



# Universal Credit

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Support for Mortgage Interest

If you're a homeowner and get certain income-related benefits, you may be able to get help towards mortgage interest payments. This is called Support for Mortgage Interest (SMI). SMI is a loan, which you'll need to repay with interest when you sell or transfer ownership of your property.

## About Support for Mortgage Interest (SMI)

SMI is sometimes known as 'help with housing costs'. It can help towards mortgage interest payments:

- for a mortgage
- for a loan to buy
- to improve your home

It cannot help you pay:

- the amount you borrowed (only the interest on the mortgage is paid)
- insurance policies
- mortgage arrears

SMI is normally paid directly to your lender. There's no guarantee you will get SMI for a loan you take out.

### **IMPORTANT INFORMATION TO KNOW BEFORE APPLYING FOR AN SMI LOAN**

If you decide a Support for Mortgage Interest loan is the best option for you, there are number of things you need to know before you apply.

An SMI loan is different to a normal loan because you don't get a lump sum. Instead, regular payments will be made towards the interest on your mortgage and some home improvement loans. You will need to pay these back. The total amount you owe will go up with every

payment that is made. For example, if the Department for Communities make 12 payments of £50, you would owe £600 (plus interest).

Key elements of an SMI loan:

- there are no fees to set up the Support for Mortgage Interest loan
- there will be no credit check
- interest will be added to the total amount you owe the Department for Communities until it is paid back or written off
- where applicable, the Department will place a charge (or in some cases a mortgage) over your property to secure the loan. This means that when you sell your property or ownership is transferred, you must pay the Department back from any remaining equity once your mortgage is repaid
- where the Department is unable to secure the loan by a charge (or in some cases a mortgage) it will still offer the loan and may secure it as a Statutory Charge on the property at a later date
- you'll get a statement every year telling you how much Support for Mortgage Interest loan you have borrowed, and how much interest has been added
- you can ask to stop getting Support for Mortgage Interest loan payments at any time
- if your Universal Credit changes or ends, your Support for Mortgage Interest loan payments may stop.

## Eligibility

You may be eligible for SMI if you are a homeowner and get one of the following benefits:

- **Income Support**
- income-based **Jobseeker's Allowance**
- income-related **Employment and Support Allowance** (ESA)
- **Universal Credit**
- **Pension Credit**

You can get a loan:

- from the date you start getting Pension Credit
- after you have claimed any other qualifying benefit for 39 consecutive weeks
- after you have been getting Universal Credit for three consecutive months - you should note that any earned income you get when you are on Universal Credit will affect the date when you can start to get Support for Mortgage interest payments

You might still be able to get SMI if you apply for one of the qualifying benefits but can't get it because your income is too high. In this case you will be treated as getting the benefit you applied for.

## You stopped getting SMI because your qualifying benefit stopped

You'll start getting SMI again straight away if:

- you stopped getting Universal Credit but you started getting it again within six months
- you stopped getting Pension Credit and you were moved to Universal Credit
- you stopped getting Income Support, income-based JSA or income-based ESA, and you applied for Universal Credit within a month

- you get Income Support, income-based JSA or income-related ESA and you apply for Universal Credit within three months of receiving a Migration Notice letter

If none of these apply, you'll have to wait the normal period before getting SMI again.

## What you'll get

If you are eligible, you'll get help paying the interest on up to £200,000 of your loan or mortgage. This figure is £100,000 if:

- you get Pension Credit
- you started claiming another qualifying benefit before January 2009

If you already get SMI and move to Pension Credit within 12 weeks of stopping your other benefits, you'll still get help with interest on up to £200,000.

The interest rate used to calculate how much SMI you will get is currently 3.66 per cent. If you have a lower interest rate than this, you will receive more SMI than is needed to meet your payments. These payments can only be credited to your mortgage account.

## Before you apply for an SMI loan

Before you apply for a SMI loan you should find out:

- how much mortgage you have left to pay,
- how much mortgage interest you pay, and
- other ways you can pay your mortgage interest

This information will help you decide how to continue paying the interest on your mortgage and/or home improvement loans.

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Your annual statement from your mortgage lender tells you how much mortgage interest you pay.

If you have a joint mortgage, you must talk to the other person named on the mortgage about the options for paying the mortgage interest.

You can't get a Support for Mortgage Interest loan unless the correct loan documents are signed by both of you. It may be useful to talk through your options together.

It's your responsibility to make sure you pay your mortgage interest. If you don't your home may be at risk.

## How to apply for an SMI loan

If you are receiving a benefit other than Universal Credit, you can apply by downloading and completing the claim form MI12 at [www.nidirect.gov.uk](http://www.nidirect.gov.uk) and search for [Help with housing costs form MI12](#)

- To check if you can get an SMI loan and for queries, contact your local Jobs & Benefits office - call 0300 200 7822

Employment Support Allowance Centre - call 0800 587 1377 or

The Northern Ireland Pension Centre - 0800 587 0892.

