



# Public Works Loans Act 1875

1875 CHAPTER 89 38 and 39 Vict

## *Recovery of Loans*

### 18 Charge on property and priority [<sup>F1</sup>of local loans by the Treasury].

Where [<sup>F2</sup>a local loan] is granted by the [<sup>F3</sup>Treasury] on the security of a mortgage of any property (whether with or without any other security), the property from and after the date of the mortgage shall be charged with the payment to the use of Her Majesty of the loan with interest as in the mortgage mentioned, in priority, save so far as otherwise specified in the mortgage, over every other debt, mortgage, or charge whatsoever affecting the property, except any loan due to any creditor not assenting to such priority which has been advanced in good faith before the loan advanced by [<sup>F4</sup>the Treasury] and secured by a mortgage of the property executed to a person who is entitled as a bona fide creditor to the repayment thereof with interest.

Provided that if there is more than one such creditor and not less than four fifths in value of such creditors consent in writing that the said charge shall have priority over the loans and mortgages of such creditors, in such case the loans and mortgages of all such creditors, as well those who have not agreed as those who have agreed, shall be postponed to the loan granted by [<sup>F4</sup>the Treasury] and to the said charge thereof, and to the security for the same.

Nothing in any special Act, and no rule of law or custom shall affect the priority given by this section, except so far as the special Act negative such priority in terms expressly referring to this Act.

#### Textual Amendments

- F1** Words in s. 18 heading substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), **Sch. 1 para. 17(2)** (with art. 9)
- F2** Words in s. 18 substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), **Sch. 1 para. 17(3)** (with art. 9)
- F3** Word in s. 18 substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), **Sch. 1 para. 17(4)** (with art. 9)
- F4** Words in s. 18 substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), **Sch. 1 para. 17(5)** (with art. 9)

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

- C1 S. 18 amended by [Public Works Loans \(Money\) Act 1876 \(c. 31\)](#), s. 7

### 19 Charges on rate of <sup>[F5]</sup>local loan and local loan] not to be repudiated by locality having had the benefit of it.

Where <sup>[F6]</sup>a local loan] is granted by the <sup>[F7]</sup>Treasury] on the security of a mortgage of any rate (whether with or without any other security) such rate from and after the date of the mortgage shall be charged with the payment to the use of Her Majesty of the loan with interest as in the mortgage mentioned.

Where the loan has been granted to any borrower who appeared to <sup>[F8]</sup>the Treasury] to have power to levy and mortgage such rate and has been expended upon the work in respect of which or in or for the benefit of the locality in which such rate or any part thereof is levied, the mortgage of the rate for securing the repayment of the loan with interest shall be valid, and may be enforced in pursuance of this Act, notwithstanding any defect in the power or title of the borrower by whom the mortgage purports to be granted; and in particular <sup>[F8]</sup>the Treasury] may, although such borrower was not legally constituted or is dissolved, or is otherwise incapable and always was incapable of making, levying, or mortgaging such rate, have the same power of making and levying and enforcing the making or levying the said rate for the purpose of repaying such loan and interest, and all other sums due under the mortgage, as if such borrower had been duly constituted, and was not dissolved, and had had full power to make, levy, and mortgage such rate.

#### Textual Amendments

- F5 Words in s. 19 heading substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), [Sch. 1 para. 18\(2\)](#) (with art. 9)
- F6 Words in s. 19 substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), [Sch. 1 para. 18\(3\)](#) (with art. 9)
- F7 Word in s. 19 substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), [Sch. 1 para. 18\(4\)](#) (with art. 9)
- F8 Words in s. 19 substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), [Sch. 1 para. 18\(5\)](#) (with art. 9)

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

- C2 S. 19 amended by [Public Works Loans Act 1965 \(c. 63\)](#), [Sch. para. 6](#)

### 20 Securities to be taken in name of <sup>[F9]</sup>the Public Works Loans Secretary].

All securities for <sup>[F10]</sup>any local loan] may be given to the <sup>[F11]</sup>Public Works Loans Secretary]. Every such security is in this Act referred to as a security given <sup>[F12]</sup>to the Treasury].

