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**Changes to legislation:** There are currently no known outstanding effects for the Friendly Societies Act 1992, Cross Heading: Loans out of separate loan fund. (See end of Document for details)

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## SCHEDULES

### SCHEDULE 5

#### ADDITIONAL ACTIVITIES OF INCORPORATED SOCIETIES

##### *Loans out of separate loan fund*

- 2 (1) An incorporated friendly society may, out of any separate loan fund to be formed by contributions or deposits from its members, make loans to members on their personal security, with or without sureties or, in Scotland, cautioners, subject to the restrictions in sub-paragraphs (2) to (4) below.
- (2) A loan shall not at any time be made out of money contributed otherwise than for the purpose of the loan fund.
- (3) A member shall not be capable of holding any interest in the loan fund exceeding £800.
- (4) The society shall not—
- (a) make any loan to a member on personal security beyond the amount fixed by the rules, or make any loan which, together with any money owing by a member to the society, exceeds £200; or
  - (b) hold at any one time on deposit from its members any money beyond the amount fixed by the rules, and the amount so fixed shall not exceed two thirds of the total sums owing to the society by the members who have borrowed from the loan fund.
- (5) The [F<sup>1</sup>Treasury may by order] amend sub-paragraph (3) or (4) above to substitute, for the sum for the time being specified in that sub-paragraph, such greater sum as is specified in the order.

#### Textual Amendments

- F1** Words in Sch. 5 para. 2(5) substituted (17.8.2001 for specified purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8(1), 13(1), Sch. 3 para. 122(a) (with art. 13(3), Sch. 5); S.I. 2001/3538, art. 2(1)

#### Modifications etc. (not altering text)

- C1** Sch. 5 para. 2(5): Functions of the Friendly Societies Commission transferred (1.12.2001) to the Treasury by S.I. 2001/2617, arts. 2(b), 4(1), Sch. 1 Pt. II (with art. 5); S.I. 2001/3538, art. 2(1)

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