



Housing Act 1985

1985 CHAPTER 68

PART V

THE RIGHT TO BUY

Provisions affecting future disposals

156 Liability to repay is a charge on the premises.

- (1) The liability that may arise under the covenant required by section 155 is a charge on the dwelling-house, taking effect as if it had been created by deed expressed to be by way of legal mortgage.
- [^{F1}(2) Subject to subsections (2A) and (2B), the charge has priority as follows—
- (a) if it secures the liability that may arise under the covenant required by section 155(2), immediately after any legal charge securing an amount advanced to the secure tenant by an approved lending institution for the purpose of enabling him to exercise the right to buy;
 - (b) if it secures the liability that may arise under the covenant required by section 155(3), immediately after the mortgage—
 - (i) which is required by section 151B (mortgage for securing redemption of landlord's share), and
 - (ii) which, by virtue of subsection (2) of that section, has priority immediately after any legal charge securing an amount advanced to the secure tenant by an approved lending institution for the purpose of enabling him to exercise the right to acquire on rent to mortgage terms.
- (2A) The following, namely—
- (a) any advance which is made otherwise than for the purpose mentioned in paragraph (a) or (b) of subsection (2) and is secured by a legal charge having priority to the charge taking effect by virtue of this section, and
 - (b) any further advance which is so secured,

Changes to legislation: Housing Act 1985, Section 156 is up to date with all changes known to be in force on or before 19 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

shall rank in priority to that charge if, and only if, the landlord by written notice served on the institution concerned gives its consent; and the landlord shall so give its consent if the purpose of the advance or further advance is an approved purpose.

(2B) The landlord may at any time by written notice served on an approved lending institution postpone the charge taking effect by virtue of this section to any advance or further advance which—

- (a) is made to the tenant by that institution, and
- (b) is secured by a legal charge not having priority to that charge;

and the landlord shall serve such a notice if the purpose of the advance or further advance is an approved purpose.]

(3) ^{F2}.....

[^{F3}(3A) The covenant required by section 155 (covenant for repayment of discount) does not, by virtue of its binding successors in title of the tenant, bind a person exercising rights under a charge having priority over the charge taking effect by virtue of this section, or a person deriving title under him; and a provision of the conveyance or grant, or of a collateral agreement is void in so far as it purports to authorise a forfeiture, or to impose a penalty or disability, in the event of any such person failing to comply with that covenant.]

(4) The approved lending institutions for the purposes of this section are—

the [^{F4}Relevant Authority],

[^{F5}(4ZA) In subsection (4) “the Relevant Authority” does not include the Regulator of Social Housing but does include the Homes and Communities Agency.]

[^{F6}(4ZB) In subsection (4) “the Relevant Authority” also includes the Greater London Authority.]

- [^{F7}an authorised deposit taker
- an authorised insurer]
- [^{F8} an authorised mortgage lender.]^{F9} . . .

[^{F10}(4A) The approved purposes for the purposes of this section are—

- (a) to enable the tenant to make an interim or final payment,
- (b) to enable the tenant to defray, or to defray on his behalf, any of the following—
 - (i) the cost of any works to the dwelling-house,
 - (ii) any service charge payable in respect of the dwelling-house for works, whether or not to the dwelling-house, and
 - (iii) any service charge or other amount payable in respect of the dwelling-house for insurance, whether or not of the dwelling-house, and
- (c) to enable the tenant to discharge, or to discharge on his behalf, any of the following—
 - (i) so much as is still outstanding of any advance or further advance which ranks in priority to the charge taking effect by virtue of this section,
 - (ii) any arrears of interest on such an advance or further advance, and
 - (iii) any costs and expenses incurred in enforcing payment of any such interest, or repayment (in whole or in part) of any such advance or further advance.

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(4B) Where different parts of an advance or further advance are made for different purposes, each of those parts shall be regarded as a separate advance or further advance for the purposes of this section.]

- (5) ^{F11}
- (6) ^{F11}

Textual Amendments

- F1** S. 156(2)(2A)(2B) substituted for s. 156(2) (11.10.1993) by 1993 c. 28, **s. 120(3)**; S.I. 1993/2134, **arts. 2, 4(b)** (with saving in **Sch. 1 para. 4(1)**).
- F2** S. 156(3) repealed (13.10.2003) by 2002 c. 9, ss. 135, 136(2), **Sch. 13** (with s. 129, **Sch. 12 para. 1**); S.I. 2003/1725, **art. 2(1)**
- F3** S. 156(3A) inserted by **Housing and Planning Act 1986** (c. 63, SIF 61), **s. 24(1)(a)**, **Sch. 5 Pt. I para. 1(2)(5)**
- F4** Words in s. 156(4) substituted (1.11.1998) by 1998 c. 38, s. 140, **Sch. 16 para. 5** (with ss. 139(2), 141(1), 143(2)); S.I. 1998/2244, **art. 5**
- F5** S. 156(4ZA) inserted (1.4.2010) by **The Housing and Regeneration Act 2008 (Consequential Provisions) Order 2010** (S.I. 2010/866), art. 1(2), **Sch. 1 para. 3** (with art. 6, **Sch. 3**)
- F6** S. 156(4ZB) inserted (1.4.2012) by **Localism Act 2011** (c. 20), s. 240(2), **Sch. 19 para. 15**; S.I. 2012/628, art. 6(i) (with arts. 9, 11, 14, 15, 17)
- F7** Words in s. 156(4) substituted (1.12.2001) by S.I. 2001/3649, **arts. 1, 299(4)**
- F8** Words in s. 156(4) substituted (22.9.2008) by **Housing and Regeneration Act 2008** (c. 17), **ss. 307(1)(a), 325(2)**
- F9** Words in s. 156(4) repealed (1.10.1996) by 1996 c. 52, ss. 222, 227, **Sch. 18 Pt. IV para. 22(1)(c)(3)**, **Sch. 19 Pt. XIII**; S.I. 1996/2402, **art. 3** (subject to transitional provisions and savings in **Sch.**)
- F10** S. 156(4A)(4B) inserted (11.10.1993) by 1993 c. 28, **s. 120(4)**; S.I. 1993/2134, **arts. 2, 4(b)** (with saving in **Sch. 1 para.4(1)**).
- F11** S. 156(5)(6) repealed (22.9.2008) by **Housing and Regeneration Act 2008** (c. 17), ss. 307(1)(b), 321(1), 325, **Sch. 16**; S.I. 2008/2358, **art. 4(b)**

Modifications etc. (not altering text)

- C1** S. 156 applied (16.12.1997) by 1996 c. 53, **s. 138(5)**; S.I. 1997/2846, **art. 2**
- C2** S. 156: transfer of functions (1.12.2008) by **The Transfer of Housing Corporation Functions (Modifications and Transitional Provisions) Order 2008** (S.I. 2008/2839), **art. 2**; S.I. 2008/3068, **art. 2(1)(b)** (with arts. 6-13)
- C3** S. 156(4) modified (1.12.2008) by **The Transfer of Housing Corporation Functions (Modifications and Transitional Provisions) Order 2008** (S.I. 2008/2839), art. 3 {**Sch. para. 2(2)**} (with art. 6); S.I. 2008/3068, **art. 2(1)(b)** (with arts. 6-13)

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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\(3\)\(d\)](#)