STATUTORY INSTRUMENTS

2006 No. 1276

INDUSTRIAL AND PROVIDENT SOCIETIES

The Credit Unions (Maximum Interest Rate on Loans) Order 2006

Made - - - -	*10th May 2006*
Laid before Parliament	*10th May 2006*
Coming into force - -	*1st June 2006*

The Treasury, in exercise of the powers conferred by section 11(7) of the Credit Unions Act 1979(**a**), make the following Order:

Citation and commencement

1. This Order may be cited as the Credit Unions (Maximum Interest Rate on Loans) Order 2006 and comes into force on 1st June 2006.

Maximum interest rate

2. The rate specified for the purposes of section 11(5) of the Credit Unions Act 1979 is two per cent per month.

Gordon Brown
Dave Watts
10th May 2006 — Two of the Lords Commissioners of Her Majesty's Treasury

(**a**) 1979 c.34; section 11(7) was amended by S.I.2001/2617.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order increases the limit on the interest which a credit union may charge on loans made by it. The maximum rate of interest is increased from 1% to 2% per month.

A full regulatory impact assessment of the effect that this instrument will have on the costs of business is available from the Payments and Inclusion Team, HM Treasury, 1 Horse Guards Road, London SW1A 2HQ or at www.hm-treasury.gov.uk. Copies have been placed in the libraries of both Houses of Parliament.