



Housing Act 1985

1985 CHAPTER 68

PART XIV

LOANS FOR ACQUISITION OR IMPROVEMENT OF HOUSING

Assistance for first-time buyers

445 Advances to recognised lending institutions to assist first-time buyers.

- (1) The Secretary of State may make advances to recognised lending institutions enabling them to provide assistance to first-time purchasers of house property in Great Britain where—
 - (a) the purchaser intends to make his home in the property,
 - (b) finance for the purchase of the property (and improvements, if any) is obtained by means of a secured loan from the lending institution, and
 - (c) the purchase price is within the prescribed limits.
- (2) In this section “prescribed” means prescribed by order of the Secretary of State.
- (3) An order—
 - (a) may prescribe different limits for properties in different areas, and
 - (b) shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of the House of Commons.

Modifications etc. (not altering text)

- C1** Ss. 445–450: power to amend or repeal conferred by [Local Government and Housing Act 1989 \(c. 42, SIF 61\)](#), [s. 171\(1\)\(a\)\(2\)](#)

Changes to legislation: Housing Act 1985, Cross Heading: Assistance for first-time buyers is up to date with all changes known to be in force on or before 20 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

446 Forms of assistance and qualifying conditions.

- (1) Assistance under section 445 (assistance for first-time buyers) may be given in the following ways—
 - (a) the secured loan may be financed by the Secretary of State 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 exceeds 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 five 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.
- (2) The purchaser qualifies for assistance under subsection (1)(a) and (b) (interest-free loan) by satisfying the following conditions with respect to his own savings—
 - (a) that he has been saving with a recognised savings institution for at least two years preceding the date of his application for assistance,
 - (b) that throughout the twelve months preceding that date he had at least £300 of such savings, and
 - (c) that by that date he has accumulated at least £600 of such savings;
 and he qualifies for assistance under subsection (1)(c) (bonus on savings) by satisfying the conditions specified in paragraphs (a) and (b) above.
- (3) The Secretary of State may allow for the conditions to be relaxed or modified in particular classes of case.
- (4) No assistance shall be given in any case unless the amount of the secured loan is at least £1,600 and amounts to not less than 25 per cent. of the purchase price of the property.
- (5) The Secretary of State may by order made with the consent of the Treasury—
 - (a) alter any of the money sums specified in this section;
 - (b) substitute a longer or shorter period for either or both of the periods mentioned in subsection (2)(a) and (b) (conditions as to savings);
 - (c) alter the condition in subsection (2)(c) so as to enable the purchaser to satisfy it with lesser amounts of savings and to enable assistance to be given in such a case according to reduced scales specified in the order;
 - (d) alter the percentage mentioned in subsection (4) (minimum secured loan).
- (6) An order shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of the House of Commons.

Modifications etc. (not altering text)

- C2 Ss. 445–450: power to amend or repeal conferred by [Local Government and Housing Act 1989 \(c. 42, SIF 61\), s. 171\(1\)\(a\)\(2\)](#)
- C3 S. 446(3) amended by [Local Government and Housing Act 1989 \(c. 42, SIF 61\), s. 171\(3\)\(a\)](#)

447 Recognised lending institutions.

- (1) The lending institutions recognised for the purposes of section 445 (assistance for first-time buyers) are—

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[^{F1}an authorised deposit taker
an authorised insurer]

^{F2}
...

local authorities,
[^{F3}development] corporations,
the Development Board for Rural Wales,

^{F2}
...

^{F2}
...

^{F2}
...

^{F2}
...

[^{F4}Swansea Building Society]

[^{F5}Abbey Life Home Service Limited.

Abbey Life Mortgage Securities Limited.

Abbey Life Residential Loans Limited.

General Portfolio Finance Limited.

Royal London Homebuy Limited.]

[^{F6}Abbey Life Mortgage Finance Limited,

Abbey Life Mortgage Loans Limited,

CIS Mortgage Maker Limited]

[^{F7}Mortgage Express Ltd.]

[^{F8}Halifax Loans Limited

BNP Mortgages Limited.]

[^{F9}Sun Life of Canada Home Loans Limited

Halifax Loans (No.2) Limited

Halifax Loans (No.3) Limited

Halifax Loans (No.4) Limited.]

- (2) The Secretary of State may by order made with the consent of the Treasury—
- (a) add to the list in subsection (1), or
- (b) direct that a named body shall no longer be a recognised lending institution; but before making an order under paragraph (b) he shall give an opportunity for representations to be made on behalf of the body concerned.
- (3) An order shall be made by statutory instrument.

