

INTEGRATION LOANS POLICY GUIDANCE

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1. Introduction

- 1.1 Historically when granted leave to enter or remain refugees were able to apply for a backdated payment of the benefit they would have received during the time their asylum claim was being determined minus any asylum support received by them. This system was considered unfair as the amount that an individual received was related solely to the time that they spent waiting for a decision rather than their integration needs. Also these payments were available to refugees only and not those with humanitarian protection or their dependants. A loan scheme was considered a much fairer and more cost effective way of ensuring that those refugees with the greatest integration needs were able to get financial assistance to obtain a specific item or activity that would assist with their integration into the UK. As the payments took the form of a loan, money recovered could be recycled to ensure a continuous fund for new refugees.
- 1.2 [The Integration Loans for Refugees and Others Regulations 2007](#) ('the Regulations') (see above link) enable loans to be made to those granted refugee and humanitarian protection status and their respective dependants. For the purposes of this guidance the definition of dependant is that given in Section 94 of the Immigration and Asylum Act 1999 – in practice given the eligibility criteria for the loans a dependant is likely to be a spouse only. Loans are interest free with gentle repayment terms.
- 1.3 The Regulations include, amongst other things, eligibility criteria, and terms and conditions of the loan. The scheme will be jointly administered by the UK Border Agency (UKBA) who will make the decision on whether to pay a loan and the Department for Work and Pensions (DWP) which will be responsible for the payment and recovery of the loan. In cases where the applicant is resident in Northern Ireland, all references to DWP should be replaced by Northern Ireland Social Security Agency (NISSA). The procedures in these cases remain unchanged.
- 1.4 DWP pays out and recovers the loans on the instructions of UKBA. The Social Security Claims and Payments Regulations (and their equivalent in Northern Ireland) have been amended to allow the addition of the integration loans to the third party deduction scheme which allows deductions to be made from an individuals benefit. For applicants in work or not claiming any benefit repayment will be in accordance with established guidelines used by DWP for other debts.
- 1.5 Integration loans are funded by savings made from the abolition of back-dating of income related benefits which happened simultaneously with the introduction of the loan scheme.
- 1.6 This guidance has been produced for caseworkers working in the Integration Loan Team of the UK Border Agency (UKBA)

Main areas of consideration:

1. Is the applicant eligible to apply for an integration loan? ([see section 2](#))
2. Is the application valid? ([see section 3](#))

3. If the response to 1 and 2 above is yes – should a loan offer be made? (see sections [6,7,8,9](#) and [10](#))

[Annex A](#) provides an overview of the consideration process

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2. Eligibility

Is the applicant eligible?

- 2.1 A person is eligible to apply for an integration loan if they meet the following criteria:
- a) i) They have been granted refugee status, or humanitarian protection and leave to enter or remain
 - or**
 - ii) They have leave to enter or remain because they are a dependent of a person in eligible under i).
 - b) They are aged 18 or over.
 - c) They have not received an integration loan (including a joint loan with a partner)
 - d) They must have been granted leave to enter or remain after 11 June 2007

The above details must be checked by examination of the applicant's asylum case file. The applicant should also include with their application a copy of their Immigration Status Document (ISD) or where appropriate their national passport. This is required in order to a) check whether the applicant is eligible to apply and b) to check identity ([see section 5](#)).

- e) They are not insolvent. For the purposes of this scheme a person is insolvent where the Secretary of State is of the opinion that, having regard to their financial position, they would be incapable of making the repayments required.

For those on income related benefits this is likely to be when they are subject to the maximum number of deductions from this benefit allowed under the Claims and Payments Regulations (i.e. 3 times 5% of the Income Support scale rate in respect of a person aged 25 or over).

For those not on benefits this is likely to be where their liabilities and outgoings are equal to or more than their income and they have no assets.

- 2.2 **Joint applicants:** Couples that satisfy the above eligibility criteria can apply for a joint loan if they are married, they are not married but living together as husband and wife, they are civil partners, or they are same sex partners who are not civil partners but are living together as if they were.

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3. Validity

Is the application valid?

