STATUTORY INSTRUMENTS

1979 No. 894

HOUSING, ENGLAND AND WALES
HOUSING, SCOTLAND

The Assistance for House Purchase and Improvement (Variation of Subsidy) Order 1979

Laid before the House of Commons in draft

Made - - - - 24*th July* 1979

Coming into Operation 1*st September* 1979

The Secretary of State for the Environment, the Secretary of State for Wales and the Secretary of State for Scotland, acting jointly in exercise of their powers under subsections (3), (4) and (5) of section 28 of the Housing Subsidies Act 1967(a) (added to that section by section 78 of the Housing Act 1969(b))(c) and of all other powers enabling them in that behalf, with the approval of the Treasury, hereby make the following order in the terms of a draft which has been laid before the Commons House of Parliament and has been approved by a resolution of that House:—

Citation, commencement and interpretation

1.—(1) This order may be cited as the Assistance for House Purchase and Improvement (Variation of Subsidy) Order 1979 and shall come into operation on 1st September 1979.

(2) In this order "the Act" means the Housing Subsidies Act 1967.

Application of the order

2. This order shall not apply to any contract requiring repayment of a loan subsidised under Part II of the Act at any time on or after 1st September 1979 when the rate of interest applicable thereunder does not exceed 6·67 per cent. per annum.

Variation of option mortgage subsidy

3. Where the rate of interest applicable for the time being under a contract requiring repayment of a loan subsidised under Part II of the Act falls within one of the limits set out in column (1) of the Schedule to this order, then with respect to interest payable for any period beginning on or after 1st September 1979 the calculation required by subsection (1)(*b*) of section 28 of the Act shall be made as if—

(a) 1967 c. 29. (b) 1969 c. 33.

(c) The powers conferred on the Minister of Housing and Local Government are now exercisable by the Secretary of State for the Environment under S.I. 1970/1681.

(*a*) in the case of a loan where by virtue of the said subsection (1)(*b*) the rate is two per cent., there were substituted the higher percentage specified in column (2) of the said Schedule opposite that limit; and

(*b*) in the case of a loan where by virtue of subsection (2) of the said section 28 the rate is one and three-quarters per cent., there were substituted the higher percentage specified in column (3) of the said Schedule opposite that limit.

Revocation of existing Orders

4. The Assistance for House Purchase and Improvement (Variation of Subsidy) Order 1978(**a**) is hereby revoked but such revocation shall not affect the operation of that Order in relation to any period ending before 1st September 1979.

SCHEDULE

(1) Rate of Interest	(2) Higher Percentage	(3) Higher Percentage
Exceeding 6·67 per cent. per annum but not exceeding 7·33 per cent. per annum	2·1 per cent.	1·85 per cent.
Exceeding 7·33 per cent. per annum but not exceeding 8·0 per cent. per annum	2·3 per cent.	2·05 per cent.
Exceeding 8·0 per cent. per annum but not exceeding 8·67 per cent. per annum	2·5 per cent.	2·25 per cent.
Exceeding 8·67 per cent. per annum but not exceeding 9·33 per cent. per annum	2·7 per cent.	2·45 per cent.
Exceeding 9·33 per cent. per annum but not exceeding 10·0 per cent. per annum	2·9 per cent.	2·65 per cent.
Exceeding 10·0 per cent. per annum but not exceeding 10·67 per cent. per annum	3·1 per cent.	2·85 per cent.
Exceeding 10·67 per cent. per annum but not exceeding 11·33 per cent. per annum	3·3 per cent.	3·05 per cent.
Exceeding 11·33 per cent. per annum but not exceeding 12·0 per cent. per annum	3·5 per cent.	3·25 per cent.
Exceeding 12·0 per cent. per annum but not exceeding 12·67 per cent. per annum	3·7 per cent.	3·45 per cent.
Exceeding 12·67 per cent. per annum but not exceeding 13·33 per cent. per annum	3·9 per cent.	3·65 per cent.
Exceeding 13·33 per cent. per annum but not exceeding 14·0 per cent. per annum	4·1 per cent.	3·85 per cent.
Exceeding 14·0 per cent. per annum but not exceeding 14·67 per cent. per annum	4·3 per cent.	4·05 per cent.
Exceeding 14·67 per cent. per annum	4·5 per cent.	4·25 per cent.

(a) S.I. 1978/1699.

Michael R. D. Heseltine,
19th July 1979. Secretary of State for the Environment.

Nicholas Edwards,
24th July 1979. Secretary of State for Wales.

George Younger,
19th July 1979. Secretary of State for Scotland.

We approve,

J. A. Douglas-Hamilton,
David Waddington,
24th July 1979. Two of the Lords Commissioners of Her Majesty's Treasury.

EXPLANATORY NOTE

(This Note is not part of the Order.)

This Order provides new scales of percentages in relation to option mortgage subsidy payable under Part II of the Housing Subsidies Act 1967 in respect of interest payable under option mortgages for any period beginning on or after 1st September 1979 where the rate of interest for the time being exceeds 6·67 per cent. per annum.

The Order revokes the Assistance for House Purchase and Improvement (Variation of Subsidy) Order 1978, but saves its operation in relation to any period ending before 1st September 1979.

The new scales of percentages begin with a rate of interest exceeding 6·67 per cent. per annum, instead of 6·4 per cent. per annum under the existing scales, and rise by steps of 0·66 and 0·67 per cent. per annum instead of 0·6 per cent. per annum under the existing scales.

The new scale of percentages in column (2) of the Schedule to the Order applies in the case of annuity mortgages and fixed instalment mortgages and the new scale of percentages in column (3) of the Schedule applies in the case of endowment mortgages and standing mortgages.

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