#### Textual Amendments

- F9 Words in s. 20 heading substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), [Sch. 1 para. 19\(2\)](#) (with art. 9)

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*Changes to legislation: There are currently no known outstanding effects for the Public Works Loans Act 1875, Cross Heading: Recovery of Loans. (See end of Document for details)*

- F10** Words in s. 20 substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), **Sch. 1 para. 19(3)** (with art. 9)
- F11** Words in s. 20 substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), **Sch. 1 para. 19(4)** (with art. 9)
- F12** Words in s. 20 substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), **Sch. 1 para. 19(5)** (with art. 9)

## 21 Taking possession by [<sup>F13</sup>the Treasury] of property on default of payment.

Where a mortgage of property has been given to secure [<sup>F14</sup>any local loan] granted by the [<sup>F15</sup>Treasury], and default is made in making payment according to the terms of such mortgage, then at any time after such default and without any consent on the part of any person interested in the equity of redemption of the mortgaged property, [<sup>F16</sup>the Treasury], without prejudice to any other remedy, shall have power to do all or any of the following things; namely,—

- (1) Take possession of the mortgaged property, or any part thereof; and
- (2) Grant any lease of the mortgaged property, or any part thereof, for such term and upon such reasonable conditions as they may think expedient, and that either for a premium or rent, or both; and
- (3) Sell or mortgage the mortgaged property, or any part thereof.

### Textual Amendments

- F13** Words in s. 21 heading substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), **Sch. 1 para. 20(2)** (with art. 9)
- F14** Words in s. 21 substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), **Sch. 1 para. 20(3)** (with art. 9)
- F15** Word in s. 21 substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), **Sch. 1 para. 20(4)** (with art. 9)
- F16** Words in s. 21 substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), **Sch. 1 para. 20(5)** (with art. 9)

## 22 Powers of [<sup>F17</sup>the Treasury] when in possession.

The [<sup>F18</sup>Treasury], when authorised [<sup>F19</sup>by this Act] to take possession of any mortgaged property, may take possession either by themselves or by any person appointed by them (whether such person is interested in the mortgaged property or not), and upon possession of any mortgaged property being so taken,—

- (1) All the estate, right, interest, powers, authorities, and privileges, of what nature or kind soever, which were at the time of the making of the mortgage or may for the time being be vested in or exerciseable by the mortgagor or any person claiming through or under the mortgagor, either in relation to the property or necessary for carrying on and managing the same, shall become vested in the [<sup>F20</sup>Public Works Loans Secretary]; and
- (2) [<sup>F21</sup>The Treasury,] or any person appointed as aforesaid[<sup>F22</sup>, may] manage and carry on the property, and receive the revenue arising therefrom, or in any way receivable in respect thereof, or otherwise, in pursuance of the mortgage, and exercise all or any of the powers and authorities vested in [<sup>F23</sup>the Public Works Loans Secretary] by this Act; and

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- (3) The [<sup>F24</sup>Treasury] or [<sup>F25</sup>the Public Works Loans Secretary] or such person as aforesaid shall not be liable for the repairs or maintenance of the mortgaged property, but may apply any moneys received in respect thereof or raised from any rate towards such repairs or maintenance to such extent as the [<sup>F24</sup>Treasury] may think expedient; and
- (4) [<sup>F26</sup>The Treasury may] advance out of moneys at their disposal under this Act sums for the completion, repair, improvement, or security of the mortgaged property, and every such sum shall be deemed and shall be a loan secured on the property and repayable with the like interest from the time of the advance, and by the like person, and shall have the like priority and be recoverable in the like manner as if it were part of the original loan secured by the said mortgage; and
- (5) If the revenue received from or in respect of the property is insufficient to keep down the current expenses of working, maintaining, and repairing the same, together with the instalments of principal and the interest for the time being due on the mortgage, and no rate or no sufficient rate can be levied to meet the deficiency, [<sup>F27</sup>the Treasury may] destroy or cause to be destroyed, or (if they sell the same) authorise the purchaser with the like consent to destroy the same, and sell or authorise the purchaser to sell the materials thereof and other the articles, goods, and effects belonging thereto, and [<sup>F28</sup>neither the Treasury, nor the Public Works Loans Secretary], nor the purchaser so authorised, nor his representatives, shall be liable in damages or otherwise to any person whomsoever for such destruction; and the provisions of this Act with respect to the sale of any mortgaged property shall apply to any sale under this section; and
- (6) Possession under this Act may be relinquished at such time and in such manner and upon such terms and conditions as [<sup>F29</sup>the Treasury] think fit, and upon such relinquishment all powers, authorities, and privileges which on the taking of possession become vested in [<sup>F30</sup>the Public Works Loans Secretary] shall, so far as they are not reserved, revert to and become vested in the person in whom the same would have been vested if possession had not been taken, but [<sup>F31</sup>the Treasury] may, if they think fit, on the relinquishment of possession, reserve any of the said powers, authorities, and privileges, with a view to the payment of any sum due to them:
- (7) Every such relinquishment of possession of any mortgaged property shall be without prejudice to the power of again taking possession thereof under the provisions of this Act.

