current guidance in relation to how and when these are awarded.

5.5 Affordability

The Department needs to secure agreement from reputable financial institutions that, given the current economic climate, they will be willing to lend money to potential participants of the Scheme.

- Q12** Housing Rights Service agrees it is preferable to have a scheme which contains both options (i.e. Mortgage to Rent or Shared Equity) as this gives greater choice for clients and enhances their opportunity, where possible, to retain ownership of their home. Suitability for a particular option should be determined with reference to each individual client's personal and financial circumstances. Housing Rights Service does not agree that this should exclusively be based on financial considerations as other factors may also be relevant e.g. if client able to afford 25% equity but unable to obtain a loan.
- Q13** A minimum level of equity should be applied and this should be no lower than 25%. This is in line with some other shared equity schemes but is not aligned with NI Co- ownership levels which are currently 40%. It seems reasonable that shares can be increased by 5% or multiples thereof.
- Q14** Housing Rights Service would welcome further discussion on the proposal not to limit the equity payable. Reinvesting any equity in excess of £16000 back into the Scheme may be a preferable option for both the individual and for future beneficiaries of the Scheme. We would not wish to see a situation where, due to their ineligibility for Housing Benefit or other means tested Social Security Benefits, applicants were in fact paying more for their accommodation or were worse off than previously. Further views relevant to deliberations on this issue are contained in our response to Q26.

5.6 Affordability: Rent Levels

Housing Rights Service does not agree that it is appropriate to apply the definition of "affordable" proposed by Sir John Semple and would suggest the definition of "financial hardship" aligned to that currently used in assessing applications under the Common Selection Scheme. This formula refers to 30% of gross income and has a broader definition of housing costs which includes: mortgage repayments; rates; ground rent; buildings insurance and a fixed maintenance fee.

- Q15** Housing Rights Service believes that the rental levels for properties acquired under this scheme should be calculated on the same basis as those for the rest of the Association's stock. The client should then be eligible to apply for and receive Housing Benefit if they are on a low income and unable to meet the rental levels set. This aspect of the proposal appears inequitable and the review of rental levels in line with changes in personal circumstances adds unnecessary complexity to the Scheme.

5.7 Prioritisation

Given the limited funds to be allocated to the Scheme, Housing Rights Service recognises that it may be necessary if demand exceeds the resources available to prioritise between applicants.

- Q16** Housing Rights Service view is that the Scheme is already complex and that, if possible, additional complexity should be avoided. The most relevant factor to consider at this point would be how far along the legal process the applicant is and therefore how imminent is the threat of eviction and homelessness. In determining between two competing cases at the same stage in the legal process the chronological order of the application may be pertinent. We do not support the application of any of the other two factors proposed in this section in prioritising applicants. We believe there may be equality implications in taking into account the number of people living in the property and, as affordability problems will be acute for all applicants and will have been a key factor in determining their initial eligibility for the scheme, it does not seem appropriate to consider this factor again at the point of prioritisation.
- Q17** Housing Rights Service would support the allocation of the funds initially on a quarterly basis and would request the Department to keep this arrangement under review.

5.8 Automatic Allocation of Home to Original Owner: Ignoring the Common Selection Scheme

- Q18** Housing Rights Service does not agree with this approach and believes that the Department should use Rule 84 of the Common Housing Selection Scheme, to enable properties acquired under the Mortgage Rescue Scheme to be allocated outside the scheme's scope.

We note the view expressed by the Department in the document that *"the rules of the Common Selection Scheme would not apply to Mortgage Rescue Scheme properties as the landlord has provided support"* and would seek clarification on the nature of the support which has been provided.

5.9 House Value

- Q19** As the resources allocated to the Scheme are likely to be restricted, Housing Rights Service agrees that a capital value limit should apply.
- Q20** Housing Rights Service believes there is a need for further discussion/clarification on how "local" area is defined - would this for be aligned, for example, to the Broad Rental Market Areas now used as the basis for calculating entitlement to Local Housing Allowances or is it proposed to adopt some other definition?

There is also a need to build in a process for regular review of these values to reflect changes in the housing market.

5.10 Exclusions – Negative Equity

Q21 Housing Rights Service agrees that the Housing Association could not pay more than the market value of the property. Given the recent sharp decline in the value of homes in NI we are concerned however that the application of this particular rule may exclude many potential participants. We would therefore, welcome further discussion around the proposal to automatically exclude those applicants with negative equity in their homes and would not support a blanket exclusion as there may be individual circumstances where, if the agreement of lender could be secured, this may still be the best option for the client.

5.11 Types of Property

Q22 & Q23

Housing Rights Service does not support the idea that certain types of property should be automatically excluded from the Scheme. If however, certain properties are to be excluded, information on the types of property which are considered unsuitable should be published by the Housing Association. Failure to do so, may lead to a person living in this type of property wasting valuable time pursuing an option which is not genuinely available to them.

5.12 Repairs

Q24 Housing Rights Service recognises the need to set a repairs limit and supports the logic of aligning this with the limit, currently in place, for purchasing Existing Satisfactory Properties.

