



# National Loans Act 1968

## 1968 CHAPTER 13

### *Government lending*

#### **5 Rates of interest**

- (1) This section has effect as respects any rate of interest—
  - (a) which under any provision in Schedule 1 to this Act is to be fixed in accordance with this Act, or
  - (b) which is to be determined by the Treasury under section 3 of this Act,and, where any enactment passed after this Act provides for the payment of interest on advances or loans made out of the National Loans Fund, and for the rate at which that interest is to be payable to be determined or approved by the Treasury, then, except as otherwise expressly provided, this section has effect as respects that rate of interest.
- (2) The Treasury shall, on each occasion when they determine or approve any such rate of interest for a loan or class of loans, satisfy themselves that the rate would be at least sufficient to prevent a loss if—
  - (a) the loan, or any loan of that class, was met out of money borrowed by the Treasury at the rate at which the Treasury are for the time being able to borrow money for a comparable period, and on other comparable terms, and
  - (b) the interest on the money so borrowed, together with the Treasury's expenses of borrowing, were set off against the interest received on the loan.
- (3) If at any time the Treasury are satisfied that a rate of interest fixed for a class of loans no longer meets the requirement in subsection (2) above, that rate shall be redetermined for further loans in accordance with that subsection, and the new rate or rates of interest shall come into effect at the earliest convenient date.
- (4) The Treasury may in determining or approving a rate take into account any considerations justifying a rate, of interest higher than that required by subsection (2) above.
- (5) Different rates may be determined or approved in respect of different sums borrowed for the same length of time.

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*Status: This is the original version (as it was originally enacted).*

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(6) The Treasury shall cause—

- (a) the rates of interest determined from time to time by them as the lowest rates under this section, and
- (b) all other rates of interest determined from time to time by them in respect of local loans,

to be published in the London and Edinburgh Gazettes as soon as may be after the fixing of those rates.