

SCHEDULE 2

Regulations 3(5) and 4

Conditions of an agreement

1. The agreement holder shall keep the hereditament insured for the full cost of rebuilding or reinstatement and shall furnish to the Department, on demand, evidence of such insurance.

2. The agreement holder shall keep the hereditament in good and substantial repair and condition.

3.—(1) The agreement holder shall only be entitled to defer payment of the total amount of rates chargeable in respect of the hereditament for any year.

(2) Paragraph (1) shall not apply in respect of the year in which the agreement terminates.

4. The agreement holder shall not be entitled to defer the payment of rates for a particular year if—

(a) the value of his beneficial interest in the hereditament, as ascertained by the Department, would, after the deferment, be less than 30 per cent. of an authorised person's estimate of the market value of the hereditament; or

(b) the value, as ascertained by the Department, of his beneficial interest in the hereditament disregarding the amount outstanding under the agreement would, on 1st April of that year, be less than 40 per cent. of an authorised person's estimate of the market value of the hereditament on that date.

5.—(1) Compound interest shall accrue on a day to day basis on the amount outstanding under the agreement and the annual rate of interest used to calculate that accrual shall be—

(a) if there is only one official dealing rate in force on a particular day, 1 per cent. below that rate;

(b) if there is more than one official dealing rate in force on a particular day, 1 per cent. below the rate in force at the end of that day,

but in no case shall the annual rate of interest used to calculate the accrual be less than 1 per cent.

(2) In this condition "official dealing rate" means the rate announced from time to time by the Monetary Policy Committee of the Bank of England⁽¹⁾ and for the time being in force as the official dealing rate, being the rate at which the Bank of England is willing to enter into transactions for providing short term liquidity in the money markets.

6.—(1) Subject to paragraphs (2) and (3), the agreement holder shall pay the Department the costs incurred, or to be incurred, by the Department in arranging for—

(a) the registration of the charge created by regulation 5 of the Rates (Deferment) Regulations (Northern Ireland) 2010 in—

(i) the Land Registry or the Registry of Deeds; and

(ii) the Statutory Charges Register; and

(b) the modification, vacation or cancellation of a registration mentioned in sub-paragraph (a).

(2) Where an agreement holder has paid a cost mentioned in paragraph (1), the Department may, if the agreement holder so requests, pay him an amount equal to that cost whereupon that amount shall be added, on the date that the Department pays it, to the amount outstanding under the agreement.

(1) The Monetary Policy Committee of the Bank of England was constituted on a statutory basis by section 13 of the Bank of England Act 1998 (c. 11)

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(3) A cost mentioned in paragraph (1) may be added to the amount outstanding under the agreement if the cost is not paid to the Department within 28 days of the Department having made a demand in writing for payment of that cost by the agreement holder.

7. The Department may, if the agreement holder so requests, pay him an amount equal to—
- (a) any legal costs which he has paid in connection with the agreement; and
 - (b) any costs which he has paid in connection with obtaining information for the purposes of the agreement,

whereupon that amount shall be added, on the date the Department pays it, to the amount outstanding under the agreement.

8. The agreement holder shall not mortgage or charge the land constituting the hereditament or borrow further monies secured on that land without the consent in writing of the Department.

9.—(1) The agreement holder or, in the case of the death of an agreement holder, the agreement holder's personal representatives, shall inform the Department of any change of circumstances affecting the hereditament or the agreement within 28 days of the change of circumstances having occurred and, without prejudice to the generality of the foregoing, shall, in particular, inform the Department—

- (a) of any change of address of an agreement holder;
- (b) if an agreement holder becomes bankrupt, makes a composition or arrangement with his creditors or becomes subject to a bankruptcy restrictions order;
- (c) of the creation or assignment of any estate or interest in the land constituting the hereditament;
- (d) if an agreement holder ceases to occupy the hereditament as his only or principal residence;
- (e) if the hereditament is damaged to such an extent that its market value is affected;
- (f) of any alteration to the level of insurance held in respect of the hereditament;
- (g) of the death of an agreement holder.

(2) The agreement holder shall furnish the Department as soon as possible with any further information as the Department may reasonably require in relation to any change of circumstances referred to in paragraph (1).

10.—(1) The agreement holder may suspend deferment of the payment of rates for a particular year by notice in writing served on the Department before 31st December in the preceding year.

(2) A notice served under paragraph (1) shall, subject to paragraph (6), continue to have effect for subsequent years unless withdrawn by a further notice in writing served on the Department by the agreement holder before 31st December in the year preceding the first year for which the withdrawal of the suspension is to have effect.