#### Textual Amendments

- F17** Words in s. 22 heading substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), [Sch. 1 para. 21\(2\)](#) (with art. 9)
- F18** Word in s. 22 substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), [Sch. 1 para. 21\(3\)\(a\)](#) (with art. 9)
- F19** Words in s. 22 inserted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), [Sch. 1 para. 21\(3\)\(b\)](#) (with art. 9)
- F20** Words in s. 22(1) substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), [Sch. 1 para. 21\(4\)](#) (with art. 9)
- F21** Words in s. 22(2) substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), [Sch. 1 para. 21\(5\)\(a\)](#) (with art. 9)
- F22** Word in s. 22(2) inserted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), [Sch. 1 para. 21\(5\)\(b\)](#) (with art. 9)
- F23** Words in s. 22(2) substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), [Sch. 1 para. 21\(5\)\(c\)](#) (with art. 9)

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- F24** Word in s. 22(3) substituted (25.2.2020) by The Public Bodies (Abolition of Public Works Loan Commissioners) Order 2020 (S.I. 2020/176), art. 1(2), **Sch. 1 para. 21(6)(a)** (with art. 9)
- F25** Words in s. 22(3) substituted (25.2.2020) by The Public Bodies (Abolition of Public Works Loan Commissioners) Order 2020 (S.I. 2020/176), art. 1(2), **Sch. 1 para. 21(6)(b)** (with art. 9)
- F26** Words in s. 22(4) substituted (25.2.2020) by The Public Bodies (Abolition of Public Works Loan Commissioners) Order 2020 (S.I. 2020/176), art. 1(2), **Sch. 1 para. 21(7)** (with art. 9)
- F27** Words in s. 22(5) substituted (25.2.2020) by The Public Bodies (Abolition of Public Works Loan Commissioners) Order 2020 (S.I. 2020/176), art. 1(2), **Sch. 1 para. 21(8)(a)** (with art. 9)
- F28** Words in s. 22(5) substituted (25.2.2020) by The Public Bodies (Abolition of Public Works Loan Commissioners) Order 2020 (S.I. 2020/176), art. 1(2), **Sch. 1 para. 21(8)(b)** (with art. 9)
- F29** Words in s. 22(6) substituted (25.2.2020) by The Public Bodies (Abolition of Public Works Loan Commissioners) Order 2020 (S.I. 2020/176), art. 1(2), **Sch. 1 para. 21(9)(a)** (with art. 9)
- F30** Words in s. 22(6) substituted (25.2.2020) by The Public Bodies (Abolition of Public Works Loan Commissioners) Order 2020 (S.I. 2020/176), art. 1(2), **Sch. 1 para. 21(9)(b)** (with art. 9)
- F31** Words in s. 22(6) substituted (25.2.2020) by The Public Bodies (Abolition of Public Works Loan Commissioners) Order 2020 (S.I. 2020/176), art. 1(2), **Sch. 1 para. 21(9)(c)** (with art. 9)

## 23 Powers in relation to rate where default made.

Where [<sup>F32</sup>a local loan] made by the [<sup>F33</sup>Treasury] is secured by the mortgage of a rate (whether with or without any other security), and the [<sup>F33</sup>Treasury] might, if such loan were secured upon a mortgage of property, take possession of such property, the [<sup>F33</sup>Treasury] may, without prejudice to any other remedy, by notice in writing served at the office or last known place of address of the mortgagor, or where from any cause the same cannot be so served by notice in writing published in the prescribed manner, declare their intention to exercise the powers conferred by this Act, and thereupon the [<sup>F33</sup>Treasury] shall have and may exercise the same power as the mortgagor of making and levying the rate mortgaged, and for that purpose the [<sup>F33</sup>Treasury] or [<sup>F34</sup>the Public Works Loans Secretary] with their concurrence may appoint an officer who, subject to the direction of the [<sup>F33</sup>Treasury], shall have and may exercise the same powers, authorities, and duties as if he had been appointed by the mortgagor.

