



Housing Associations Act 1985

1985 CHAPTER 69

PART II

HOUSING ASSOCIATION FINANCE

Loans by Public Works Loan Commissioners

67 Loans by Public Works Loan Commissioners: England and Wales

- (1) The Public Works Loan Commissioners may lend money to a housing association—
 - (a) for the purpose of constructing or improving, or facilitating or encouraging the construction or improvement, of houses,
 - (b) for the purchase of houses which the association desires to purchase with a view to their improvement, "and
 - (c) for the purchase and development of land.
- (2) A loan for any of those purposes, and interest on the loan, shall be secured by mortgage of—
 - (a) the land in respect of which that purpose is to be carried out, and
 - (b) such other lands, if any, as may be offered as security for the loan ;and the money lent shall not exceed three-quarters (or, if the payment of the principal of, and interest on, the loan is guaranteed by a local authority, nine-tenths) of the value, to be ascertained to the satisfaction of the Public Works Loan Commissioners, of the estate or interest in the land proposed to be so mortgaged.
- (3) Loans may be made by instalments as the building of houses or other work on land mortgaged under subsection (2) progresses (so, however, that the total amount lent does not at any time exceed the amount specified in that subsection); and a mortgage may be accordingly made to secure such loans so to be made.
- (4) If the loan exceeds two-thirds of the value referred to in subsection (2), and is not guaranteed as to principal and interest by a local authority, the Public Works Loan

Status: This is the original version (as it was originally enacted).

Commissioners shall require, in addition to such a mortgage as is mentioned in that subsection, such further security as they may think fit.

- (5) Subject to subsection (6), the period for repayment of a loan under this section shall not exceed 40 years, and no money shall be lent on mortgage of any land unless the estate proposed to be mortgaged is either an estate in fee simple absolute in possession or an estate for a term of years absolute of which not less than 50 years are unexpired at the date of the loan.
- (6) Where a loan under this section is made for the purpose of carrying out a scheme for the provision of houses approved by the Secretary of State, the maximum period for the repayment of the loan is 50 instead of 40 years, and money may be lent on the mortgage of an estate for a term of years absolute of which a period of not less than ten years in excess of the period fixed for the repayment of the sums advanced remains unexpired at the date of the loan.

68 Loans by Public Works Loan Commissioners: Scotland

- (1) The Public Works Loan Commissioners may lend money to a housing association—
 - (a) for the purpose of constructing or improving, or facilitating or encouraging the construction or improvement of, houses,
 - (b) for the purchase of houses, and
 - (c) for the purchase and development of land.
- (2) A loan for any of those purposes shall be secured with interest by a heritable security over—
 - (a) the land in respect of which that purpose is to be carried out, and
 - (b) such other land, if any, as may be offered as security for the loan;

and the money lent shall not exceed three-quarters (or, if the payment of the principal of and interest on the loan is guaranteed by a local authority, nine-tenths) of the value, to be ascertained to the satisfaction of the Public Works Loan Commissioners, of the estate or interest in the land proposed to be burdened.
- (3) Loans may be made by instalments as the building of houses or other work on the land burdened under subsection (2) progresses (so, however, that the total loans do not at any time exceed the amount specified in that subsection); and the heritable security may be granted accordingly to secure such loans so to be made.
- (4) If the loan exceeds two-thirds of the value referred to in subsection (2), and is not guaranteed as to principal and interest by a local authority, the Public Works Loan Commissioners shall require, in addition to such a heritable security as is mentioned in that subsection, such further security as they may think fit.
- (5) Subject to subsection (6), the period for repayment of a loan under this section shall not exceed 40 years, and no money shall be lent on the security of any land unless the estate or interest proposed to be burdened is either ownership or a lease of which a period of not less than 50 years remains unexpired at the date of the loan.
- (6) Where a loan under this section is made for the purposes of carrying out a scheme for the provision of houses approved by the Secretary of State, the maximum period for the repayment of the loan is 50 instead of 40 years, and money may be lent on heritable security over a lease recorded under the Registration of Leases (Scotland) Act 1857 of which a period of not less than ten years in excess of the period fixed for the repayment of the loan remains unexpired at the date of the loan.