- 3.1 To be valid, applications must be made by an eligible person and be in writing (and preferably on a standard application form). The following information must be provided by the applicant:

Personal details

Full name

Other names by which he/she is or has been known

Date of Birth

Address in UK

Telephone number (if any)

Email Address (if any)

National Insurance Number (see [section 4](#) for further information)

Partner details as above (where the applicant has a partner – for both joint and single loan applicants)

Names, dates of birth, and relationship to him/her of all his/her dependants

Financial details – for both applicant and partner and any other relevant dependants (i.e. those who may be resident with the applicant and contributing to the household income)

Income, including income received from public funds/state benefits

Assets

Liabilities

Expenditure/outgoings

Details as to whether any dependants or members of the household have previously applied for or received an integration loan.

Loan details

Amount requested

Intended use of loan

- 3.2 Applications must be signed by the applicant and include a declaration that the information given is correct to the best of his/her knowledge or belief. If the application is for a joint loan both applicants must sign the declaration.
- 3.3 If an application is not valid, the loan can't be made and the applicant should be informed in writing that the application is not valid and the reason(s) why not.

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4. National Insurance Numbers

- 4.1 A NINO is requested from the DWP once a decision to grant leave has been made by an asylum caseworker or following an allowed appeal. Such requests are subject to a fast track system.
- 4.2 This fast track system does not apply however to those applicants who were interviewed before its introduction in March 2004 nor to dependants.
- 4.3 The application is not valid without a NINO. The application should therefore be refused on the basis that it is not valid. The number of such cases will be recorded and monitored.

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5. Fraudulent Claims

- 5.1 The identity of an applicant will be confirmed by the caseworker on the verification of documents on file against the application form details and the ISD/passport. This will include checking that signatures, photographs and family circumstances match.

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6. Matters to be Taken into Account

6.1 If an application is valid then a decision needs to be made as to whether to make a loan and if so for how much. When making this decision there is an obligation to take into account the following –

(a) **the length of time since the applicant was granted leave to enter or remain.** If leave to enter or remain as a refugee or under humanitarian protection was granted more than 12 months before the application was made, unless there are compelling circumstances as to why an earlier application was not made, the application will normally be refused.

(b) and (c) **the applicant's financial position and likely ability to repay an integration loan.** Consideration will need to be given to the applicant's income, assets, liabilities and outgoings (see [section 7](#) and [8](#))

(d) **the information provided by the applicant as to his intended use of an integration loan** (see [section 9](#))

(e) **other matters appearing to be relevant** (see [section 10](#))

(f) **the available budget for integration loans.** This refers to the total budget in any one financial year set aside for the sole purpose of making integration loans. The level of loan payments will be monitored monthly throughout the financial year. As the budget for the loan scheme is limited, applications must be prioritised.

A set allowance will be allotted each month for two priority groups: high and/or low depending on the applicants intended use. The following matrix should be used:

Reason for application	Priority
Housing (rent in advance, deposit, or to cover rent arrears where there is a delay in paying housing benefit)	High
Employment	High
Education	High
Housing (essential items)	Low

There will be a monthly allocation of 75% for high priority and 25% for low priority cases. This allocation will be reviewed and re-allocated each month as required.

If the caseworker is satisfied that a loan offer should be made taking into consideration all the factors set out above and a) the amount requested is reasonable for the item/activity requested; b) there is sufficient allocation remaining in the budget allocation for the applicant's priority grouping; then the loan offer can be made.

If a loan request exceeds the budget allocation for its priority group within a particular month, a decision will be made on whether to make an exception, getting information from the applicant where necessary. Consideration will also be given to:

- a) The likely impact of awarding a larger loan on the availability of funds for applicants later in the budgeting period;
- b) Whether the applicant's intended loan purpose could be met with a smaller loan; and
- c) Whether it would be preferable to make no loan at all than to award a loan that would be insufficient for the stated purpose

6.2 The minimum and maximum loan amounts are £100 and £1,000 respectively.

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7. Financial Position

- 7.1 If an applicant is working and their income is above £15,000 per annum and or they have savings of more than £1,000 an application should normally be refused unless the applicant can demonstrate why the loan would have a positive effect on their integration.

