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WELSH STATUTORY INSTRUMENTS

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**2004 No. 1806 (W.194)**

**HOUSING, WALES**

**The Housing (Right to Buy) (Priority  
of Charges) (Wales) Order 2004**

*Made* - - - - *13 July 2004*

*Coming into force* - - *31 July 2004*

The National Assembly for Wales makes the following Order in exercise of the powers given to the Secretary of State by section 156(4) of the Housing Act 1985(1) which are now vested in the National Assembly for Wales so far as exercisable in Wales(2):

**Name, commencement and application**

1.—(1) The name of this Order is the Housing (Right to Buy) (Priority of Charges) (Wales) Order 2004 and it comes into force on 31 July 2004.

(2) This Order applies to Wales only.

**Specified body**

2. First National Home Finance Limited (Company No 592986) is specified as an approved lending institution for the purposes of section 156(3) of the Housing Act 1985 (priority of charges).

Signed on behalf of the National Assembly for Wales under section 66(1) of the Government of Wales Act 1998(4).

13 July 2004

*D. Elis-Thomas*  
The Presiding Officer of the National Assembly

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(1) 1985 c. 68; section 156(4) was amended by the Housing Act 1988 (c. 50), Schedule 17, paragraph 106 and by Part XIII of Schedule 19 to the Housing Act 1996 (c. 52).  
(2) See the National Assembly for Wales (Transfer of Functions) Order 1999 (S.I.1999/672).  
(3) Section 156 was also amended by the Housing and Planning Act 1986 (c. 63), Schedule 5, paragraph 1(2) and (5) and by section 120(3) and (4) of the Leasehold Reform, Housing and Urban Development Act 1993 (c. 28).  
(4) 1998 c. 38.

**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

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## EXPLANATORY NOTE

*(This note is not part of the Order)*

This Order specifies First National Home Finance Limited (Company No 592986) as an approved lending institution for the purposes of section 156 of the Housing Act 1985 (priority of charges on disposals under the right to buy) in addition to the bodies already specified in that section or in previous Orders.

Section 156 provides that the liability to repay discount that may arise under a covenant by the tenant which is required by section 155 of the 1985 Act constitutes a legal charge on the dwelling-house but that a legal charge securing an amount advanced to the tenant by an approved lending institution for the purpose of enabling the tenant to exercise the right to buy has priority over it.

Approved lending institutions for the purposes of the section are building societies, banks, insurance companies, friendly societies and any other body which is specified, or is of a class or description specified, in an order made, in relation to Wales, by the National Assembly for Wales.

Such bodies also become approved lending institutions for the purposes of section 36 of the 1985 Act (priority of charges on voluntary disposals by local authorities) and section 12 of the Housing Act 1996 (priority of charges on voluntary disposals by registered social landlords).

In addition, as section 156 of the Housing Act 1985 is applied by section 171A of that Act to cases in which a tenant's right to buy is preserved and by section 17 of the Housing Act 1996 to cases in which a tenant has the right to acquire under section 16 of that Act, the specified bodies become approved lending institutions for the purposes of those rights.