Q25 Housing Rights Service agrees that it may not be necessary for the property to comply fully with social housing standards but believes guidelines should be provided on what constitutes a “reasonable” standard, rather than leave this decision entirely at the discretion of the Association. We do not agree that, in “Mortgage to Rent” properties, any other maintenance or improvements should be discretionary and believe the tenants living in these properties should have a tenancy agreement with their landlord which entitles them to the same repairs as the other tenants of this Housing Association.

5.13 Housing Benefit Eligibility

Q26 Housing Rights Service would welcome further discussion on the proposal not to limit the equity payable. We would not wish to see a situation where, due to their ineligibility for Housing Benefit, applicants were in fact paying more for their accommodation costs than previously. It is also worth considering if allowing the participant to retain any equity above the £16000 level would impact on their eligibility for any other social security benefits such as help, if

needed, with mortgage interest payments (ISMI). Explicit policy guidance would also be needed that those qualifying for and receiving assistance under this scheme would be exempt from application of the contrived tenancy provisions contained in Housing Benefit regulations. This is an area of the Scheme where close discussions with the Housing Executive who are the agency responsible for administering Housing Benefit in NI would be invaluable.

5.14 Tenancy

Whilst this section deals exclusively with tenancies it should be noted that the specific terms of the lease for those applicants qualifying for the Flexible Tenure element of the Scheme are also extremely important. The recent English case of *Richardson V Midland Heart Ltd, High Court (Chancery Division), 12 November 2007*, illustrates the risk, if documents are not drafted clearly to reflect that the applicant retains a share of equity. If the Department wishes to proceed with engaging a potentially large number of Associations in this Scheme there is room for error and it would, in our view, be important for a standard lease to be adopted to ensure that a similar situation is avoided in NI.

Q27 Housing Rights Service does not agree with this proposal. As the applicant will have to meet very stringent criteria to be accepted under the Scheme, there is no apparent justification for creating a tenancy on less favourable terms than other tenants. We believe that tenants of properties acquired under this Scheme, should be secure tenants with the same rights and responsibilities as other tenants of the Association. As with all new tenancies of social landlords in NI this should initially be granted for a 12 month introductory period. Housing Rights Service is concerned that if secure tenancies are not awarded and the terms of the tenancy are, as proposed, subject to annual review the tenant is placed in a very vulnerable legal position. There is a need for these tenants to enjoy the same legal protection from premature possession proceedings as any other Housing Association tenant.

5.15 Completing the transaction

Q28 Housing Rights Service accepts that the condition of the property, the valuation and the title are all relevant to the Association's decision. We do not agree however that, if the applicant has already sought independent debt advice and demonstrated they meet the strict criteria laid down for entry to the Scheme, the Housing Association considering their application should take their financial position into account when deciding whether or not to accept an application.

5.16 Buy- Back

Q29 Housing Rights Service agrees that participants of this Scheme should be afforded the same opportunity to buy back/staircase out as other social tenants and shared owners in NI.

5.17 Transferring a Property from Flexible Tenure to Mortgage to Rent Proposal

Q30 Housing Rights Service agrees with this element of the proposal.

5.18 Disposal of Properties from the Mortgage Rescue Scheme

Q31&32

Housing Rights Service would welcome further clarification on this aspect of the proposal.

- Is it the Department's intention that each of the individual Housing Associations would operate a restricted fund for operation of the Mortgage Rescue Scheme or would this money be returned to a centrally retained fund for future use in the Scheme?
- For Flexible Tenure properties is the suggestion that the owner would be required to first offer the property for sale to the Housing Association? If so, time limits for the Association to make a decision need to be put in place.

5.19 Additional Questions

Q34 Housing Rights Service strongly supports the principle of a Mortgage Rescue Scheme but recognises that its impact will be limited by the amount of resources allocated to the Scheme.

Q35 There has been a recent announcement of proposals to introduce a government led Mortgage Rescue Scheme in England and it would seem appropriate to consider the detail of this before finalising the shape of the Scheme to be adopted in NI.

Q36 The Scheme being proposed is fairly complex and Housing Rights Service would have concerns about a plethora of agencies being involved in the Scheme. There is clearly a need for a central co-ordinating body and we believe this could either be DSD (Housing Division) or the Housing Executive, acting on their behalf. There is a need for the whole process to be completed quickly and given the complexity of the proposed Scheme, those agencies involved will need both to be genuinely committed to the Scheme and to have considerable expertise in this area. Initially at least, this may be good reason to limit the number of housing providers and also the number of advice providers making referrals direct to the Scheme. This should, of course, be kept under review as the Scheme evolves.

5.20 Housing Rights Service endorses the view expressed by the Minister in her Foreword to this consultation document, "*we cannot stand idly by and watch people we could have helped face the trauma of repossession*". We look forward therefore to continued engagement with the Department and other stakeholders in the development and subsequent implementation of the Mortgage Rescue Scheme for Northern Ireland.

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