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8. Ability to Repay

Applicant's likely ability to repay an integration loan

- 8.1 Repayments will be managed by DWP. They will write to the applicant shortly before repayment/recovery is due to commence and from this point onwards they will be the first point of contact for the applicant. For those in receipt of Income Support, Income Based Jobseeker's Allowance and Pension Credit recovery will be through deduction from benefit. Where a refugee (or their partner) is not receiving benefits at the point at which repayments are due to start, DWP will negotiate with the applicant a repayment rate based on the size of loan. If the applicant has any other debts for repayment to DWP these will be combined with the integration loan and the balance collected as one debt.
- 8.2 As stated in paragraph 8.1 the exact loan repayment rate will be calculated by DWP on the basis of the applicant's circumstances at the time repayments are due to start, i.e. on or off benefit, other debts etc. However, the Regulations specify that a loan cannot be made until the applicant has signed an agreement setting out (amongst other things) the terms of repayment. This should indicate the maximum repayment rate that the applicant will be expected to make using the information below. Caseworkers should also be satisfied that the applicant will be able to repay the loan within the period of the applicant's extant leave, taking into account their income and levels of debt. The applicant's ability to repay the loan and the repayment rate should be determined according to:

If the applicant is on benefit (income support, income based job seekers allowance or pension credit). **NB: Where an individual loan has been made and the applicant's partner is claiming benefits for a family unit (which includes the applicant) deductions will be taken from the partner's benefit**

- a) calculation of whether they can pay back the loan within their extant leave at the prevailing third party deduction rate for arrears. For 2009/10 this is £3.25 per week for both single and joint applications. This will increase in line with departmental uprating.
 - b) appropriate limits for benefit deductions. If an applicant is already subject to the maximum number of deductions allowed under the Claims and Payments Regulations (i.e. 3 times 5% of the Income Support scale rate in respect of a person aged 25 or over - £3.25 per week) recovery from benefit by DWP will not be possible until the number of deductions is reduced.
- If the applicant is not on benefits
 - a) calculations should be based on the maximum repayment rate for the debt in line with existing DWP repayment guidelines. Account should be taken of whether the applicant has declared any other debts which are subject to recovery. If so the integration loan debt will be combined and collected as a whole. Caseworkers should use the maximum repayment rate for the total debt
 - b) If the total amount of an individual's liabilities and outgoings are equal to or more than their income and they have no assets – the applicant

would be unable to make or maintain the required repayments and the application should be refused on this basis

- Joint loans

- a) For couples who are both in receipt of benefit the deduction will always be at the single rate regardless of whether the loan was joint or single – therefore the amount awarded can be no higher than that for a single application.
- b) For couples where one is working and the other is on benefit the repayments will be deducted from the partner claiming benefit.
- c) For couples where both are off benefit (i.e. both working) the repayment calculation should be in line with the DWP guidelines.

8.3 Consideration should also be given to the applicant's future ability to repay. For example if the loan is for training or something that is likely to improve the applicants employment prospects they may be in a position to repay the loan more quickly. When a decision is to be made on the loan amount and a judgement needs to be made on whether a larger amount can be paid on this basis. Supporting evidence will be required from the applicant in these cases and the reason(s) for the decision should be fully recorded.

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9. Intended Use of Loan

- 9.1 The item/activity requested must be appropriate to the integration needs of the applicant (as stated in their application) and the amount/activity requested reasonable for that purpose. Examples of acceptable items/activities are listed below:

INTEGRATION NEED	ITEM/ACTIVITY
Housing (if not available through Job Centre Plus)	Deposit for rented accommodation
	Rent payment
	Essential items for the house
	House moving expenses
Employment (if not available through Jobcentre Plus)	Travel expenses, e.g. costs to attend interviews
	Work clothing/footwear
	Work Equipment
	Initial child care costs
	Subsistence while training
Education (if not available through Jobcentre Plus)	Training/education programme
	Re-qualification/professional qualification
	Subsistence whilst studying

- 9.2 If the requested amount exceeds that which is considered reasonable for this item/activity by a significant proportion (10%) the applicant should be requested to provide credible information to support the application. If the applicant does not provide this an offer for a reasonable amount should be made.
- 9.3 A loan application should normally be refused if the intended use falls under the following list of exclusions.
- a) Non-essential items – e.g. TV/licence, computers (unless the applicant can demonstrate a particular need i.e. studying IT), mobile phones, leisure items, holidays;
 - b) Domestic assistance and respite care;
 - c) Mobility items
 - d) General living expenses, including payment of household utility bills
 - e) Council tax payments;
 - f) A medical, surgical, optical, aural or dental item or service
 - g) Cars, including driving lessons and licence and fuel costs, unless this is essential to their job i.e. driving instructor, lorry driver, taxi driver. Caseworkers will require credible evidence to support the request from the employer or in the case of taxi driving from the licensing local authority.

