

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.

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