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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

Part IV (that is, sections 93 to 114) of the Housing Act 1988 (change of landlord: secure tenants) confers the right to acquire the fee simple estate in buildings and other property from a public sector landlord. Where, in the exercise of that right, it is determined that the property to which the acquisition relates would not realise any price, section 99(3) of that Act provides that a disposal cost is attributable to that property. Section 104(2A) provides for such a disposal cost to be paid by instalments, which may include interest, in prescribed cases.

Regulation 3 of the Housing (Change of Landlord) (Payment of Disposal Cost by Instalments) Regulations 1990 prescribes the cases in which a disposal cost may be paid by instalments and makes provision as to payment. That regulation, as amended, provides that the amount of each instalment shall include interest at 10.8 per cent. on the outstanding amount.

These Regulations decrease the rate of interest to 8.55 per cent. and revoke the Regulations which prescribed the interest rate of 10.8 per cent. Regulation 4 stops the new rate of interest and the revocation applying in respect of any period before these Regulations come into force.