



# Leasehold Reform, Housing and Urban Development Act 1993

## 1993 CHAPTER 28

### PART II

#### PUBLIC SECTOR HOUSING

#### CHAPTER I

#### ENGLAND AND WALES

#### *Right to acquire on rent to mortgage terms*

#### **118 Mortgage for securing redemption of landlord's share.**

After section 151A of the 1985 Act there shall be inserted the following section—

#### **“151B Mortgage for securing redemption of landlord's share.**

- (1) The liability that may arise under the covenant required by paragraph 1 of Schedule 6A (covenant for the redemption of the landlord's share in the circumstances there mentioned) shall be secured by a mortgage.
- (2) Subject to subsections (3) and (4), the mortgage shall have 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.
- (3) The following, namely—
  - (a) any advance which is made otherwise than for the purpose mentioned in subsection (2) and is secured by a legal charge having priority to the mortgage, and

---

**Changes to legislation:** Leasehold Reform, Housing and Urban Development Act 1993, Section 118 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

---

- (b) any further advance which is so secured, shall rank in priority to the mortgage 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.
- (4) The landlord may at any time by written notice served on an approved lending institution postpone the mortgage 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 the mortgage;
- and the landlord shall serve such a notice if the purpose of the advance or further advance is an approved purpose.
- (5) The approved lending institutions for the purposes of this section are—
- the Corporation,
  - a building society,
  - a bank,
  - a trustee savings bank,
  - an insurance company,
  - a friendly society,
- and any body specified, or of a class or description specified, in an order made under section 156.
- (6) 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 mortgage,
    - (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.
- (7) 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.
- (8) The Secretary of State may by order prescribe—
- (a) matters for which the deed by which the mortgage is effected must make provision, and

---

**Changes to legislation:** Leasehold Reform, Housing and Urban Development Act 1993, Section 118 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](#)

---

- (b) terms which must, or must not, be contained in that deed, but only in relation to deeds executed after the order comes into force.
- (9) The deed by which the mortgage is effected may contain such other provisions as may be—
- (a) agreed between the mortgagor and the mortgagee, or
  - (b) determined by the county court to be reasonably required by the mortgagor or the mortgagee.
- (10) An order under this section—
- (a) may make different provision with respect to different cases or descriptions of case, including different provision for different areas, and
  - (b) shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.”

---

**Commencement Information**

**II** S. 118 wholly in force at 11.10.1993 (subject to the transitional provisions and savings in Sch. 1 to 1993/2134) see s. 188(2) and S.I. 1993/2134, art. 4(b)

**Changes to legislation:**

Leasehold Reform, Housing and Urban Development Act 1993, Section 118 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.

[View outstanding changes](#)

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

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

- s. 12A and cross-heading inserted by 2002 c. 15 s. 123(1)
- s. 12A(3)(a)(b) words substituted by S.I. 2009/1941 Sch. 1 para. 140(5)
- s. 12A(4)(a) words substituted by S.I. 2009/1941 Sch. 1 para. 140(5)
- s. 12A(4)(c) words substituted by S.I. 2009/1941 Sch. 1 para. 140(5)
- s. 13(2ZA) inserted by 2002 c. 15 s. 121(3)
- s. 13(2ZB) inserted by 2002 c. 15 s. 123(2)
- s. 13(5A) inserted by 2002 c. 15 Sch. 8 para. 6(3)
- s. 29(4A) inserted by 2002 c. 15 Sch. 8 para. 18(2)
- s. 29(4A) words added by S.I. 2003/2096 Sch. para. 20(b)
- s. 29(4A)(a) words omitted by S.I. 2003/2096 Sch. para. 20(a)
- s. 29(4A)(d) words substituted by S.I. 2009/1941 Sch. 1 para. 140(6)
- s. 70(15) inserted by 2023 asc 3 Sch. 13 para. 166(b)
- s. 78(5A)-(5C) inserted by 2008 c. 17 Sch. 12 para. 15(3)
- s. 78(7) inserted by 2008 c. 17 Sch. 12 para. 15(4)
- s. 79(2)(2A) substituted for s. 79(2) by 2002 c. 15 Sch. 10 para. 16(3)
- s. 156(4) repealed by 2014 asp 14 sch. 2 para. 7
- Sch. 20 para. 5(1A) inserted by 2008 c. 29 Sch. 9 para. 5(2)