1978 No. 354

HOUSING

Option Mortgage (Rates of Interest) (No. 2) Order (Northern Ireland) 1978

Made . . . . . 20*th November* 1978

Coming into operation . . . 1*st January* 1979

To be laid before Parliament under paragraph 3(3) *of Schedule* 1 *to the Northern Ireland Act* 1974.

The Department of the Environment, in exercise of the powers conferred on it by Article 11 of the Housing (Northern Ireland) Order 1978(**a**), and of all other powers enabling it in that behalf, hereby makes the following Order:—

Citation and commencement

1. This Order may be cited as the Option Mortgage (Rates of Interest) (No. 2) Order (Northern Ireland) 1978 and shall come into operation on 1st January 1979.

Interpretation

2. In this Order "the Order" means the Housing (Northern Ireland) Order 1978.

Revocation

3.—(1) Subject to paragraph (2), the Option Mortgage (Rates of Interest) Order (Northern Ireland) 1978(**b**) is hereby revoked.

(2) Nothing in paragraph (1) shall affect the operation of the Order referred to therein in relation to any period ending before 1st January 1979.

Calculation of interest

4. Where, for the purposes of Article 11 of the Order, the rate of interest which would have been applicable under the repayment contract but for the taking effect of an option notice in respect of the loan falls within one of the limits in column (1) of the Schedule then:

(*a*) where all the periodical payments by the borrowers to the lender in connection with any loan, so far as they are in respect of interest, are in respect of interest on the whole of the capital sum lent, or where any part of such periodical payment, so far as it is in respect of interest, is in respect of interest on a part of the capital outstanding of which, under the repayment contract, no repayment is required to be made by that periodical payment then in relation to any such periodical payment or, as the case may be, any such part of a periodical payment, the rate of interest for the purposes of Article 11(1)(*b*) of the Order is to be that specified in column (3) of the Schedule opposite that limit; and

(a) S.I. 1978/457 (N.I. 2)
(b) S.R. 1978 No. 83

(*b*) for all other repayment contracts the rate of interest for the purposes of Article 11(1)(*b*) of the Order is to be that specified in column (2) of the Schedule opposite that limit.

Sealed with the Official Seal of the Department of the Environment for Northern Ireland on 20th November 1978.

(L.S.) *R. B. Spence*
Assistant Secretary

SCHEDULE Article 4

(1) Rate of Interest	(2)	(3)
Below 4 per cent per annum (below 4·25 per cent per annum for payments of interest referred to in Article 4(*a*) and in any other case below 4 per cent per annum) .	No reduction	No reduction
From 4 per cent per annum to 6 per cent per annum (from 4·25 per cent per annum to 6 per cent per annum for payments of interest referred to in Article 4(*a*) and in any other case from 4 per cent per annum to 6 per cent per annum)	4 per cent	4·25 per cent
	Amount by which the rate in column (1) is to be reduced:	
Exceeding 6 per cent per annum but not exceeding 6·4 per cent per annum . .	2 per cent	1·75 per cent
Exceeding 6·4 per cent per annum but not exceeding 7·0 per cent per annum . .	2·2 per cent	1·95 per cent
Exceeding 7·0 per cent per annum but not exceeding 7·6 per cent per annum . .	2·4 per cent	2·15 per cent
Exceeding 7·6 per cent per annum but not exceeding 8·2 per cent per annum . .	2·6 per cent	2·35 per cent
Exceeding 8·2 per cent per annum but not exceeding 8·8 per cent per annum . .	2·8 per cent	2·55 per cent
Exceeding 8·8 per cent per annum but not exceeding 9·4 per cent per annum . .	3·0 per cent	2·75 per cent
Exceeding 9·4 per cent per annum but not exceeding 10.0 per cent per annum . .	3·2 per cent	2·95 per cent
Exceeding 10·0 per cent per annum but not exceeding 10·6 per cent per annum . .	3·4 per cent	3·15 per cent
Exceeding 10·6 per cent per annum but not exceeding 11·2 per cent per annum . .	3·6 per cent	3·35 per cent
Exceeding 11·2 per cent per annum but not exceeding 11·8 per cent per annum . .	3·8 per cent	3·55 per cent
Exceeding 11·8 per cent per annum but not exceeding 12·4 per cent per annum . .	4·0 per cent	3·75 per cent
Exceeding 12·4 per cent per annum but not exceeding 13·0 per cent per annum . .	4·2 per cent	3·95 per cent
Exceeding 13·0 per cent per annum but not exceeding 13·6 per cent per annum . .	4·4 per cent	4·15 per cent
Exceeding 13·6 per cent per annum but not exceeding 14·2 per cent per annum . .	4·6 per cent	4·35 per cent
Exceeding 14·2 per cent per annum but not exceeding 14·8 per cent per annum . .	4·8 per cent	4·55 per cent
Exceeding 14·8 per cent per annum . .	5·0 per cent	4·75 per cent

EXPLANATORY NOTE

(This note is not part of the Order but is intended to indicate its general purport.)

This Order specifies the rates of interest to be used in calculating option mortgage subsidy payable under the Housing (Northern Ireland) Order 1978 for any period beginning on or after 1st January 1979.

The percentages in column (2) of the Schedule apply in the case of annuity mortgages and fixed instalment mortgages and the percentages in column (3) of the Schedule apply in the case of endowment mortgages and standing mortgages.