

SCHEDULE 2

article 10

AMENDMENTS OF EXISTING POWER TO ADVANCE MONEY

PART 1

AMENDMENT OF SECTION 435 OF THE HOUSING ACT 1985

1. Section 435 of the Housing Act 1985 (power of local authorities to advance money) is amended in accordance with paragraphs 2 and 3 below.
2. In subsection (1), omit paragraph (d) and the word “or” immediately preceding that paragraph.
3. After subsection (1), insert the following subsection—
 - “(1A) A local authority which is not a local housing authority may advance money to a person—
 - (a) for the purpose of altering, enlarging, repairing or improving a house, or
 - (b) for the purpose of facilitating the repayment of an amount outstanding on a previous loan made for any of those purposes.”

PART 2

AMENDMENT OF SECTION 435: CONSEQUENTIAL AMENDMENTS TO 1985 ACT

- 4.—(1) The 1985 Act is amended in accordance with sub-paragraphs (2) to (4) below.
 - (2) In section 436 (terms of advance), in subsection (4), for “section 435(1)(b) to (d)” substitute “section 435(1)(b) and (c) and (1A)”.
 - (3) In section 439 (requirements as to fitness of premises, &c.)—
 - (a) in subsection (2), for “subsection (1)(b) to (d)” substitute “subsections (1)(b) and (c) and (1A)”; and
 - (b) in subsection (3)—
 - (i) for “section 435(1)” substitute “subsection (1) of section 435”,
 - (ii) after “(repayment of previous loan)” insert “or in subsection (1A)(b) of that section (repayment of previous loan for improvements etc)”, and
 - (iii) in paragraph (b), for the words from “paragraph” to the end substitute—
 - “(i) subsection (1)(c) of that section (conversion), or
 - (ii) subsection (1A)(a) of that section (improvements, etc),as the case may be.”
 - (4) In section 442 (agreement by local authority to indemnify mortgagee), in subsection (1A)(1), after “subsection (1)”, insert “or (1A)”.

(1) Subsection (1A) was inserted by the Housing Act 1996 (c. 52), Schedule 18, paragraph 27.