- 9.4 Where requested items/activities are not listed on either the application form or the exclusion list consideration will need to be given to the application (obtaining further information in support from the applicant) according to:
- a) Whether this an appropriate use for a loan;
 - b) The likely impact on integration;
- 9.5 In such cases the reasons for the decision taken should be fully recorded.

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10. Other Factors for Consideration

- 10.1 Each application must be considered on its own merits and discretion should be used as to which matters (other than those required to be taken into account) appear to be relevant. For example - length of time in the UK is a strong factor. If an applicant has been here for over three years consideration will need to be given to the reason for the loan. If the applicant has been working and living independently then their integration needs are likely to be low and further information requested. If an applicant has been here longer than three years but is not working and/or living in supported/dependent accommodation then he/she may have a higher priority need for help with integration.

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11. Notification of a Decision to the Applicant

11.1 When a decision is made the applicant must be informed in writing:

- a) whether or not the application is valid ([see section 3](#))
- b) if it is, whether or not an integration loan will be made
- c) if an integration loan is to be made, the amount, conditions and terms of repayment ([see section 8](#))
- d) the deadline for response if they want the loan to be made (usually 14 days after the date of the loan offer letter)

11.2 Any loan offer will be made conditional on the applicant signing a loan agreement which itself sets out the terms and conditions in which the loan is made. See [Annex B](#) for a loan agreement template.

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12. Reconsideration of the Application

12.1 An applicant whose application was refused or was offered a smaller amount than requested may ask for their application to be reviewed.

A request for reconsideration:-

- a) must be in writing
- b) must explain why the applicant disagrees with the decision
- c) may be supported by additional and previously unconsidered information relevant to the original application.
- d) must be received within 14 days of the date of the loan offer/refusal letter

12.2 The reconsideration of the decision will be undertaken in line with the procedures outlined in sections [3,6,7,8,9](#) and [10](#) and should be carried out by a different case worker to that who made the original decision. Once reconsideration has taken place the applicant should be notified in writing either that:

- a) the original decision still stands
- or
- b) a loan will now be awarded
- or
- c) the amount awarded will now be increased

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13. Loan Referrals

- 13.1 Once a loan offer has been accepted and the agreement has been signed by the applicant a loan referral should be made by the caseworker to the DWP to instruct them to make the necessary payment and set in place recovery arrangements. A letter should be sent to the applicant to notify them that the referral has been made.
- 13.2 There will normally be a 'grace period' of six weeks before recovery of the loan begins. If the 'grace period' needs to be extended this should be decided on the individual circumstances of the case, and the loan agreement and referral to DWP amended accordingly.

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14. Cash Payments

- 14.1 The preferred method of payment is a direct credit to a bank account. Loans above £450 can only be paid into a personal bank account. Applicants should be advised early in the loan consideration process to open an account as soon as possible if they do not have one already to avoid possible delay in payment of the loan. Caseworkers should tell applicants who do not have a bank account that there is a limit on the amount payable by cheque.
- 14.2 If the applicant has a bank account the loan will be paid directly into that bank account regardless of the size of the loan awarded, i.e. if it is under £450. Loan payments cannot be paid into a third party's bank account.
- 14.3 Where the loan is made by cheque, the applicant will only be able to cash the cheque at the Post Office specified by them on the application form.

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15. Lost Payments

15.1 There will be instances where a cheque payment is issued but the applicant claims not to have received it. The following process will be followed in these circumstances:

- DWP will notify UKBA that the case is suspended pending enquiries
- UKBA caseworkers will notify the applicant that the missing payment is being investigated and they will be notified of the outcome.
- DWP will issue a notice to the relevant Post Office to stop the cheque
- Enquiries will be made by DWP to ascertain whether the cheque has been cashed. Cheques are only valid for 30 days and so enquiries by DWP cannot be concluded until the 30 days after the cheque has been issued.