Free advice is also available from Advice NI at 0800 915 4604

Housing Rights 02890 245 640

If you claim Universal Credit, you can use your online account to state that you would like to apply for SMI when you make a claim, or at any time during your claim.

## Repaying your mortgage interest on a low income

If you get help towards your mortgage interest payments through a Support for Mortgage Interest (SMI) loan, you'll need to repay it with interest when you sell or transfer ownership of your property.

## Repaying your SMI loan

From 1 July 2026, the rate of interest is 4.50 per cent. This rate can go up or down but it won't change more than twice a year and you will be told if it's going to change.

The Department for Communities will not make a profit from Support for Mortgage Interest loans. The interest you pay will be at a similar rate to the interest paid by the Department.

The two examples below show how the equity you have left affects how much you pay back.

Equity is the money left after you pay back everything secured against your property including your mortgage.

If there isn't enough money left to repay the loan in full, don't worry. The Department for Communities will write off the remaining amount and consider the loan fully repaid.

### Example 1

You have enough equity to pay back your SMI loan and interest in full	
You sell your property for	£95,000
Outstanding mortgage amount (including any other secured loans) to pay back	£35,000
Amount remaining	£60,000
Support for Mortgage Interest loan amount and interest which will be recovered	£4,500
Equity remaining	£55,000

## Example 2

You don't have enough equity to pay back your SMI loan and interest in full	
You sell your property for	£80,000
Outstanding mortgage amount (including any other secured loans) to pay back	£71,000
Amount remaining	£9,000
Support for Mortgage Interest loan amount and interest	£9,600
Amount recovered	£9,000
Amount written off	£600

### VOLUNTARY REPAYMENTS

If you want to repay the loan more quickly, you can make voluntary repayments. The minimum voluntary repayment is £100 or the unpaid balance if it's less than £100.

## How to repay

You should contact the Department for Communities **Debt Management** details available at [www.nidirect.gov.uk](http://www.nidirect.gov.uk) and search for Debt Management Northern Ireland. The Loan Management team will issue a settlement letter and this will tell you how much you need to pay.

You can pay:

- online - using the bank account details in your settlement letter
- by telephone - you'll need your bank, building society or card details and your settlement letter

## Ways you can pay your mortgage interest

When you know your mortgage details you will need to consider how to pay your mortgage interest. There are a few ways to do this.

### APPLY FOR A SUPPORT FOR MORTGAGE INTEREST LOAN

If you accept an offer of a Support for Mortgage Interest loan, the Department for Communities will make regular payments towards the interest on your mortgage and/or some home improvement loans.

You don't need to pay back the Support for Mortgage Interest loan until you sell your property or transfer ownership.

Interest will be charged on your Support for Mortgage Interest loan. The Department for Communities may also place a charge or mortgage on your property. This means that your house can be used as a guarantee to pay the loan off when the property is sold or ownership transferred.

### CONTACT YOUR MORTGAGE LENDER

Your mortgage lender may be able to suggest other ways to manage your mortgage payments, for example changing your mortgage interest rate.

### USING SAVINGS AND INVESTMENTS

If you have savings and investments, you may be able to use these to pay your mortgage interest or reduce the overall amount you owe your mortgage lender.

You may want to seek financial advice before doing this. The Department will not pay the cost of any advice you receive.

If you choose to do this, you will need to report this through your online account as using your savings may change the amount of Universal Credit you get.

### **SPEAK TO A CREDIT UNION OR BANK/ BUILDING SOCIETY**

A Credit Union, bank or building society may be able to offer loans as well as savings and bank accounts. You'll need to check what interest rates they charge.

### **MOVE TO A DIFFERENT PROPERTY**

The size of your home and where it's located can affect how much it is worth. Moving home may change the amount of mortgage you need – you may be able to have a smaller mortgage, or you may not need a mortgage at all.

These are just some of the options you may have. There may be more options for you to think about.

## Other financial help with housing costs

You can still get financial help with your housing costs if your Income Support, income-based Jobseeker's Allowance or income-related Employment and Support Allowance is going to stop because you are about to:

- return to work full-time
- work more hours
- earn more money

This is called the Mortgage Interest Run On. You can find out if you qualify for a **Mortgage Interest Run On** at [www.nidirect.gov.uk](http://www.nidirect.gov.uk) and search for 'Mortgage Interest Run On

## Where you can get help and support

You need to decide if a Support for Mortgage Interest loan is the best option for you and your household. You may want to seek help and support from family and friends.

You can get free and impartial money advice from any independent advice office, or by contacting:

### **ADVICENI**

Freephone: **0800 915 4604**

### **HOUSING RIGHTS**

Tel: **028 9024 5640**

### **MONEY HELPER**

Website: [www.moneyhelper.org.uk](http://www.moneyhelper.org.uk)

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## Further Information

There is information on and Universal Credit available at [www.nidirect.gov.uk/uc-childcare-costs](http://www.nidirect.gov.uk/uc-childcare-costs)



**Northern Ireland  
Executive**

[www.northernireland.gov.uk](http://www.northernireland.gov.uk)

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