The [<sup>F33</sup>Treasury], in making an estimate of the rate to be levied for the purpose of paying any sum due, may add such sum as they think sufficient for defraying and may defray thereout all costs, charges, and expenses, including remuneration to any officer or other person employed, incurred by the [<sup>F33</sup>Treasury] in the execution of their powers under this section or otherwise by reason of the default in payment.

Any balance remaining in the hands of the [<sup>F33</sup>Treasury] shall be paid by them to the mortgagor.

The [<sup>F33</sup>Treasury] may, by a like notice, declare their intention to relinquish the powers conferred by this section, and that either absolutely or with reservations and conditions, and thereupon all such powers shall revert in the mortgagor, subject to the said reservations and conditions.

### Textual Amendments

- F32** Words in s. 23 substituted (25.2.2020) by The Public Bodies (Abolition of Public Works Loan Commissioners) Order 2020 (S.I. 2020/176), art. 1(2), **Sch. 1 para. 22(2)** (with art. 9)
- F33** Word in s. 23 substituted (25.2.2020) by The Public Bodies (Abolition of Public Works Loan Commissioners) Order 2020 (S.I. 2020/176), art. 1(2), **Sch. 1 para. 22(3)** (with art. 9)

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**F34** Words in s. 23 substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), **Sch. 1 para. 22(4)** (with art. 9)

## 24 **Liability of [<sup>F35</sup>the Treasury] after taking possession or in default of payment.**

When the [<sup>F36</sup>Treasury] have taken possession of any property under this Act, or exercised the powers conferred by this Act in relation to any rate, neither they nor [<sup>F37</sup>the Public Works Loans Secretary], nor any person appointed by them in that behalf, shall be liable to account to any person interested in the equity of redemption in such property or rate for any moneys which, but for their wilful neglect or default, they or he might have received when so in possession or exercising such powers, or for any moneys other than those which have actually come to their or his hands.

### Textual Amendments

**F35** Words in s. 24 heading substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), **Sch. 1 para. 23(2)** (with art. 9)

**F36** Word in s. 24 substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), **Sch. 1 para. 23(3)** (with art. 9)

**F37** Words in s. 24 substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), **Sch. 1 para. 23(4)** (with art. 9)

## 25 **Sale and mortgage by [<sup>F38</sup>the Treasury] of mortgaged premises.**

Where the [<sup>F39</sup>Treasury] have power [<sup>F40</sup>under this Act] to sell or mortgage, they shall have power to sell or mortgage either together or in parcels, by public auction or private contract, and subject to such conditions as to title or evidence of title or otherwise as [<sup>F41</sup>the Treasury] may think proper.

They may also buy in at any auction and rescind any contract for sale or mortgage, and resell or remortgage, without being responsible for any loss occasioned thereby.

Where a sale cannot be made in the ordinary way for a sum equal to the amount remaining due under the mortgage, the [<sup>F39</sup>Treasury] may, if they think fit, sell in such a manner and subject to such conditions, stipulations, and agreements as they may think expedient for the purpose of ensuring the completion or carrying on of the work comprised in such mortgage by the purchaser thereof, with a view to the public good or general benefit, or for any other purpose, notwithstanding such conditions, stipulations, and agreements may be prejudicial to the sale, or may not be beneficial to the persons interested in the equity of redemption in the property.

The [<sup>F39</sup>Treasury] may for the purpose of any sale or mortgage execute all such agreements, conveyances, and instruments as they may think fit.