15.2 There may be circumstances where payment to a bank account is misdirected. In these cases DWP will make enquiries to establish where the error occurred. There are three scenarios:

- Bank/building society error – they will advise the customer to pursue with their bank/building society
- Customer error – efforts will be made through DWP's bank liaison section to return to money to DWP. Once the money is returned DWP will advise UKBA and a new referral will be made
- DWP/UKBA error – DWP will establish where the error occurred and then retrieve the payment through the bank liaison section. DWP will advise UKBA who will make a further referrals immediately

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16. Revision of Terms of Repayment

- 16.1 DWP will manage the recovery and repayment of each loan payment until the balance is paid off. DWP will consider and where appropriate revise the terms of repayment in the following circumstances:
- on the basis of information provided by the applicant
 - on the basis of information available as to the current financial position of the applicant
 - on the basis of information available as to a change in circumstances of the applicant advised to notify DWP.
- 16.2 If the applicant's repayment terms are revised the DWP will notify the applicant in writing that the terms have been changed and from when the new terms will take effect.
- 16.3 They will only suspend recovery and refer cases back to the UKBA for a decision in cases where:-
- a) the relationship of joint applicants fails
 - b) where a decision to abandon, waiver or part waiver a debt is required.
 - i. Abandonment – for the purpose of this guidance this is where a decision is required to write off a debt because a) the applicant has been sent to prison and certain criteria apply; b) DWP is unable to effect recovery of debt or c) the applicant has been deported or gone abroad (If an applicant moves away but continues to pay, DWP would not abandon the case).
 - ii. Waiver or part waiver - for the purpose of this guidance and in accordance with DWP policy waiver or part waiver is where the Secretary of State waives their right to recover some or all of the debt and the balance outstanding is reduced or written-off in its entirety. Each consideration of a waiver request must take into account the applicants circumstances and likely future circumstances, the remaining balance of the debt and the costs of recovery
 - c) where the applicant is not making the required repayments and a decision on whether to enforce the debt is required
 - d) UKBA can also request that DWP suspend recovery where it considers it is appropriate to do so
 - e) an applicant moves from Great Britain to Northern Ireland or vice versa. A new recovery arrangement of the outstanding balance with the relevant department should be set up.
 - f) the death of an applicant. This must be substantiated by either DWP or a death certificate from the informant.

g) write off can also occur in the case of lost cheques (see [section 15](#))

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17. Procedure for Decisions to Write Off

- 17.1 The case for a loan write off must be given due weight to ensure that the National Audit Office and H M Treasury will be satisfied that UKBA has observed principles of regularity, propriety and value for money.
- 17.2 All caseworker proposals for write off must include an analysis of the particular circumstances of the applicant and detail the estimated costs of recovery action at each stage so that a robust assessment can be made of whether recovery action is cost effective in view of the outstanding loan balance. Decisions should be taken in line with current DWP recovery procedures and costs.

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18. Enforcement Action

- 18.1 If an off-benefit applicant doesn't reply to the initial letter from DWP, refuses to pay or misses a payment and does not respond to attempts to contact them, DWP will carry out pre-enforcement action. If this fails the case will be referred to UKBA for a decision on whether enforcement action should be pursued. UKBA should be satisfied there is no compelling reason why the loan repayments cannot be made and where the decision is made that enforcement action should be pursued the usual DWP rules will apply. Civil action will only normally be taken where an applicant avoids repayment and not in cases where they are merely unable to repay.

Bankruptcy

- 18.2 Where there are instances of bankruptcy in relation to other recovery, DWP have the power to be excluded from the bankruptcy order that allows the continuing recovery of debt through the benefit system. Under the deduction rules that apply to the Integration Loan Scheme, the loan debt cannot be excluded. In such cases the Courts should notify UKBA as the creditor, to negotiate debt recovery. If the Court contacts DWP they will be referred to UKBA for action as the organisation to which the debt is owed.

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19. Has the Loan been used for the Purpose Applied for?

- 19.1 A condition of the loan is that it must be used for the purpose stated on the application. This is emphasised in the loan agreement which the applicant must sign. UKBA reserves the right to check this and ask applicants to provide evidence of how the loan was spent. If an applicant cannot provide evidence of how they spent the loan or that it was used for the purpose stated on the application we may require immediate repayment in full.

