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*Status: Point in time view as at 20/10/2014.*

*Changes to legislation: Housing Act 1985, Cross Heading: Variation of rate of interest is up to date with all changes known to be in force on or before 19 September 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. (See end of Document for details)*

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## SCHEDULES

### SCHEDULE 16

#### LOCAL AUTHORITY MORTGAGE INTEREST RATES

##### *Variation of rate of interest*

- 5 (1) Where on a change of the standard national rate or the applicable local average rate a rate of interest is capable of being varied, the local authority shall vary it.
- (2) The authority shall serve on the person liable to pay the interest notice in writing of the variation not later than two months after the change.
- (3) The variation shall take effect with the first payment of interest due after a date specified in the notice, which—
- (a) if the variation is a reduction, shall be not later than one month after the change, and
  - (b) if the variation is an increase, shall not be earlier than one month nor later than three months after the service of the notice.
- 6 (1) On a variation of the rate of interest, the local authority may make a corresponding variation of the periodic payments.
- (2) The authority shall do so if the period over which the repayment of principal is to be made would otherwise be reduced below the period fixed when the mortgage was effected.
- (3) The variation shall be notified and take effect together with the variation of the rate of interest.

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