STATUTORY INSTRUMENTS

1981 No. 156

Housing (Northern Ireland) Order 1981

PART IX

HOME PURCHASE ASSISTANCE

Advances to lending institutions

153.—(1) The Department may make advances to recognised lending institutions enabling them to provide assistance under this Part to first-time purchasers of house property in Northern Ireland, where it is property in which the purchaser intends to make his home.

(2) The assistance is to be available where finance for the purchase of the property (and improvements, if any) is obtained by means of a secured loan from the lending institution and the purchase price**[**[F1] does not exceed**]** such price limits as the Department may prescribe by order which shall be subject to negative resolution.

(3) Assistance under this Part is to be dependent upon the purchaser satisfying conditions with respect to his own savings; and the first condition is that he shall—

(a) have been saving with a recognised savings institution for at least 2 years preceding the date of his application for the assistance; and

(b) throughout the 12 months preceding that date, have had at least £300 of such savings;

and the second condition is that he shall by that date have accumulated at least £600 of such savings; but the Department may allow for the conditions to be relaxed or modified in particular classes of cases.

(4) Assistance under this Part may be given as follows—

(a) the secured loan may be financed by the Department to the extent of £600 (that amount being normally additional to that which the institution would otherwise have lent, but not so that the total loan can exceed the loan value of the property);

(b) £600 of the total loan may be made free of interest, and of any obligation to repay principal, for up to 5 years from the date of purchase; and

(c) the institution may provide the purchaser with a bonus on his savings (which bonus shall be tax-exempt), up to a maximum of £110, payable towards the purchase or expenses arising in connection with it.

(5) The purchaser may qualify for assistance under paragraph (4)(*a*) and (*b*) by satisfying both the conditions of paragraph (3), and qualify for bonus under paragraph (4)(*c*) by satisfying only the first of those conditions but he does not in any case qualify unless the amount of the secured loan is to be at least £1,600 and not less than 25 per cent of the purchase price of the property.

(6) The Department may, with the consent of the Department of Finance, by order which shall be made subject to negative resolution—

(a) alter any of the money sums specified in paragraphs (3), (4) and (5) and the percentage figure specified in paragraph (5);

(b) substitute any longer or shorter period for either or both of the periods mentioned in paragraph (3);

(c) alter the second condition of paragraph (3) so that purchasers may also satisfy it with lesser amounts of savings, and enable assistance under paragraph (4)(*a*) and (*b*) then to be given according to reduced scales specified in the order.

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Administration

154.—(1) The lending institutions recognised for the purposes of Article 153 are specified in Part I of Schedule 10, and the savings institutions so recognised are specified in Part II of Schedule 10; and the Department may, with the consent of the Department of Finance—

(a) add to either Part of the Schedule by order;

(b) by order made in the case of a body named in it direct (but only after giving an opportunity for representations to be made on the body's behalf) that it be no longer a recognised institution.

(2) Advances to lending institutions shall be on such terms as to repayment and otherwise as may be settled by the Department with the consent of the Department of Finance, after consultation with lending and savings institutions or organisations representative of them; and the terms shall be embodied in directions issued by the Department.

(3) The following matters (among others) may be dealt with in the Department's directions—

(a) the cases in which assistance under this Part is to be provided and the method—

(i) of determining loan value for the purpose of Article 153(4)(*a*), and

(ii) of quantifying bonus by reference to savings;

(b) the considerations by reference to which a person is or is not to be treated as a first-time purchaser of house property;

(c) the steps which must be taken with a view to satisfying the conditions of Article 153(3), and the circumstances in which those conditions are to be treated as satisfied;

(d) the supporting evidence and declarations which are to be furnished by a person applying for the assistance, in order to establish his qualification for it, and the means of ensuring that restitution is made in the event of it being obtained by false representations; and

(e) the way in which amounts paid over by way of assistance under this Part are to be repaid to the lending institutions and the Department.

(4) The Department may, to such extent as it thinks proper for safeguarding the lending institutions, include in the terms an undertaking to indemnify the institutions in respect of loss suffered in cases where assistance has been given under this Part.

Art. 155 rep. by 1997 c. 32

Art. 155A rep. by SI 2000/311

Changes to legislation:
Housing (Northern Ireland) Order 1981, PART IX is up to date with all changes known to be in force on or before 20 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.
View outstanding changes

Changes and effects yet to be applied to the whole Order associated Parts and Chapters:
Whole provisions yet to be inserted into this Order (including any effects on those provisions):

- art.155 revoked by 1997 c. 32 s.46(2)Sch.9
- art.155 revoked by 1997 c. 32 s.46(2)Sch.9