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20. Entitlement to other Forms of Government Support

20.1 Applicants should satisfy themselves that the granting of an integration loan will not effect their entitlement to other types of public funds or benefits. Caseworkers should not provide advice on this issue but should refer the applicant to Jobcentre Plus if they have any questions.

Benefits

20.2 When considering claims for income-related benefits such as Income Support, Income-based Jobseeker's Allowance or Pension Credit, DWP take into account the amount of savings or capital held by individuals or family members included in the benefit claim.

20.3 Savings or capital below a minimum limit are not taken into account or are disregarded and do not affect the amount of benefit paid. However, savings or capital over this amount can reduce the amount of benefit payable, and over an upper limit would mean that benefit would not be paid.

20.4 If an applicant is in receipt of income related benefits the loan should not affect these unless they have other capital in excess of £15,000 but they should tell Jobcentre Plus if they are awarded this loan.

20.5 If the applicant receives Jobseeker's Allowance, they should speak to Jobcentre Plus to check whether after receipt of a loan they still meet the entitlement conditions such as being available for, and actively seeking, work. Financial support for training, education or work, including child-care or living expenses may already be available free of charge or affect entitlement to certain benefits and allowances to assist those seeking work.

20.6 Rules regarding savings or capital vary from benefit to benefit. Applicants should therefore be advised to contact their local Jobcentre Plus, Citizen's Advice or Law Centre for help. If they have Internet access details are available on the relevant DWP websites.

Social fund

The capital rules for the social fund are as follows:

- Budgeting loans – any capital held by the applicant and partner of or below £1,000 (or £2,000 if the applicant or partner is aged 60 or over) will not affect the amount awarded. If the applicant or partner has capital above these amounts the award is reduced by a corresponding amount. Although it is unlikely that an integration loan payment will remain unspent for a significant period of time or that it would take applicants over these thresholds, social fund guidance is to be altered to include disregard of integration loans
- Community care grants – any capital held by the applicant and partner below £500 (or £1,000 if the applicant or partner is aged 60 or over) will not affect the amount awarded. As above social fund guidance is to be altered to include disregard of integration loans

- Crisis loans – no capital limits are applied to these however it is clear that if an applicant had substantial savings their application for such a loan would be refused. Integration loans are to be included in the list of capital that Social Fund decision makers would normally be expected to disregard when considering these applications.

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21. Sharing Information with DWP

