

SCHEDULE 1

Article 2(1)

MEANING OF “RELEVANT AGREEMENT”

1. A consumer credit agreement is a relevant agreement if any sums due under it are secured by a land mortgage on land outside the United Kingdom.
2. A consumer credit agreement is a relevant agreement if any sums due under it are secured by a land mortgage on land in the United Kingdom where the condition in paragraph 3 is satisfied.
3. The condition is that at the time the agreement is entered into less than 40% of the land is used, or is intended to be used, as or in connection with a dwelling—
 - (a) by the debtor or a person connected with the debtor, or
 - (b) in the case of credit provided to trustees, by an individual who is the beneficiary of the trust or a person connected with such an individual.
4. For the purposes of paragraph 3 the area of any land which comprises a building or other structure containing two or more storeys is to be taken to be the aggregate of the floor areas of each of those storeys.
5. For the purpose of paragraph 3 a person is “connected with” the debtor or an individual who is the beneficiary of a trust if he is—
 - (a) that person’s spouse or civil partner;
 - (b) a person (whether or not of the opposite sex) whose relationship with that person has the characteristics of the relationship between husband and wife; or
 - (c) that person’s parent, brother, sister, child, grandparent or grandchild.