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

Circular No. 139

1 December 2005

Maximum period for PWLB fixed rate loans

Interest rates on loans made by the Board are determined by HM Treasury in accordance with section 5 of the National Loans Act 1968. From 7 December 2005 HM Treasury will determine interest rates for periods up to 50 years. Accordingly, the maximum period for fixed rate loans agreed on or after that date will be 50 years. The Board will not normally lend for periods greater than this but will continue to respect contractual obligations with regard to the conversion of certain outstanding loans where lending for longer periods may be required.

From 7 December the interest rate notices published on the Board's website will show rates for four new bands: over 30 but not over 35 years; over 35 but not over 40 years; over 40 but not over 45 years; and over 45 but not over 50 years.

The version of the Board's main circular, no. 138, displayed on the Board's website will be amended to take account of this change.

Enquiries about the present circular or PWLB matters generally may be made to 0845 357 6610 or pwlb@dmo.gsi.gov.uk.

**H D Watson
Secretary**

This version has been superseded