
STATUTORY INSTRUMENTS

1978 No. 1043 (N.I. 13)

NORTHERN IRELAND

**The Home Purchase Assistance
(Northern Ireland) Order 1978**

Made 25th July 1978

Laid before Parliament 8th August 1978

Coming into operation in accordance with Article 1

At the Court at Buckingham Palace, the 25th day of July 1978

Present,

The Queen's Most Excellent Majesty in Council

Whereas this Order in Council contains only provisions corresponding to sections 1 to 3 of the Home Purchase Assistance and Housing Corporation Guarantee Act 1978 (a) (in this Order referred to as "the Act of 1978").

Now, therefore, Her Majesty, in exercise of the powers conferred by paragraph 1 of Schedule 1 to the Northern Ireland Act 1974 (b) and in accordance with section 4 (1) of the said Act of 1978, and of all other powers enabling Her in that behalf, is pleased, by and with the advice of Her Privy Council, to order, and it is hereby ordered, as follows:—

Title and commencement

1. This Order may be cited as the Home Purchase Assistance (Northern Ireland) Order 1978 and shall come into operation on such day or days as the head of the Department may by order appoint.

Interpretation

2.—(1) The Interpretation Act (Northern Ireland) 1954 (c) shall apply to Article 1 and the following provisions of this Order as it applies to a Measure of the Northern Ireland Assembly.

(2) In this Order—

"the Act of 1978" means the Home Purchase Assistance and Housing Corporation Guarantee Act 1978;

"the Department" means the Department of the Environment.

Advances to lending institutions

3.—(1) The Department may make advances to recognised lending institutions enabling them to provide assistance under this Order to first-time purchasers of house property in Northern Ireland, where it is property in which the purchaser intends to make his home.

(a) 1978 c. 27.

(b) 1974 c. 28.

(c) 1954 c. 33 (N.I.).

(2) The assistance is to be available where finance for the purchase of the property (and improvements, if any) is obtained by means of a secured loan from the lending institution and the purchase price is within such price-limits as the Department may prescribe by order which shall be subject to negative resolution.

(3) Assistance under this Order is to be dependent upon the purchaser satisfying conditions with respect to his own savings; and the first condition is that he shall—

- (a) have been saving with a recognised savings institution for at least 2 years preceding the date of his application for the assistance; and
- (b) throughout the 12 months preceding that date, have had at least £300 of such savings;

and the second condition is that he shall by that date have accumulated at least £600 of such savings; but the Department may allow for the conditions to be relaxed or modified in particular classes of cases.

(4) Assistance under this Order may be given as follows—

- (a) the secured loan may be financed by the Department to the extent of £600 (that amount being normally additional to that which the institution would otherwise have lent, but not so that the total loan can exceed the loan value of the property);
- (b) £600 of the total loan may be made free of interest, and of any obligation to repay principal, for up to 5 years from the date of purchase; and
- (c) the institution may provide the purchaser with a bonus on his savings (which bonus shall be tax-exempt), up to a maximum of £110, payable towards the purchase or expenses arising in connection with it.

(5) The purchaser may qualify for assistance under paragraph (4) (a) and (b) by satisfying both the conditions of paragraph (3), and qualify for bonus under paragraph (4) (c) by satisfying only the first of those conditions but he does not in any case qualify unless the amount of the secured loan is to be at least £1,600 and not less than 25 per cent. of the purchase price of the property.

(6) The Department may, with the consent of the Department of Finance, by order which shall be made subject to negative resolution—

- (a) alter any of the money sums specified in paragraph (3), (4) and (5) and the percentage figure specified in paragraph (5);
- (b) substitute any longer or shorter period for either or both of the periods mentioned in paragraph (3);
- (c) alter the second condition of paragraph (3) so that purchasers may also satisfy it with lesser amounts of savings, and enable assistance under paragraph (4) (a) and (b) then to be given according to reduced scales specified in the order.

Administration, etc.

4.—(1) The lending institutions recognised for the purposes of Article 3 are specified in Part I of the Schedule, and the savings institutions so recognised are specified in Part II of the Schedule; and the Department may, with the consent of the Department of Finance—

- (a) add to either Part of the Schedule by order;
- (b) by order made in the case of a body named in it direct (but only after giving an opportunity for representations to be made on the body's behalf) that it be no longer a recognised institution.