Textual Amendments

- F1** Words in s. 447(1) inserted (1.12.2001) by [S.I. 2001/3649](#), [arts. 1](#), 299(5)(b)
- F2** Words in s. 447(1) repealed (1.12.2001) by [S.I. 2001/3649](#), [arts. 1](#), 299(5)(a)
- F3** Words in s. 447 substituted (1.12.2008) by [The Housing and Regeneration Act 2008 \(Consequential Provisions\) Order 2008 \(S.I. 2008/3002\)](#), [arts. 4](#), 6, [Sch. 1 para. 20](#) (with [Sch. 2](#)); [S.I. 2008/3068](#), [arts. 1\(2\)](#), [2\(1\)\(b\)](#) (with [arts. 6-13](#))
- F4** Entry added by [S.I. 1986/1489](#), [art. 2](#)
- F5** Entries added by [S.I. 1988/84](#), [art. 2](#), [Sch.](#)
- F6** Entries added by [S.I. 1988/1723](#), [art. 2](#)
- F7** Entry added by [S.I. 1989/956](#), [art. 2](#)
- F8** Entries added by [S.I. 1989/2328](#), [art. 2](#)
- F9** Entries added by [S.I. 1990/1387](#), [art. 2](#)

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Modifications etc. (not altering text)

- C4** Ss. 445–450: power to amend or repeal conferred by [Local Government and Housing Act 1989 \(c. 42, SIF 61\), s. 171\(1\)\(a\)\(2\)](#)
- C5** S. 447 amended by [S.I. 1986/148, art. 10\(6\)](#)
- C6** By [S.I. 1987/1202, art. 2, Sch.](#) the bodies “Yorkshire Bank Home Loans Limited” and “Abbey Life Home Loans Limited.” are specified for the purposes of section 447(2)
- C7** By [S.I. 1987/1809, art. 2, Sch.](#) the bodies “Abbey Life Executive Mortgages Limited.” and “Abbey Life Funding Limited.” are specified for the purposes of section 447(2)

448 Recognised savings institutions.

- (1) The savings institutions recognised for the purposes of section 446 (qualifying conditions as to savings) are—

[^{F10}an authorised deposit taker]

^{F11} . . .

local authorities

^{F11} . . .

^{F11} . . .

friendly societies, [^{F12}and]

the Director of Savings, ^{F13} . . .

^{F13} . . .

[^{F14}Swansea Building Society]

and savings institutions recognised for the purposes of the corresponding provisions in force in Scotland or Northern Ireland.

- (2) The Secretary of State may by order made with the consent of the Treasury—
- (a) add to the list in subsection (1), or
 - (b) direct that a named body shall no longer be a recognised savings institution; but before making an order under paragraph (b) he shall give an opportunity for representations to be made on behalf of the body concerned.
- (3) An order shall be made by statutory instrument.

Textual Amendments

- F10** Words in s. 448(1) inserted (1.12.2001) by [S.I. 2001/3649, arts. 1, 299\(6\)\(b\)](#)
- F11** Words in s. 448(1) repealed (1.12.2001) by [S.I. 2001/3649, arts. 1, 299\(6\)\(a\)](#)
- F12** Word in s. 448(1) inserted (26.3.2001) by [S.I. 2001/1149, art. 3\(1\), Sch. 1 para. 63](#)
- F13** Words in s. 448(1) repealed (26.3.2001) by [S.I. 2001/1149, art. 3\(2\), Sch. 2 \(with art. 4\(11\)\)](#)
- F14** Entry added by [S.I. 1986/1490, art. 2](#)

Modifications etc. (not altering text)

- C8** Ss. 445–450: power to amend or repeal conferred by [Local Government and Housing Act 1989 \(c. 42, SIF 61\), s. 171\(1\)\(a\)\(2\)](#)

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449 Terms of advances and administration.

- (1) Advances to lending institutions under section 445 (assistance for first-time buyers) shall be on such terms as to repayment and otherwise as may be settled by the Secretary of State, with the consent of the Treasury, after consultation with lending and savings institutions or organisations representative of them; and the terms shall be embodied in directions issued by the Secretary of State.
- (2) The following matters, among others, may be dealt with in directions issued by the Secretary of State—
 - (a) the cases in which assistance is to be provided;
 - (b) the method of determining the loan value of property for the purpose of section 446(1)(a) (limit on total loan);
 - (c) the method of quantifying bonus by reference to savings;
 - (d) the considerations by reference to which a person is or is not to be treated as a first-time purchaser of house property;
 - (e) the steps which must be taken with a view to satisfying the conditions in section 446(2) (conditions as to purchaser's own savings), and the circumstances in which those conditions are or are not to be treated as satisfied;
 - (f) the supporting evidence and declarations which must be furnished by a person applying for 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;
 - (g) the way in which amounts paid over by way of assistance are to be repaid to the lending institutions and to the Secretary of State.
- (3) The Secretary of State may, to the extent that he 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.

