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SCHEDULES

SCHEDULE 19

CONTROLLED MORTGAGES

PART II

RESTRICTIONS ON ENFORCEMENT OF SECURITY

- 6 (1) Subject to this Part of this Schedule, a mortgagee under a controlled mortgage shall not be entitled to call in his mortgage or to take any steps for exercising any right of foreclosure or sale, or for otherwise enforcing his security or for recovering the principal money thereby secured if and so long as—
- (a) interest at the rate permitted under this Schedule is paid and is not more than 21 days in arrears ; and
 - (b) the mortgagor's covenants are performed and observed (but for this purpose the covenant for the repayment of the principal money secured shall be disregarded); and
 - (c) the mortgagor keeps the property in a proper state of repair; and
 - (d) the mortgagor pays all interest and instalments of principal recoverable under any prior incumbrance.
- (2) Nothing in this paragraph affects any power of sale exercisable by a mortgagee who,
- (a) in the case of a mortgage falling within paragraph 1 above, was in possession on 25th March 1920; or
 - (b) in the case of a mortgage falling within paragraph 2 above, was in possession on 1st September 1939 or whichever other date is relevant for the purposes of sub-paragraph (2) of that paragraph, having regard to paragraphs 3 and 4 above.
- 7 (1) Paragraph 6 above does not apply to a mortgage where the principal money secured thereby is repayable by means of periodical instalments extending over a term of not less than 10 years from the creation of the mortgage.
- (2) Paragraph 6 above does not apply in any case where the mortgagor consents to the exercise by the mortgagee of the powers conferred by the mortgage.
- 8 (1) If a controlled mortgage is a mortgage of a leasehold interest and the mortgagee satisfies the county court that his security is seriously diminishing in value or is otherwise in jeopardy, and for that reason it is reasonable that the mortgage should be called in and enforced, the court may by order authorise him to call in and enforce the same, and thereupon paragraph 6 above shall not apply to the mortgage.
- (2) Any order under sub-paragraph (1) above may be made subject to a condition that it shall not take effect if the mortgagor, within such time as the court directs, pays to

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the mortgagee such portion of the principal sum secured as appears to the court to correspond to the diminution of the security.