



# Housing Act 1985

## 1985 CHAPTER 68

### PART XIV

#### LOANS FOR ACQUISITION OR IMPROVEMENT OF HOUSING

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

#### **442 Agreement by local authority to indemnify mortgagee.**

- (1) [<sup>F1</sup>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)] whereby, in the event of default by the mortgagor, and in the circumstances and subject to conditions specified in the agreement, the authority binds itself to indemnify the [<sup>F2</sup>mortgagee] in respect of the whole or part of the mortgagor's outstanding indebtedness and any loss or expense falling on the [<sup>F2</sup>mortgagee] in consequence of the mortgagor's default.
- [<sup>F3</sup>(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) [<sup>F4</sup>or (1A)] 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.]
- (2) The agreement may also, if the mortgagor is made party to it, enable or require the authority in specified circumstances to take a transfer of the mortgage and assume rights and liabilities under it, the [<sup>F5</sup>mortgagee] being then discharged in respect of them.
- (3) The transfer may be made to take effect—
  - (a) on terms provided for by the agreement (including terms involving the substitution of a new mortgage agreement or modification of the existing one), and
  - (b) so that the authority is treated as acquiring (for and in relation to the purposes of the mortgage) the benefit and burden of all preceding acts, omissions and events.

*Status: Point in time view as at 20/05/2009.*

*Changes to legislation: Housing Act 1985, Section 442 is up to date with all changes known to be in force on or before 05 September 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

F<sup>6</sup>(4) .....  
F<sup>6</sup>(5) .....

**Textual Amendments**

- F1** Words in s. 442(1) substituted (24.9.1996) for s. 442(1)(a)(b) by 1996 c. 52, ss. 222, 232(2), **Sch. 18 Pt. IV para. 27(2)(a)**
- F2** Words in s. 442(1) substituted (24.9.1996) by 1996 c. 52, ss. 222, 232(2), **Sch. 18 Pt. IV para. 27(2)(b)**
- F3** S. 442(1A) inserted (24.9.1996) by 1996 c. 52, ss. 222, 232(2), **Sch. 18 Pt. IV para. 27(3)**
- F4** Words in s. 442(1A) inserted (18.7.2003) by S.I. 2002/1860, arts. 1(3), 10, **Sch. 2 para. 4(4)** (with art. 10(3))
- F5** Words in s. 442(2) substituted (24.9.1996) by 1996 c. 52, ss. 222, 232(2), **Sch. 18 Pt. IV para. 27(4)**
- F6** S. 442(4)(5) repealed (24.9.1996) by 1996 c. 52, ss. 222, 227, 232(2), Sch. 18 Pt. IV para. 27(5), **Sch. 19 Pt. XIV**

**Modifications etc. (not altering text)**

- C1** S. 442 amended by Local Government Act 1985 (c. 51, SIF 81:1), s. 57(7), **Sch. 13 paras. 22** and 23 as substituted by Housing (Consequential Provisions) Act 1985 (c. 71, SIF 61), s. 4, **Sch. 2 para. 61**  
S. 442 extended (5.7.1994) by 1994 c. 19, s. 39, **Sch. 13 para. 21(d)** (with ss. 54(5)(7), 55(5), Sch. 17 paras. 22(1), 23(2))

**Status:**

Point in time view as at 20/05/2009.

**Changes to legislation:**

Housing Act 1985, Section 442 is up to date with all changes known to be in force on or before 05 September 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.