

## SCHEDULES

### SCHEDULE 18

#### MISCELLANEOUS PROVISIONS

#### PART IV

#### OTHER HOUSING PROVISIONS

##### *Local authority assistance in connection with mortgages*

- 27 (1) Section 442 of the Housing Act 1985 (agreements by local authority to indemnify mortgagees) is amended as follows.
- (2) In subsection (1)—
- (a) for the words from the beginning to “house” (in the second place it appears) substitute “A local authority may enter into an agreement with a person or body making an advance on the security of a house (or a building to be converted into a house)”;
- (b) for “society or body” (in both places) substitute “mortgagee”.
- (3) After subsection (1) insert—
- “(1A) The local authority may only enter into the agreement if the advance is for one or more of the purposes specified in subsection (1) of section 435; and subsections (2) to (4) of that section apply in relation to power to enter into such an agreement as they apply to the power to make an advance under that section.”
- (4) In subsection (2) for “building society or recognised body” substitute “mortgagee”;
- (5) Subsections (4) and (5) shall cease to have effect.
- 28 In section 443 of the Housing Act 1985 (local authority contributions to mortgage costs)—
- (a) in subsection (1), for “a building society or recognised body” substitute “any person or body”; and
- (b) subsections (2) and (3) shall cease to have effect.
- 29 (1) For section 444 of the Housing Act 1985 (meaning of “recognised body” and “relevant advance”) substitute—

#### **“444 Relevant advances for the purposes of section 443**

The expression “relevant advance” in section 443 (contributions to mortgage costs) means an advance made to a person whose interest in the house (or building to be converted into a house) on the security of which the advance

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*Status: This is the original version (as it was originally enacted).*

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is made is, or was, acquired by virtue of a conveyance of the freehold, or a grant or assignment of a long lease, by a housing authority.”

- (2) Any reference in an agreement made under section 442 of the Housing Act 1985 before the date on which this paragraph comes into force which defines the expression “recognised body” by reference to section 444 of that Act shall (notwithstanding the amendment made by sub-paragraph (1) of this paragraph) continue to have the same meaning as it had immediately before that date.
- 30 In paragraph 21(d) of Schedule 13 to the Local Government (Wales) Act 1994 (Residuary Body a local authority for purposes of section 442 of Housing Act 1985)
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- (a) omit the words from “(so” to “subsection (1)(b))”, and
  - (b) after “local authority” insert “agreement to indemnify mortgagee and”.