Modifications etc. (not altering text)

- C9** Ss. 445–450: power to amend or repeal conferred by [Local Government and Housing Act 1989 \(c. 42, SIF 61\)](#), [s. 171\(1\)\(a\)\(2\)](#)

^{F15}**450**

Textual Amendments

- F15** S. 450 repealed (1.12.1997) by [1997 c. 32, s. 46\(2\)](#), [Sch. 9](#); [S.I. 1997/2668](#), art. 2(2)(3)(5), [Sch. Pt. II](#) para. (z)(bb)(iii)

Changes to legislation:

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Changes and effects yet to be applied to :

- specified provision(s) savings for amendments by 2018 anaw 1, s. 6, Sch. 6 by [S.I. 2019/110 reg. 5](#)

Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

- Act savings and transitional provisions for amendments by [S.I. 2022/1166](#) by [S.I. 2022/1172](#) Regulations

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 81A-81D and cross-heading inserted by [2016 c. 22 Sch. 7 para. 4](#) (This provision is amended by [2021 c. 7, ss. 79\(3\), 90\(6\)](#); [S.I. 2021/1038, reg. 3\(c\)](#))
- s. 81B(1)(b) words inserted by [2018 c. 11 s. 1\(3\)](#)
- s. 81B(2A)-(2C) inserted by [2018 c. 11 s. 1\(2\)](#)
- s. 81B(2C) words substituted by [2021 c. 17 s. 79\(3\)\(a\)\(i\)](#) (This amendment not applied to [legislation.gov.uk](#). The insertion of s. 81B by [2016 c. 22, Sch. 7 para. 4](#) is still prospective)
- s. 81B(2C) words substituted by [2021 c. 17 s. 79\(3\)\(a\)\(ii\)](#) (This amendment not applied to [legislation.gov.uk](#). The insertion of s. 81B by [2016 c. 22, Sch. 7 para. 4](#) is still prospective)
- s. 81B(2D) inserted by [2021 c. 17 s. 79\(3\)\(b\)](#) (This amendment not applied to [legislation.gov.uk](#). The insertion of s. 81B by [2016 c. 22, Sch. 7 para. 4](#) is still prospective)
- s. 82(A1)(A2) inserted by [2016 c. 22 s. 119\(2\)\(a\)](#)
- s. 82A(4A)(4B) inserted by [2016 c. 22 Sch. 7 para. 7\(2\)](#)
- s. 86(1A)(1B) inserted by [2016 c. 22 Sch. 7 para. 10\(3\)](#)
- s. 86(1C) inserted by [2016 c. 22 Sch. 8 para. 2](#)
- s. 86A-86F and cross-headings inserted by [2016 c. 22 Sch. 7 para. 11](#)
- s. 86G s. 86A renumbered as s. 86G by [2016 c. 22 Sch. 8 para. 3\(1\)\(a\)](#)
- s. 86G(8) inserted by [2016 c. 22 Sch. 8 para. 3\(2\)](#)
- s. 88(1)(ba) inserted by [2016 c. 22 Sch. 8 para. 4](#)
- s. 89(2A)-(2D) inserted by [2016 c. 22 Sch. 8 para. 5\(3\)](#)
- s. 97(1A) inserted by [2016 c. 22 Sch. 7 para. 12\(3\)](#)
- s. 99A(1A) inserted by [2016 c. 22 Sch. 7 para. 13\(3\)](#)
- s. 115B115C inserted by [2016 c. 22 Sch. 7 para. 15](#)
- s. 115B115C inserted by [2016 c. 22 Sch. 7 para. 15](#)
- s. 305(1A) inserted by [2023 asc 3 Sch. 13 para. 68\(b\)](#)
- s. 306(1A) inserted by [2023 asc 3 Sch. 13 para. 69\(b\)](#)
- s. 353A inserted by [1996 c. 52 s. 73\(1\)](#) (This amendment not applied to [legislation.gov.uk](#). S. 73 repealed (6.4.2006 for E., 16.6.2006 for W.) by [2004 c. 34, Sch. 16](#); [S.I. 2006/1060, art. 2\(1\)\(e\), Sch.](#); [S.I. 2006/1535, art. 2\(c\), Sch.](#))
- s. 582(6)(aa)-(ac) substituted for s. 582(6)(a) by [2023 c. 55 Sch. 18 para. 4\(2\)\(b\)](#)
- Sch. 1 para. 1ZA and cross-heading inserted by [2016 c. 22 Sch. 7 para. 17\(2\)](#)
- Sch. 5A para. 3(3)(aa) inserted by [2023 c. 55 Sch. 18 para. 4\(3\)\(b\)\(ii\)](#)
- Sch. 5A para. 3(6A) inserted by [2023 c. 55 Sch. 18 para. 4\(3\)\(d\)](#)