(2) Advances to lending institutions shall be on such terms as to repayment and otherwise as may be settled by the Department with the consent of the Department of Finance, after consultation with lending and savings institutions or organisations representative of them; and the terms shall be embodied in directions issued by the Department.

(3) The following matters (among others) may be dealt with in the Department's directions—

(a) the cases in which assistance under this Order is to be provided and the method—

- (i) of determining loan value for the purpose of Article 3 (4) (a), and
- (ii) of quantifying bonus by reference to savings;

(b) the considerations by reference to which a person is or is not to be treated as a first-time purchaser of house property;

(c) the steps which must be taken with a view to satisfying the conditions of Article 3 (3), and the circumstances in which those conditions are to be treated as satisfied;

(d) the supporting evidence and declarations which are to be furnished by a person applying for the assistance, in order to establish his qualification for it, and the means of ensuring that restitution is made in the event of it being obtained by false representations; and

(e) the way in which amounts paid over by way of assistance under this Order are to be repaid to the lending institutions and the Department.

(4) The Department may, to such extent as it thinks proper for safeguarding the lending institutions, include in the terms an undertaking to indemnify the institutions in respect of loss suffered in cases where assistance has been given under this Order.

Building society law

5.—(1) So much of any advance made by a building society as is financed under this Order or under the Act of 1978 shall be treated as not forming part of the advance for the purpose of determining whether the advance, or any further advance made within 2 years of the date of purchase, is beyond the powers of the society.

(2) Undertakings of indemnity given under this Order or under the Act of 1978 are not to be treated for any purposes of the Building Societies Act (Northern Ireland) 1967 (a) as additional security for an advance.

(3) Section 28 of the Building Societies Act (Northern Ireland) 1967 (statutory notice to borrower where security taken from third party) does not apply by reason only of such undertakings having been given; but where that section applies to an advance made by a building society and partly financed under this Order or under the Act of 1978, the society—

(a) shall, in complying with section 28 (3) of the Act of 1967 as respects the contents of the notice, state the amount of the basic advance without including the amount which is so financed; and

(b) need not refer in the notice to those undertakings.

(4) Section 41 of the Building Societies Act (Northern Ireland) 1967 (certain statutory provisions to be set out in building society's acknowledgement of loan etc.) does not apply to an acknowledgement given by a building society for an advance made under this Order or under the Act of 1978.

N. E. Leigh,

Clerk of the Privy Council.

(a) 1967 c. 31 (N.I.).

INSTITUTIONS RECOGNISED FOR PURPOSES OF ARTICLE 3

PART I

LENDING INSTITUTIONS

1. Building societies designated under section 1 of the House Purchase and Housing Act 1959 (a).
2. District councils.
3. Trustee savings banks certified under the Trustee Savings Banks Act 1969 (b) or earlier legislation.
4. Companies which have satisfied the Department of Commerce that they ought to be treated as a banking company or as a discount company for the purpose of the Protection of Depositors Act (Northern Ireland) 1964 (c).
5. Insurance companies to which Part III of the Insurance Companies (Northern Ireland) Order 1976 (d) applies.
6. Friendly Societies and branches thereof if registered under the Friendly Societies Act (Northern Ireland) 1970 (e).
7. The Northern Ireland Housing Executive.

PART II

SAVINGS INSTITUTIONS

8. Any of the recognised lending institutions specified in paragraphs 1, 3, 4 and 6.
9. The Director of Savings.
10. The Department of Finance.
11. The Post Office.
12. Any savings institution recognised for purposes of section 1 of the Act of 1978.

EXPLANATORY NOTE

(This Note is not part of the Order.)

This Order enables the Department of the Environment to make advances to recognised lending institutions to enable them to provide assistance to those purchasing house property for the first time.

-
- (a) 1959 c. 33. (b) 1969 c. 50. (c) 1964 c. 22 (N.I.).
(d) S.I. 1976/59 (N.I. 3). (e) 1970 c. 31 (N.I.).