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## State Intelligence

### TREASURY

(iii) The rates of such interest shall be:

#### RATES OF INTEREST ON LOANS BY THE PUBLIC WORKS LOAN COMMISSIONERS TO LOCAL AUTHORITIES

##### NOTICE

TREASURY MINUTE dated 13th June 1989.

The Lords Commissioners of Her Majesty's Treasury read section 3(2) of the National Loans Act 1968 (1968 C.13 as amended) whereby any sums borrowed from the Public Works Loan Commissioners shall bear interest at such rates as the Treasury may determine from time to time in accordance with section 5 of the said Act.

My Lords understand that the Public Works Loan Commissioners will be operating arrangements under which local authorities are permitted to borrow from the Commissioners up to a specified quota at a certain fixed rate of interest and in excess of such quota at one of two higher fixed rates.

In accordance therewith the Chancellor of the Exchequer now recommends that with effect from 13th June 1989 and until the coming into operation of a further determination:

- (i) The rate of interest applicable to any such fixed rate loan will be that in force on the day the authority applies to borrow or, if the application is before noon three working days before the loan is credited to the account of the authority's banker, the rate in force at 11 a.m. two banking days before credit day;
- (ii) Different rates of interest shall be charged on such fixed rate loans according to whether the principal of a loan is repaid by instalments or at maturity and, if repaid by instalments, whether by equal instalments of the principal with interest paid on the decreasing balance of the principal (E.I.P.), or by instalments of equal repayments of the principal and interest paid thereon (E.R.);

Per cent per annum

Loans Repayable  
by instalments at maturity

PWLB Quota Rates	E.I.P.		E.R.
	—	—	—
1 year			13½
Over 1 but not over 2 years	13¼	13	12½
Over 2 but not over 3 years	12¾	12½	11¾
Over 3 but not over 4 years	12½	12¼	11½
Over 4 but not over 5 years	12	11¾	11¼
Over 5 but not over 6 years	11¾	11½	11½
Over 6 but not over 7 years	11½	11¼	11¼
Over 7 but not over 8 years	11¼	11¼	11¼
Over 8 but not over 9 years	11¼	11¼	11¼
Over 9 but not over 10 years	11¼	11¼	11
Over 10 but not over 15 years	11¼	11	10½
Over 15 but not over 25 years	10¾	10¾	10½
Over 25 years	10½	10½	10
PWLB Non-quota A Rates			
1 year			14½
Over 1 but not over 2 years	14¼	14	13¾
Over 2 but not over 3 years	13¾	13½	12¾
Over 3 but not over 4 years	13½	13¼	12½
Over 4 but not over 5 years	13	12¾	12¼
Over 5 but not over 6 years	12½	12½	11¾
Over 6 but not over 7 years	12¼	12¼	11½
Over 7 but not over 8 years	12¼	12	11¼
Over 8 but not over 9 years	12	11¾	11¼
Over 9 but not over 10 years	12	11¾	11¼
Over 10 but not over 15 years	11¾	11¼	11
Over 15 but not over 25 years	11¼	10¾	10¾
Over 25 years	10¾	10¾	10½

PWL B Non-quota B Rate loans will bear interest at 1 per cent above the corresponding Non-quota A rates.

The amount which a local authority borrows within its annual quota will bear interest at the appropriate rate in the quota set of rates. Authorities may borrow further sums at quota rates at the discretion of the Public Works Loan Commissioners. Other