



Housing Act 1985

1985 CHAPTER 68

PART XIV

LOANS FOR ACQUISITION OR IMPROVEMENT OF HOUSING

Local authority mortgages

438 Local authority mortgage interest rates.

- (1) Where after 3rd October 1980 a local authority—
- advance money for any of the purposes mentioned in section 435, or
 - on the disposal of a house allow, or have to allow, a sum to be left outstanding on the security of the house, or
 - take a transfer of a mortgage in pursuance of section 442 (agreement by local authority to indemnify mortgagee),
- the provision made by them with respect to interest on the sum advanced or remaining outstanding shall comply with the provisions of Schedule 16.
- (2) This section does not prevent a local authority from giving assistance in the manner provided by—
- section 441 (waiver or reduction of payments in case of property requiring repair or improvement), or
 - section 446(1)(b) (assistance for first-time buyers: part of loan interest-free for up to five years).
- (3) This section does not apply to loans made by local authorities under—
- section 228 (duty to make loans for improvements required by improvement notice), or
 - [^{F1}section 22 of the Housing Act 1996 or section 58] of the ^{M1}Housing Associations Act 1985 (financial assistance for housing associations).

Changes to legislation: Housing Act 1985, Section 438 is up to date with all changes known to be in force on or before 25 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

Textual Amendments

F1 Words in s. 438(3) substituted (1.10.1996) by S.I. 1996/2325, art. 5(1), **Sch. 2 para. 14(21)**

Modifications etc. (not altering text)

C1 S. 438 excluded by **Local Government Act 1988 (c. 9, SIF 81:1), s. 24(4)**

Marginal Citations

M1 1985 c. 68.

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