

SCHEDULE 2

Regulation 6(3)

INTEREST RATES AND ADMINISTRATIVE EXPENSES

The rate of interest

1. The rate of interest payable on the loan shall be such reasonable rate as may be determined by the lender except where the lender is a local authority in which case the provisions of Schedule 16 to the Act shall apply.

Administrative expenses

2. Subject to paragraph 3, the administrative expenses of the lender, or any part of them, in connection with a loan may be charged by the lender to the borrower.

3. In a case where a loan is made solely in pursuance of the right to a loan the administrative expenses may be charged by the lender to the borrower to the extent that they do not exceed £100.

4. The expenses so charged in accordance with paragraphs 2 and 3 above, may—

(a) at the option of the borrower in the case of a loan under regulation 2 (the right to a loan),
and

(b) at the option of the lender in the case of a loan under regulation 5 (the power to make loan),

be added to the amount of the loan.