

ELLIOT COLBURN MP



HOUSE OF COMMONS

LONDON SW1A 0AA

The Rt Hon. Dr Thérèse Coffey MP
Secretary of State for Work and Pensions
Department for Work and Pensions
Caxton House
Tothill Street
London
SW1H 9NA

24 November 2020

Our Ref: EC9186

Dear Thérèse,

RE: Support for Mortgage Interest (SMI) Loan Scheme

I hope this letter finds you well. I met this afternoon with Steve Triner, Chief Executive of Citizens Advice Sutton (CAS), to discuss their concerns about the impact that the loss of income has on an owner occupier family's ability to maintain their home during a financial crisis, whether as a result of the COVID-19 pandemic or some other life event.

Steve highlighted the recent report "*From SMI to Mortgage Support: How to help struggling homeowners through the pandemic*" - written by the Centre for Policy Studies thinktank and supported by the Joseph Rowntree Foundation, which has recommended the reform of the support for mortgage interest (SMI) loan scheme.

The key recommendations made within the report are:

- SMI should be available from day one – the 9 months wait period should be abolished
- lenders should be asked to inform those borrowers in arrears about the benefits of this scheme and encourage transferring to interest-only mortgages where there is a risk of people losing their home
- the first 3 months of SMI should be paid as a grant, not a loan
- no interest should be charged on the next nine months of any claim
- there should be greater flexibility in allowing people to claim SMI while moving into work to remove the current cliff edge of support

I enclose a copy of Steve's letter to me, as well as a copy of the CPS report, and I should be grateful if you could consider the recommendations and provide me with a detailed response so that I may report back positively to CAS.

With best wishes,

A handwritten signature in dark ink, appearing to read 'Elliot Colburn', written over a white background.

Elliot Colburn

Conservative Member of Parliament for Carshalton and Wallington

[Enc.]

Serving the people of Carshalton and Wallington

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