### Textual Amendments

**F38** Words in s. 25 heading substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), **Sch. 1 para. 24(2)** (with art. 9)

**F39** Word in s. 25 substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), **Sch. 1 para. 24(3)** (with art. 9)

**F40** Words in s. 25 inserted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), **Sch. 1 para. 24(4)** (with art. 9)

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**F41** Words in s. 25 substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), **Sch. 1 para. 24(5)** (with art. 9)

## 26 Purchaser not liable to see to the validity of sale or application of money.

Every sale or mortgage made by the [<sup>F42</sup>Treasury or the Public Works Loans Secretary], and purporting to be made in pursuance of this Act, shall, so far as regards the interest of the purchaser and mortgagee, be deemed to be valid, and the purchaser or mortgagee shall not be bound to see or inquire whether the sale or mortgage is authorised, nor in the case of a mortgage whether the money raised is required to be raised, nor as to the necessity or expediency of or authority for making the conditions, stipulations, or agreements subject to which the sale or mortgage was made, nor otherwise as to the propriety or regularity of such sale or mortgage, nor be affected by express notice as to any matters into which he is not bound to see or inquire.

The receipt in writing of the Bank of England, or one of their cashiers or other proper officer for the purpose of the Bank of England, or other prescribed receipt, shall be a full discharge for the money paid on the sale or mortgage, and the person paying the same shall not be bound to see to the application of such money, or be liable or in any manner accountable for the mis-application or non-application thereof.

### Textual Amendments

**F42** Words in s. 26 substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), **Sch. 1 para. 25** (with art. 9)

## 27 Terms of lease, sale, or mortgage.

Any lease, mortgage, conveyance, or other disposition made by the [<sup>F43</sup>Public Works Loans Secretary] under this Act of any mortgaged property may be in the prescribed form, and shall convey to the person in whose favour such lease, mortgage, conveyance, or other disposition is made, and according to the terms thereof, all or any part of the estate, right, interest, powers, authorities, and privileges, which under the mortgage and this Act are vested in or capable of being exercised by the [<sup>F44</sup>Treasury, or the Public Works Loans Secretary], either before or after possession taken, and the same shall thereupon be vested in and may be exercised and put in force by such person accordingly.

Nothing in this Act shall operate to invalidate or affect the rights of any person entitled bona fide to any debt, estate, or interest, having priority over or ranking pari passu with the loan granted [<sup>F45</sup>by the Treasury], or the security for such loan, or the rights of any lessee under any lease made either prior to such security or with the concurrence [<sup>F46</sup>of the Treasury].

### Textual Amendments

**F43** Words in s. 27 substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), **Sch. 1 para. 26(2)** (with art. 9)

**F44** Words in s. 27 substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), **Sch. 1 para. 26(3)** (with art. 9)

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- F45** Words in s. 27 substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), **Sch. 1 para. 26(4)** (with art. 9)
- F46** Words in s. 27 substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), **Sch. 1 para. 26(5)** (with art. 9)

**28 Application of money arising on taking possession, sale, mortgage, &c. by [<sup>F47</sup>the Treasury].**

Any money arising from the taking possession, lease, sale, mortgage, or other disposition under this Act by or under the direction of the [<sup>F48</sup>Treasury] of any mortgaged property shall be applied first in discharge of all costs, charges, and expenses incurred by or under the direction of [<sup>F49</sup>the Treasury] in respect thereof, or otherwise by reason of the default in payment, and secondly in discharge of the whole of the principal of the loan secured by the mortgage and for the time being unpaid (notwithstanding that the same or any instalment thereof may not have become actually due), and in discharge of all interest accrued due on such principal, and of all other sums (if any) due under the mortgage.

The surplus (if any) of such money either shall be paid to the mortgagor or other person or persons entitled thereto, or, if [<sup>F49</sup>the Treasury] think fit, shall be paid by the [<sup>F50</sup>Public Works Loans Secretary] into [<sup>F51</sup>the Chancery Division of the High Court] in England in like manner as if he were a trustee of such money for the persons entitled thereto, and the court may make such orders for the payment and distribution of such money to or among those persons as may from time to time seem to the court just.

**Textual Amendments**

- F47** Words in s. 28 heading substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), **Sch. 1 para. 27(2)** (with art. 9)
- F48** Word in s. 28 substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), **Sch. 1 para. 27(3)** (with art. 9)
- F49** Words in s. 28 substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), **Sch. 1 para. 27(4)** (with art. 9)
- F50** Words in s. 28 substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), **Sch. 1 para. 27(5)** (with art. 9)
- F51** Words substituted by virtue of [Supreme Court of Judicature \(Consolidation\) Act 1925 \(c. 49\)](#), **ss. 56(1)(a)**, 224(1)

**29 Payment of [<sup>F52</sup>local] loan before it is due, and transfer of security for all or part of [<sup>F52</sup>local] loan.**

The [<sup>F53</sup>Treasury] may, if they think fit, at any time accept payment of the whole of any part of the principal and interest of [<sup>F54</sup>any local loan] or other moneys secured by any mortgage under this Act before the time when the same is due; and may release or convey the mortgaged property or rate to the person paying the same or as he may direct, upon such terms and conditions and in such manner and form as [<sup>F55</sup>the Treasury] may think expedient.

