

CONFIDENTIAL FILINGS

MORTGAGES FOR NHS STAFF

NATIONAL HEALTH

DECEMBER 1987

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11.12.87							
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PRIME MINISTER

MORTGAGES FOR NHS STAFF IN LONDON

You will be glad to know that we are ready to announce the special mortgage scheme which the NHS Management Board and the Nationwide Building Society have been developing for nurses and other NHS staff in London. Tony Newton will be holding a joint press conference with Nationwide on the afternoon of Tuesday 15 December. Although we will be providing detailed briefing in the normal way, I thought you might like to have an outline of the scheme in advance.

The scheme will apply initially to staff working in the Greater London area. It may be expanded later. Basically it offers loans of up to 100 per cent of the purchase price and a maximum of 4.5 times income for single borrowers, compared with the normal 3 times. Shared purchase will be allowed. The interest rate will be two-thirds of the Society's variable current rate, in return for which the Society will take a share of the capital gain when the property is sold.

The scheme will put home ownership within the reach of many staff for whom it is at present out of the question, and will greatly ease the situation for joint purchasers. It will not of itself remove either the problems of recruitment and retention in London or the pressure to raise pay, but it should make a very useful contribution on both counts.

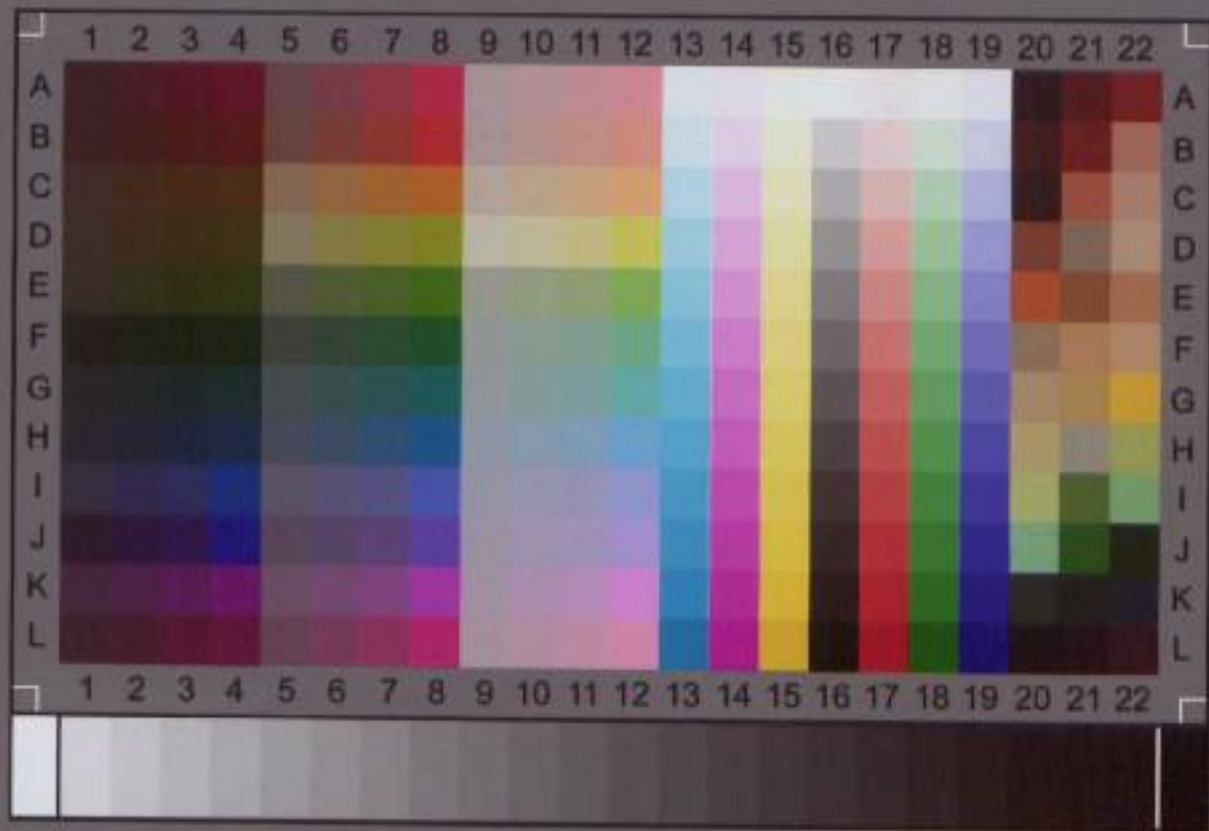
Tony will be taking the opportunity of the press conference to outline our current policy on NHS residential accommodation generally.

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J M

Prime Minister 2
 This is being announced separately from the publication of the "Nursing in London" study to avoid Nationwide sensitivities about appearing to be used for political ends. 11/12

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