

1978 No. 1699

**HOUSING, ENGLAND AND WALES
HOUSING, SCOTLAND**
**The Assistance for House Purchase and Improvement
(Variation of Subsidy) Order 1978**
*Laid before the House of Commons in draft**Made - - - - 24th November 1978**Coming into Operation 4th December 1978*

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 and commencement

1. This order may be cited as the Assistance for House Purchase and Improvement (Variation of Subsidy) Order 1978 and shall come into operation at the expiration of a period of 10 days beginning with the date on which it is made.

Interpretation

2.—(1) In this order—

“the Act” means the Housing Subsidies Act 1967; and

“the existing Orders” means the Assistance for House Purchase and Improvement (Increase of Subsidy) Order 1969^(d), the Assistance for House Purchase and Improvement (Increase of Subsidy) Order 1973^(e), the Assistance for House Purchase and Improvement (Increase of Subsidy) Order 1974^(f), the Assistance for House Purchase and Improvement (Increase of Subsidy) Order 1975^(g) and the Assistance for House Purchase and Improvement (Variation of Subsidy) Order 1977^(h).

(2) The Interpretation Act 1889⁽ⁱ⁾ applies for the interpretation of this order as it applies for the interpretation of an Act of Parliament and as if this order and the existing Orders were Acts of Parliament.

(3) References in this order to any enactment shall be construed as references to that enactment as amended, and as including references thereto as applied, by or under any enactment.

(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.

(d) S.I. 1969/1626.

(e) S.I. 1973/1928.

(f) S.I. 1974/1005.

(g) S.I. 1975/1240.

(h) S.I. 1977/1336.

(i) 1889 c. 63.

Application of the order

3. 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 January 1979 when the rate of interest applicable thereunder does not exceed 6.4 per cent. per annum.

Variation of option mortgage subsidy

4. 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 January 1979 the calculation required by subsection (1)(b) of section 28 of the Act shall be made as if—

- (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

5.—(1) Subject to paragraph (2) below, the existing Orders are hereby revoked.

(2) Without prejudice to article 2(2) of this order, nothing in paragraph (1) of this article shall affect the operation of the existing Orders in relation to any period ending before 1st January 1979.

SCHEDULE

| (1) Rate of Interest | (2) Higher Percentage | (3) Higher Percentage |
|---|-----------------------------|-----------------------------|
| 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. |

HOUSING, ENGLAND AND WALES
HOUSING, SCOTLAND

SCHEDULE—*contd.*

| (1) Rate of Interest | (2) Higher Percentage | (3) Higher Percentage |
|---|-----------------------------|-----------------------------|
| 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. |

17th November 1978.

Peter Shore,
Secretary of State for the Environment.

20th November 1978.

John Morris,
Secretary of State for Wales.

22nd November 1978.

Bruce Millan,
Secretary of State for Scotland.

We approve,

24th November 1978.

T. E. Graham,
Peter Snape,
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 January 1979 where the rate of interest for the time being exceeds 6.4 per cent. per annum. The rates of subsidy are revised by subtracting 0.1 per cent. from the existing rates.

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.

The order revokes the existing Orders dealing with previous rates of subsidy (ie the Assistance for House Purchase and Improvement (Increase of Subsidy) Order 1969, as varied by the Assistance for House Purchase and Improvement (Increase of Subsidy) Order 1973, the Assistance for House Purchase and Improvement (Increase of Subsidy) Order 1974, the Assistance for House Purchase and Improvement (Increase of Subsidy) Order 1975 and the Assistance for House Purchase and Improvement (Variation of Subsidy) Order 1977), but saves their operation in relation to any period ending before 1st January 1979.

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