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DEPARTMENT OF FINANCE

RATES OF INTEREST ON GOVERNMENT LOANS

The Department of Finance gives notice that it is prepared to consider advancing money from the Government Loans Fund at the following rates of interest which will apply to any loan or instalment of a loan issued on or after the 5th of August, 1978. When both "normal" and "concession" rates are stated, advances will be made at one or the other rate as determined by the Department or, in exceptional cases, at a special rate within the range of the appropriate "normal" and "concession" rates.

I. Local or Public Loans

Loans to local or public authorities as defined in paragraph 1 of the First Schedule to the Government Loans Act (Northern Ireland) 1957, at "normal" or "concession" rates as determined by the Department.

<i>Period of Loan</i>	<i>per cent per annum</i>					
	<i>at "Normal" Rate</i>			<i>at "Concession" Rate</i>		
	<i>Instalment</i>	<i>Annuity</i>	<i>Maturity</i>	<i>Instalment</i>	<i>Annuity</i>	<i>Maturity</i>
	(i)	(ii)	(iii)	(i)	(ii)	(iii)
Up to 5 years — — — — —	12½	12½	12½	11½	11½	11½
Over 5 but not over 10 years	12½	12½	12½	11½	11½	12½
Over 10 but not over 15 years	12½	12½	13½	12½	12½	12½
Over 15 but not over 25 years	13½	13½	13½	12½	12½	12½
Over 25 but not over 40 years	13½	13½	13½	12½	12½	12½
Over 40 but not over 60 years	13½	13½	—	12½	12½	—

II. Educational Development Loans

(a) Loans for the purchase, erection, extension or alteration of school buildings (not being schools in respect of which local or public loans may be made):

Instalment or Annuity at "normal" rates as in I above for periods not exceeding 50 years.

(b) Loans for the equipment of such schools as aforesaid:

Instalment or Annuity at "normal" rates as in I above for periods not exceeding 10 years.

III. Land and Works Loans

(a) Loans to Civil Servants for the purchase or erection of houses for their accommodation:
 for periods not over 35 years — — — — — 12½ per cent.

(b) Loans to Housing Associations:
 "normal" or "concession" rates as in I above.

Method of Repayment

Local Loans as defined in Part I of this Notice will be repayable as the Department of Finance may determine, (i) by equal half-yearly instalments of the principal advanced, together with interest in the balance of principal from time to time outstanding; (ii) by equal half-yearly instalments of annuities calculated to include interest at the rates specified; (iii) on maturity, with interest payable every half-year.

Public Loans and loans defined in Parts II and III of this Notice will normally be repayable by equal half-yearly instalments of annuities calculated to include interest at the rates specified.

PREMATURE REPAYMENT OF GOVERNMENT LOANS

The Department of Finance, having considered the terms upon which repayment of loans made from the Government Loans Funds may be accepted in advance of the dates on which in accordance with the terms of any relevant mortgages the principal of such loans falls due for repayment, hereby determines, pursuant to the Government Loans Act (Northern Ireland) 1957, Section 3(4), that:

- (1) the following repayments shall be accepted at par:
 - (a) the repayment of the unexpended balance of any loan, where the Department is satisfied that the balance is unexpended either because a scheme is less costly than was expected or because it has been reduced in extent;
 - (b) the repayment of any loan made to a district council for the purpose of making advances under the Small Dwellings Acquisition Acts (Northern Ireland) 1898-1948 provided that the sums repaid:
 - (i) are sums which have been repaid prematurely at par to the district councils by the borrowers, and
 - (ii) are applied pro rata towards repayment of the loans from which the advances were financed by the district council;
 - (c) the repayment of any loan made to a Housing Association for the purpose of erecting dwelling-houses provided that the sums repaid:
 - (i) are sums which have been paid to the borrower by a person who is purchasing the house from the Association for his own occupation; and
 - (ii) are applied towards repayment of the loans from which the erection of the houses was financed by the Association;
 - (d) the repayment of any loan made to a Government Department;
- (2) the Department may, at its discretion, accept at par repayments of loans made to individuals where the original repayment period is not more than 35 years;
- (3) in all other cases where the rate of interest on the loan which the borrower seeks to repay exceeds the relevant current rate of interest a premium will be charged in order to protect the Government Loans Fund's income when the money is re-lent. In such cases the payment required, including premium, will be the present value of the remaining payments of principal and interest due under the mortgage agreement, calculated at the rate of interest determined by the Department for "concession" loans repayable for a period equal to the remaining term of and repayable by the same method as the loan being repaid prematurely, and in force seven days before the repayment is to be credited to the account of the Department, provided always that the minimum sum to be repaid in respect of each £100 of principal outstanding shall be £100 cash.

The Department may, at its discretion, require up to one month's notice of intention to make a premature repayment.

All previous Minutes on the above subjects are hereby cancelled.

Department of Finance
Stormont
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F. G. Dougall, Assistant Secretary.

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