(3) Where an agreement holder ceases to occupy the hereditament as his only or principal residence the Department may, without prejudice to condition 12(1)(h), suspend deferment of the payment of rates by notice in writing served on the agreement holder before the beginning of the first year for which the suspension is to have effect.

(4) A notice served under paragraph (3) shall continue to have effect until withdrawn by a further notice in writing served on the agreement holder by the Department.

(5) During a period of suspension of deferment of the payment of rates, interest shall continue to accrue on the amount outstanding under the agreement in accordance with condition 5.

(6) Where during a period of suspension of deferment of the payment of rates under paragraph (1), the agreement holder fails to pay any rates which are due and payable in respect of the hereditament,

the Department may, by notice in writing served on the agreement holder, determine that the suspension shall cease to have effect from the beginning of the year for which the rates are due and payable and accordingly, any rates which are paid in respect of the hereditament for that year shall be treated as a payment under the agreement.

(7) Paragraph (3) shall not apply in the case of an agreement holder whose only or principal residence is in a hospital, nursing home or residential care home.

11. The agreement holder may at any time, without penalty, repay all or part of the amount outstanding under the agreement.

12.—(1) Without prejudice to condition 13 and to the rights, privileges, obligations and liabilities acquired, accrued or incurred under the agreement, the Department shall be entitled to terminate an agreement with immediate effect by notice in writing served on the agreement holder where—

- (a) the whole of the amount outstanding under the agreement has been repaid;
- (b) an agreement holder dies and there is no other agreement holder whose only or principal residence is in—
 - (i) the hereditament; or
 - (ii) a hospital, nursing home or residential care home;
- (c) the hereditament or any interest in the hereditament is, in whole or part, sold or transferred by way of gift;
- (d) an agreement holder becomes bankrupt, makes a composition or arrangement with his creditors or becomes subject to a bankruptcy restrictions order;
- (e) an agreement holder or any other person has made a statement in connection with the agreement which is false or misleading in a material particular;
- (f) an agreement holder is in default of any obligation under the agreement and—
 - (i) has not rectified the default to the satisfaction of the Department within 28 days (or such other period as may be specified by the Department) of being served by the Department with a notice in writing specifying the default and requiring it to be remedied; or
 - (ii) the default is not capable of remedy;
- (g) the hereditament ceases to be a qualifying hereditament;
- (h) an agreement holder ceases to occupy the hereditament as his only or principal residence.

(2) A person is not an agreement holder for the purposes of paragraph (1)(b) by virtue of being a personal representative of an agreement holder.

(3) Paragraph (1)(h) shall not apply in the case of an agreement holder whose only or principal residence is in a hospital, nursing home or residential care home.

13.—(1) On termination of the agreement, the amount outstanding under the agreement shall, subject to paragraph (2), become immediately due and payable.

(2) The Department may arrange in exceptional circumstances for the amount outstanding under an agreement (including interest accruing after termination of the agreement) to be paid by instalments over such period as the Department shall determine where the Department is satisfied that, without such an arrangement, a person would suffer undue hardship.

(3) Where an arrangement is made under paragraph (2), the Department shall send the agreement holder a statement in writing specifying—

- (a) the period over which the instalments are to be paid;
- (b) the respective dates on which those instalments are to become due; and

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(c) the respective amounts of those instalments,
together with a statement in writing that interest shall continue to accrue in accordance with condition 5 until the amount outstanding under the agreement has been paid in full.

(4) The Department may by a further statement in writing make such adjustments in the instalment amounts payable under paragraph (2) as may be necessary in consequence of any change in the rate of interest under condition 5.

(5) Where pursuant to an arrangement under paragraph (2), the amount outstanding under the agreement is payable by instalments, the amount outstanding shall, subject to paragraph (6), be recoverable only to the extent of each respectively of those instalments as and when it falls due.

(6) An arrangement under paragraph (2) shall terminate if any instalment is not paid on or before the date on which it becomes due and the Department serves notice in writing on the agreement holder that, by reason of the default, the arrangement is being treated as cancelled, and upon the service of any notice under this paragraph any amount outstanding under the agreement shall become immediately due and payable.

(7) Notwithstanding the termination of the agreement regulations 5 and 6 of the Rates (Deferment) Regulations (Northern Ireland) 2010 and conditions 1, 2, 5, 6, 8, 9 and 11 as well as this condition shall continue to apply until the amount outstanding under the agreement has been paid in full.