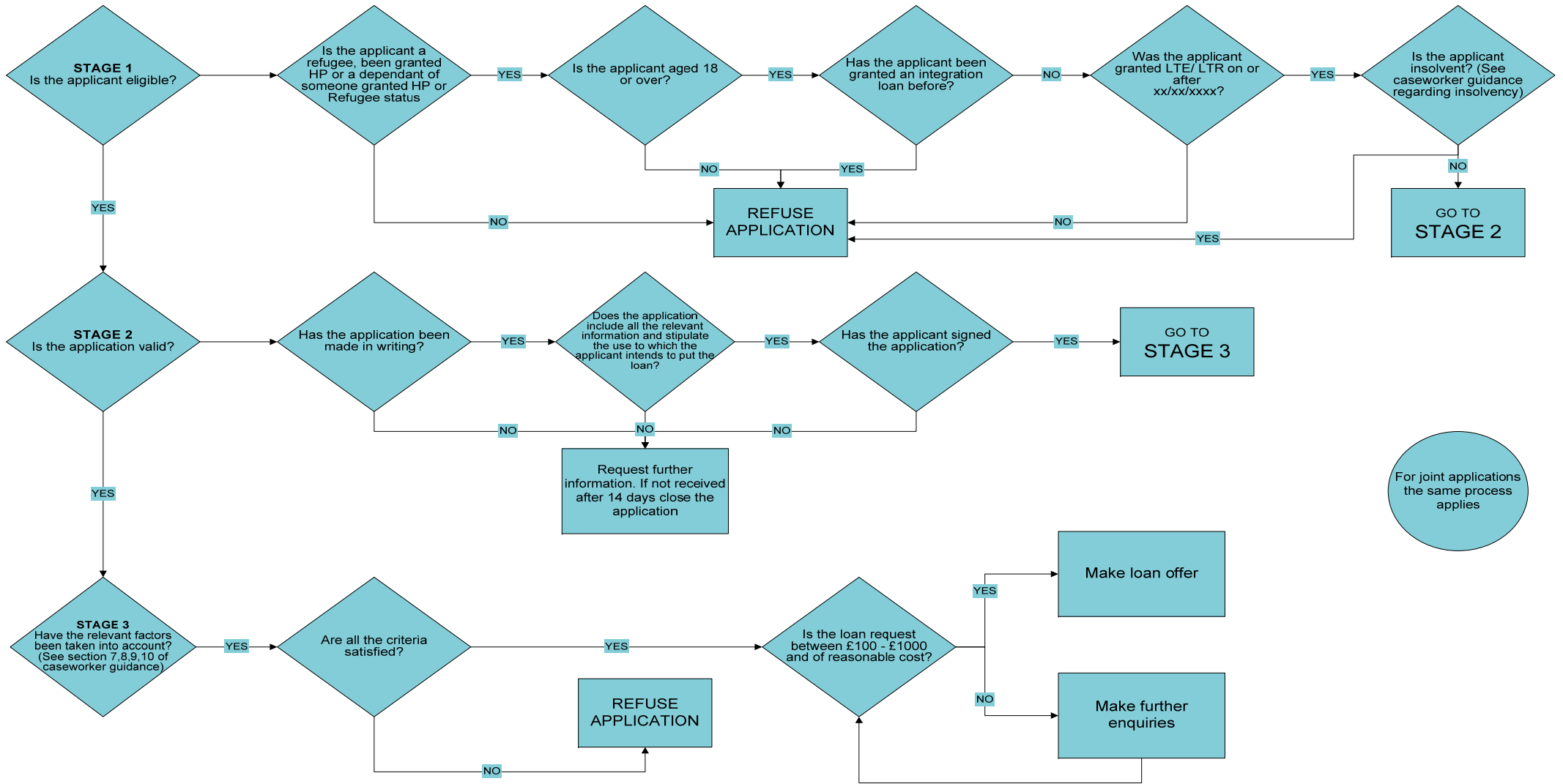
21.1 When sharing information with DWP there are two elements that need to be taken into account:-

- a) the method of data transfer and
- b) the purpose for the data transfer i.e. why we are doing it and whether it fair and lawful under the Data Protection Act:
 - i. The 7th Data Protection principle states that appropriate technical and organisational measures should be taken against unlawful or unauthorised processing of personal data. This means that when caseworkers are disclosing (processing) personal data to DWP they must make sure the method is secure. This requirement is met by transmitting data (e.g. referral forms) by email using the secure (GSI) government network to e-mail this information. A dedicated Mailbox has been created by both UKBA and DWP on the Government Secure Intranet. Details of incomplete/incorrect referrals will be sent from DWP by fax.
 - ii. The process for considering loan applications requires the Home Office to pass information on an applicant to DWP in order that they can pay and recover loan payments. The loan agreement requires the applicant to provide a signature agreeing the loan offer and also advises that all the information given by him/her will be treated in confidence by the Home Office but it may be disclosed to other government departments, agencies, Local Authorities, other bodies and foreign governments where necessary for immigration purposes or to enable them to carry out their functions. This will cover the sharing of data with DWP.

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Annex A. Integration Loan – Consideration Process

INTEGRATION LOAN MAP - CONSIDERATION PROCESS



ANNEX B Loan Agreement Template

INTEGRATION LOAN AGREEMENT – SINGLE APPLICANT

This Agreement is between **[INSERT FULL NAME]** of **[INSERT ADDRESS]** Home Office reference **[INSERT HO REF NUMBER]** (“you”) and the UK Border Agency (“we” or “us”) of **Integration Loan Team, UK Border Agency, 14th Floor (Long Corridor), Lunar House, 40 Wellesley Road, Croydon CR9 2BY** and is made on **[leave blank]** – see below.

[Note: the date of the agreement is the date it is received by UKBA properly signed and unamended by the applicant(s)]

In this Agreement:

“**DWP**” means the Department for Work and Pensions which for the purposes of this Agreement acts on our behalf;

“**Specified Benefit**” means the specified benefits referred to in regulation 9(1) of the Integration Loans for Refugees and Others Regulations 2007 (“the Regulations”);

“**Integration Loan**” means the loan made under the Regulations and this Agreement;

“**Specified Purpose**” means the purpose for which you said you needed the loan in your application for an integration loan annexed to this agreement and dated **[INSERT DATE]** and the purpose for which the Integration Loan is made.

