

RATES OF INTEREST ON LOCAL LOANS.

NOTICE.

The Lords Commissioners of Her Majesty's Treasury hereby give notice that in pursuance of the powers conferred on Them by the Public Works Loans Act, 1897 (60 and 61 Vict. c. 51) as amended by the Public Works Loans Act, 1917 (7 and 8 Geo. 5 c. 32), the Public Works Loans Act, 1918 (8 and 9 Geo. 5 c. 27), the Housing Act, 1936 (26 Geo. 5 and 1 Edw. 8 c. 51) as amended by the Public Works Loans (No. 2) Act, 1946 (9 and 10 Geo. 6 c. 75), and the Housing (Scotland) Act, 1925 (15 Geo. 5 c. 15) as amended by the Housing (Scotland) Act, 1935 (25 and 26 Geo. 5 c. 41) and by the Public Works Loans (No. 2) Act, 1946 (9 and 10 Geo. 6 c. 75), They have directed by Their Minute of the 8th February, 1952, that on loans advanced otherwise than on the security of local rates from the Local Loans Fund, on and after the 9th February, 1952, there shall be chargeable in lieu of the rates fixed by the Treasury Minute of the 8th November, 1951, the following rates of interest:—

	Per cent.
I.	
<i>Loans to housing associations as defined by the Housing Act, 1936, and the Housing (Scotland) Act, 1935:</i>	
For any period up to 50 years ...	4½
II.	
<i>Loans under the Housing Acts to companies and private persons, limiting their profits to the rate for the time being prescribed:</i>	
For any period up to 40 years ...	4½
III.	
<i>Loans under the Housing Acts to companies and private persons not limiting their profits as aforesaid:</i>	
For any period up to 40 years ...	4½
IV.	
<i>Loans under the Harbours and Passing Tolls, etc., Act, 1861, with collateral security:</i>	
For any period up to 50 years ...	4½
V.	
<i>Loans under the Harbours and Passing Tolls, etc., Act, 1861, without collateral security:</i>	
For any period up to 50 years ...	4½
VI.	
<i>All other Loans:</i>	
For any period	4½
Treasury Chambers, 8th February, 1952.	

RATES OF INTEREST ON LOCAL LOANS.

NOTICE.

The Lords Commissioners of Her Majesty's Treasury hereby give notice that in pursuance of the powers conferred on Them by the Public Works Loans Act, 1897 (60 and 61 Vict. c. 51) and the Local Authorities Loans Act, 1945 (8 and 9 Geo. 6 c. 18) They have directed by Their Minute of the 8th February, 1952, that on loans advanced to Local Authorities from the Local Loans Fund, on and after the 9th February, 1952, there shall be chargeable in lieu of the rates fixed by the Treasury Minute of the 8th November, 1951, the following rates of interest:—

	Per cent.
Loans for not more than five years ...	2½
Loans for more than five years but not more than fifteen years ...	3½
Loans for more than fifteen years ...	4½
Treasury Chambers, 8th February, 1952.	

TREASURY MINUTE DATED 8TH FEBRUARY, 1952.

PRESCRIBING THE TERMS UPON WHICH REPAYMENTS OF LOANS MADE FROM THE LOCAL LOANS FUND MAY BE ALLOWED IN ADVANCE OF THE DUE DATE.

1. My Lords have had under further consideration the terms upon which repayment of loans made to Local Authorities and others from the Local Loans Fund can be accepted in advance of the dates at which, in accordance with the terms agreed to by the borrowers at the time when the loans were made, the principal of such loans falls due for repayment.

2. Having regard to the intention of Parliament, as embodied in the Statutes governing the Fund, that the Fund should be safeguarded against loss, and to the importance of maintaining the general principle that borrowers repaying before the due date should repay an amount sufficient to liquidate the liability incurred by the Fund in respect of the advance, My Lords have decided that on and after 9th February, 1952, repayments before the due date may be accepted only on the following conditions:—

(i) that in all cases at least one month's notice of the intention to repay has been given to the Public Works Loan Commissioners;

(ii) that in the case of loans advanced out of the Fund before 1st August, 1945, the borrower repays a sum equal to the present value of the annuity payments (or payments of equal instalments of principal with diminishing interest) still remaining to be made to the Public Works Loan Commissioners under the mortgage with those Commissioners, such present value being calculated by discounting the annuity payments (or other annual or half-yearly payments) at a rate of 4½ per cent.; provided however that the minimum sum to be repaid in respect of each £100 of principal outstanding shall be £100 cash;

(iii) that in the case of loans advanced out of the Fund on or after 1st August, 1945, the borrower repays a sum equal to the present value of the whole or any proportionate part of the annuity payments (or payments of equal instalments of principal with diminishing interest) still remaining to be made to the Public Works Loan Commissioners under the mortgage with those Commissioners, such present value being calculated by discounting the annuity payments (or other annual or half-yearly payments) at a rate equal to the rate of interest at which loans from the Fund for a period similar to that of the original loan are authorised to be made on the day 7 days before the date at which the notice of repayment expires and the repayment is made; provided however that the minimum sum to be repaid in respect of each £100 of principal outstanding shall be £100 cash.

My Lords authorise and require that, unless and until They shall otherwise direct and subject to the exceptions provided for below, the cash sum to be lodged in respect of the repayment in advance of loans made from the Local Loans Fund shall be calculated in accordance with the terms of this Minute.

3. Should any question arise in a particular case as to the correct amount of the discounted value of the annuity (or other) repayments which it is desired to anticipate under the terms of this Minute, the matter shall be referred to Their Lordships whose decision shall be final.

4. As an exception to the above principle, repayment of any unexpended balance of a loan already advanced will, as hitherto, be accepted (subject to due notice) on the basis of £100 cash in respect of each £100 of principal outstanding where the Public Works Loan Commissioners are satisfied that the balance is unexpended either because a scheme is less costly than was anticipated or because it has been definitely reduced in extent.

5. My Lords further direct that (subject to due notice):—

(a) repayment in advance of the due date shall be accepted on the basis of £100 cash in respect of each £100 of principal outstanding

(1) of loans advanced to a local authority under Part V of the Housing Act, 1936, or for the purposes of Part III of the Housing (Scotland) Act, 1925, in connection with the erection of structures made available under Section 1 of the Housing (Temporary Accommodation) Act, 1944, where repayment arises from the sale of land no longer required owing to the dismantling of such structures;

(2) of loans advanced to a local authority to the extent that repayment represents repayments to the local authority by borrowers of loans advanced by that authority under the Small Dwellings Acquisition Acts or the Small Dwellings Acquisition (Scotland) Acts; or under Section 91 of the Housing Act, 1936, or Section 75 of the Housing (Scotland) Act, 1925,