



Croydon Tramlink Act 1994

1994 CHAPTER xi

PART III

ACQUISITION OF LAND

35 Provision for mortgagors in certain cases

- (1) This section applies where—
- (a) the whole or part of the interest of a resident owner occupier (“the relevant owner”) in land is acquired in consequence of the construction of Tramlink;
 - (b) at the date of the passing of this Act the interest is subject to one or more mortgages;
 - (c) at the valuation date, the principal, interest and costs secured on the land by that mortgage or those mortgages (“the mortgage debt”) exceeds 90 per cent. of the open market value of the whole of the relevant owner’s interest in the land; and
 - (d) the whole of the mortgage debt is required by the mortgagee or mortgagees to be repaid on the disposal by the relevant owner of the interest in the land to be acquired as mentioned in paragraph (a) above.
- (2) Where this section applies the acquiring authority may, if so required by the relevant owner, either—
- (a) lend to him on the terms mentioned in subsection (3) below a sum equal to the amount by which the mortgage debt exceeds 90 per cent. of the open market value of the whole of his interest in the land at the valuation date; or
 - (b) if another person lends that sum to the relevant owner on the terms mentioned in subsection (3) or on other terms acceptable to the relevant owner, guarantee any default on the part of the relevant owner in the payment of that loan and of all interest payable under it.
- (3) Any loan made under subsection (2) (a) above shall, unless otherwise agreed between the parties, be made on the same terms (except as to security) as those on which the mortgage (or, if there was more than one, the last mortgage) referred to in subsection (1) (b) above was made.

Status: This is the original version (as it was originally enacted).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

- (4) Any loan made under subsection (2) (a) above shall, if the acquiring authority so require, be secured—
- (a) by way of a second mortgage, on any land purchased by the relevant owner within two years from the valuation date; and
 - (b) where only part of the relevant owner’s interest in the land has been acquired, by way of a first mortgage on the land retained by the relevant owner (in addition to the mortgage referred to in paragraph (a) above).
- (5) Where the acquiring authority enter into a guarantee under subsection (2) (b) above, the relevant owner and his personal representatives shall indemnify the acquiring authority against all actions, proceedings, liability, claims, damages, costs and expenses in relation to or arising out of the guarantee.
- (6) For the purposes of this section an interest in land shall be taken to be acquired in consequence of the construction of Tramlink if—
- (a) it is acquired by the Corporation for the purposes of the Act; or
 - (b) it is acquired by the Corporation or the Council in pursuance of any undertaking given to a Parliamentary Committee during the passage through Parliament of the Bill for this Act or any undertaking or agreement given to a person in consideration of his refraining from opposition to that Bill.
- (7) In this section—
- “acquiring authority” means the Corporation or, as the case may be, the Council;
 - “the mortgage debt” means the principal, interest and costs referred to in subsection (1) (c) above;
 - “the relevant owner” means the owner occupier referred to in subsection (1) above;
 - “resident owner occupier” has the same meaning as in Chapter II of Part VI of the Town and Country Planning Act 1990; and
 - “valuation date” means the date on which the relevant owner’s interest falls to be valued for the purposes of the acquisition (whether under the enactments relating to compulsory purchase or under the agreement or undertaking concerned).