Conditions of your Integration Loan

Use

1. Providing you agree to the conditions set out in this Agreement we will lend you the sum of **[INSERT AMOUNT IN WORDS AND NUMBERS]** for the Specified Purpose.
2. You must use the Integration Loan for the Specified Purpose, namely **[INSERT PURPOSE]**.
3. On request and at any time during the period of this Agreement you must provide evidence to us that the Integration Loan has been or will be used for the Specified Purpose. We will give you 14 (fourteen) days from receipt by you of our request to provide this evidence.
4. If you do not use the Integration Loan for the Specified Purpose or cannot provide evidence that you have used it or will be using it for the Specified Purpose we may require immediate repayment in full.

Repayment

[Use 5-7 below if borrower or borrower's partner in receipt of specified benefit, otherwise delete]

5. As you (or your partner, if you are included as part of his or her family unit -“your partner”) are in receipt of a Specified Benefit your repayments will be deducted from that benefit by DWP in accordance with Schedule 9 to the Social Security (Claims and Payments) Regulations 1987.

6. Deductions will commence no earlier than six weeks (but normally within ten weeks) after payment of the Integration Loan to you and will continue thereafter at a rate of, or equivalent to, £3.25 per week or 5% of the prevailing income support rate for a single person aged 25 or over rounded up to five pence, if greater. DWP will notify you beforehand that your deductions are due to commence.

7. If, before the Integration Loan has been repaid in full, you or your partner stop receiving a Specified Benefit we or DWP will consider whether a, and if so what, revision to these terms of repayment is necessary.

[Use 5-7 below if borrower or borrower's partner not in receipt of Specified Benefit otherwise delete]

5. Your repayments will be calculated by DWP and payable by you to DWP at no less than monthly intervals by direct debit, cheque, debit card or telephone/internet banking as you agree with them. Subject to paragraph [6] repayments will not exceed **[INSERT AMOUNT]** per month and will commence no earlier than six weeks (but normally within ten weeks) after payment of the Integration Loan to you.

6. Your monthly repayment has been calculated on the basis of the information you provided about any liabilities you have to other Government departments. If this information was not or is no longer complete or accurate the amount you have to pay each month may be different.

7. Subject to paragraph [8] below, if you do not comply with paragraph 5 your Integration Loan will become repayable in full immediately.

Revision of the terms of repayment

8. You must tell us or DWP if there is a relevant change in your circumstances (including if there has been a relevant change since you completed the application annexed to this agreement) because we may want to revise or consider the revision of your repayment terms or ask DWP to do so on our behalf. You can also ask us, or DWP on our behalf, to revise or consider a revision of your repayment terms if your circumstances change. A relevant change in your circumstances includes, but is not limited to, the following:

- (i) a change in your financial position;
- (ii) you or your partner starts to receive a Specified Benefit;

- (iii) you or your partner stops receiving a Specified Benefit;
- (iv) you cease paid employment;
- (v) you start paid employment;
- (vi) you move house or your contact details otherwise change.

9. If your repayment terms are revised we or DWP, will notify you in writing that the terms have been changed and from when the new terms will take effect.

Confidentiality and personal information

Any personal information provided by you in connection with your Integration Loan or application for an Integration Loan will be treated in confidence by us. We may however disclose it to other government departments, agencies or local authorities where necessary to enable them to carry out their or us to carry out our functions. In particular your personal information will be shared with DWP in connection with the payment and collection of your Integration Loan or otherwise for them to carry out their functions. Similarly DWP may disclose to us, so that we may carry out our functions, any personal information obtained by them in connection with the payment or recovery of your Integration Loan.

I have read and agree to the conditions set out above and I accept the offer of an Integration Loan. I confirm that the information contained in the application form annexed to this agreement remains correct to the best of my knowledge and belief.

Signed.....
[INSERT NAME]

Date.....

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ANNEX C Document Control

Change Record

Version	Authors	Date	Change Reference
1.0	JS	25/06/07	New instruction
1.1	JS	09/07/07	Amendments
1.2	JS	03/04/08	Amendments
1.3	JS	12/03/09	Amendments

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