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# **BILL**

TO

Make further provision about homelessness; to provide for the suspension in certain circumstances of possession and eviction court orders; to provide for the variation of contractual interest rates in certain circumstances in possession proceedings; to provide for the waiving of administrative fees and charges in certain circumstances in possession proceedings; to provide additional help with housing costs to persons in receipt of income support or jobseeker's allowance and subject to mortgage possession proceedings; and for connected purposes.

**B**E IT ENACTED by the Queen's Most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows –

## **1 Prevention of homelessness**

- (1) Where a person occupies a dwelling house as their only or principal home and that dwelling is subject to mortgage or landlord and tenant possession proceedings, the court may suspend any order granted in such proceedings to provide time for that person to secure reasonable alternative accommodation.
- (2) An application may be made by a person under subsection (1) at anytime before lawful ejection from the dwelling house takes place.
- (3) On an application under subsection (1) the court may suspend the enforcement of any order granted-
  - (a) to such extent,
  - (b) and for such period, and
  - (c) subject to such conditions,as the court thinks fit.
- (4) The court may make an order under this section where it considers it reasonable in all the circumstances to do so; and the court, in considering whether to make such an order and what its terms should be, is to have regard in particular to-
  - (a) the ability of the applicant and any other person residing at the dwelling house to secure reasonable alternative accommodation, and
  - (b) the need to prevent the applicant and any other person residing at the dwelling house from sleeping rough or from having to reside in housing conditions which are not reasonably fit for human habitation.
- (5) In this Act, 'mortgage possession proceedings' and 'landlord and tenant possession proceedings' means litigation commenced in a United Kingdom court to recover possession of property occupied as a sole or main residence.

## **2 Variation of interest rates**

- (1) Where a person is subject to mortgage possession proceedings the court may vary the parties' contractual rate of interest where it is reasonable to do so in order to prevent homelessness.
- (2) The court shall not vary the rate of interest under subsection (1) to a level below that applied by the Department of Works and Pensions for claimants eligible for help with housing costs.

## **3 Waiver of fees and charges**

- (1) Where a person is subject to mortgage possession proceedings the court may waive any administration or other such charge levied under the mortgage where the court considers it reasonable to do so in order to prevent homelessness.
- (2) Where a person is subject to mortgage possession proceedings, the court may waive any legal expenses due by that person in the mortgage possession proceedings, including expenses payable in terms of an indemnity clause in the mortgage, where the court considers it reasonable to do so in order to prevent homelessness.

## **4 Prevention of mortgage repossession**

- (1) In schedule 2 (housing costs) of the Jobseeker's Allowance Regulations 1996 No. 207 insert –

### **“7A Prevention of mortgage repossession**

- (1) Where the claimant is subject to mortgage possession proceedings, payment of existing or new housing costs may be requested from the date of entitlement to income support notwithstanding paragraphs 6 and 7 of this schedule.
  - (2) The Secretary of State may grant such payment under sub-paragraph (1) where he considers it reasonable to do so in order to prevent homelessness.
  - (3) 'Mortgage possession proceedings' means litigation commenced in a United Kingdom court to recover possession of the claimant's heritable property due to default or mortgage arrears.
- (2) In schedule 3 (amounts in respect of housing costs) of the Income Support (General) Regulations 1987 No.1967 insert –

### **“8A Prevention of mortgage repossession**

- (1) Where the claimant is subject to mortgage possession proceedings, payment of existing or new housing costs may be requested from the date of entitlement to income support notwithstanding paragraphs 6 and 8 of this schedule.
- (2) The Secretary of State may grant such payment under sub-paragraph (1) where he considers it reasonable to do so in order to prevent homelessness.
- (3) 'Mortgage possession proceedings' means litigation commenced in a United Kingdom court to recover possession of the claimant's heritable property due to default or mortgage arrears.

**5 Short title, commencement and extent**

- (1) This Act may be cited as the Prevention of Homelessness Act 2004.
- (2) This Act shall come into force on 1 April 2005.
- (3) This Act extends to the United Kingdom.