

To the Chief Financial Officer
of local authorities in
England, Wales and Scotland

Circular No. 141

31 October 2007

Fixed Rate Loans

As announced in Circular No. 140 of 16 October, changes are being made to the structure of interest rates applying to fixed rate loans with effect from Thursday 1 November. These changes are:

- *Maturity brackets with a uniform length of six months.*
- *Rates expressed in increments of one basis point.*

The following change to the structure of interest rates will also be applied with effect from Thursday 1 November:

- *A separate set of rates is to be applied to early repayments.* Hitherto, the same set of rates has applied to advances and to calculating the premium or discount due on an early repayment. From the date of this Circular, separate sets of rates will be used for the two types of transaction. Normally, the rates used to calculate the premium/discount due on the early repayment of a loan will be lower than those applying to advances. The separate sets will be shown on the Interest Rate Notice in force as displayed on the PWLB section of the DMO website - www.dmo.gov.uk.

Mark Frankel
Secretary

This version has been superseded