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STATUTORY INSTRUMENTS

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**2016 No. 1024**

**The Insolvency (England and Wales) Rules 2016**

**PART 10**

**BANKRUPTCY**

**CHAPTER 13**

**Mortgaged property**

**Proceeds of sale**

**10.124.**—(1) The proceeds of sale must be applied as follows—

- (a) first in payment of—
  - (i) the trustee's expenses in relation to the application to the court,
  - (ii) the trustee's expenses of the sale and attendance at it, and
  - (iii) any costs of the trustee arising from the taking of accounts, and making of enquiries, as directed by the court under rule 10.122;
- (b) secondly, in payment of the amount found due to any mortgagee, for principal, interest and costs; and
- (c) the balance must be retained by or paid to the trustee.

(2) Where the proceeds of the sale are insufficient to pay in full the amount found due to any mortgagee, the mortgagee is entitled to prove as a creditor for any deficiency, and to receive dividends rateably with other creditors, but not so as to disturb any dividend already declared.