
STATUTORY INSTRUMENTS

1994 No. 548

**HOUSING, ENGLAND AND
WALESHOUSING, SCOTLAND**

**The Home Purchase Assistance
(Commutation of Repayments) Order 1994**

<i>Made</i>	- - - -	<i>28th February 1994</i>
<i>Laid before Parliament</i>		<i>11th March 1994</i>
<i>Coming into force</i>	- -	<i>7th April 1994</i>

The Secretary of State for the Environment, as respects England, the Secretary of State for Wales, as respects Wales, and the Secretary of State for Scotland, as respects Scotland, in exercise of the powers conferred on them by section 171(1) and (2) of the Local Government and Housing Act 1989⁽¹⁾ and of all other powers enabling them in that behalf, hereby make the following Order:

Citation, commencement and interpretation.

1.—(1) This Order may be cited as the Home Purchase Assistance (Commutation of Repayments) Order 1994 and shall come into force on 7th April 1994.

(2) In this Order—

“institution” means a recognised lending institution liable to repay a relevant advance;

“relevant advance” means an advance—

- (a) which, but for this Order, would be repayable on or after the repayment date; and
- (b) as respects England and Wales, which the Secretary of State has made to an institution under section 445(1) of the Housing Act 1985⁽²⁾ for providing assistance under section 446(1)(a) or (b) of that Act; or
- (c) as respects Scotland, which the Secretary of State has made to an institution under section 222(1) of the Housing (Scotland) Act 1987⁽³⁾ for providing assistance under section 223(1)(a) or (b) of that Act; and

“repayment date” means 29th April 1994. Commutation.

(1) 1989 c. 42.
(2) 1985 c. 68.
(3) 1987 c. 26.

2.—(1) The terms of relevant advances shall be varied so as to commute what would otherwise be a number of repayments by an institution into a single repayment calculated in accordance with paragraph (2) and that single repayment shall be paid by each institution to the Secretary of State on the repayment date.

(2) The single repayment shall be the aggregate of relevant advances after each relevant advance has been commuted in accordance with the following formula—

$$C = \frac{A}{(1 + R)^{\frac{N}{12}}}$$

Where—

- C = the commuted advance;
 A = the amount of the advance;
 R = the average gross redemption yield appearing in the Financial Times last published before 8th April 1994 for medium (8%-10¾%) British Government stock of up to five years to redemption, expressed as a decimal; and
 N = the number of complete calendar months during the period beginning on the repayment date and ending immediately before the date on which, but for this Order, A would have been repayable, on the assumption that it would have been repayable at the end of the period of 57 months starting on the date on which the advance was made.

Amendments to directions.

3.—(1) Subject to article 4, the Home Purchase Assistance Directions 1978(4) are amended as follows.

(2) For paragraphs 3 to 10 substitute—

“3. On or before 8th April 1994 each institution shall (without request being made) provide the Secretary of State with sufficient information for the Secretary of State to ascertain the amount (if any) of relevant advances to be repaid by that institution in accordance with the Home Purchase Assistance (Commutation of Repayments) Order 1994.”.

(3) In paragraph 11 for “under these directions on the date on which it falls due in accordance with paragraphs 8, 9 and 10” substitute “under the Home Purchase Assistance (Commutation of Repayments) Order 1994 on the date on which it falls due”.

(4) At the end of paragraph 17 add—

“(d) if relevant to a commuted repayment, until two years after the repayment date.”.

(5) In paragraph 38(2)—

(a) after the definition of “quarter” insert—

““relevant advance” has the meaning given by the Home Purchase Assistance (Commutation of Repayments) Order 1994;”;

(b) after the definition of “relevant interest” insert—

““the repayment date” means 29th April 1994;”.

(4) The Directions were made under sections 1 and 2 of the Home Purchase Assistance and Housing Corporation Guarantee Act 1978 (c. 27) and were kept in force by section 2(2) of the Housing (Consequential Provisions) Act 1985 (c. 71) which repealed the 1978 Act.

Application

4. Article 3 shall not apply in relation to an advance made under section 445(1) of the Housing Act 1985 or under section 222(1) of the Housing (Scotland) Act 1987 to which article 2 does not apply.

Signed by authority of the Secretary of State for the Environment

Department of the Environment
22nd February 1994

G. S. K. Young
Minister of State,

Signed by authority of the Secretary of State for Wales

28th February 1994

Gwilym Jones
Parliamentary Under-Secretary of State, Welsh
Office

Signed by authority of the Secretary of State for Scotland

28th February 1994

James Douglas-Hamilton
Parliamentary Under-Secretary of State, Scottish
Office

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order commutes repayments which lending institutions would otherwise have had to make on or after 29th April 1994 to the Secretary of State under the home purchase assistance scheme (which was wound up by the Home Purchase Assistance (Winding Up of Scheme) Order 1993 ([S. I.1990/374](#))) and provides for the repayments to be made on that date.

The Order also makes consequential amendments to the Home Purchase Assistance Directions 1978 (which may be obtained from the Department of the Environment, room N11/21, 2 Marsham Street, London SW1P 3EB, or the Welsh Office, Housing Division, Cathays Park, Cardiff CF1 3NQ or the Scottish Office, Environment Department, room 420, St. Andrew's House, Edinburgh EH1 3DG). The amendments apply subject to the provision in article 4.