The person in whose favour any conveyance of the mortgaged property or rate under this section is made shall, subject to any limitations inserted therein, be entitled to the like priorities, powers, and authorities as [<sup>F55</sup>the Treasury] or [<sup>F56</sup>the Public Works Loans Secretary] were entitled to, either subject to or with priority over or



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concurrently with any priorities, powers, and authorities reserved to [F55the Treasury] by the conveyance.

[F55The Treasury] shall have full power to enter into and concur in all such arrangements as they may deem expedient for the purposes of carrying into effect a release or conveyance under this section.

#### Textual Amendments

- F52** Word in s. 29 heading inserted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), **Sch. 1 para. 28(2)** (with art. 9)
- F53** Word in s. 29 substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), **Sch. 1 para. 28(3)** (with art. 9)
- F54** Words in s. 29 substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), **Sch. 1 para. 28(4)** (with art. 9)
- F55** Words in s. 29 substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), **Sch. 1 para. 28(5)** (with art. 9)
- F56** Words in s. 29 substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), **Sch. 1 para. 28(6)** (with art. 9)

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

- C3** S. 29 amended by [Public Works Loans Act 1967 \(c. 61\)](#), **s. 2(3)**

### 30 Discharge of security and reversion of property on repayment of [F57local loan].

Upon all money due under a mortgage under this Act being fully paid the [F58Treasury] shall, when required, give in the prescribed manner to the person liable to the payment thereof a receipt in writing for the same, and such further sufficient discharge (if any) as may seem to the [F58Treasury] to be necessary, and upon such receipt being given the mortgaged rate shall be released from the charge and the mortgaged property, or the part thereof not sold or disposed of under this Act, shall (unless the [F58Treasury], on the request and at the expense of the person paying the said money, make any other disposition thereof,) revert in the person who would have been entitled thereto if the mortgage had not been made, subject nevertheless to any lease, mortgage, or other act previously made or done by or under the direction of the [F58Treasury].

#### Textual Amendments

- F57** Words in s. 30 heading substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), **Sch. 1 para. 29(2)** (with art. 9)
- F58** Word in s. 30 substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), **Sch. 1 para. 29(3)** (with art. 9)

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

- C4** S. 30 amended by [Public Works Loans Act 1967 \(c. 61\)](#), **s. 2(3)**

### 31 Bankruptcy of debtor.

Where an individual liable to pay as principal or surety the principal or interest of any [F59local loan] becomes bankrupt or insolvent, or enters into any composition or arrangement with his creditors, or has his affairs liquidated by arrangement, or takes

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the benefit of, or becomes subject to the provisions of any Act passed for the relief of persons in debt, or for enabling the property of such persons to be distributed among their creditors, or where any company liable to pay as principal or surety the principal or interest of any [<sup>F59</sup>local loan] becomes bankrupt or is wound up, the whole of such loan shall become due immediately, notwithstanding that the date for the payment thereof or part thereof has not arrived, unless in the case of a surety the [<sup>F60</sup>Treasury] think fit to accept some other surety.

#### Textual Amendments

- F59** Words in s. 31 substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), **Sch. 1 para. 30(2)** (with art. 9)
- F60** Word in s. 31 substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), **Sch. 1 para. 30(3)** (with art. 9)

### 32 Form of mortgage.

Every security given under this Act may be in such form as may be prescribed, and the fact of the [<sup>F61</sup>Public Works Loans Secretary] being a party thereto shall be conclusive evidence that the same is in the prescribed form, and every such security shall be valid and effectual to pass all the estate, right, and interest purporting to be passed thereunder by the parties executing the same, subject to the provisions of this Act.

#### Textual Amendments

- F61** Words in s. 32 substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), **Sch. 1 para. 31** (with art. 9)

### 33 Recovery of debt on personal security.

Every sum payable under any security made in pursuance of this Act shall be made payable to the use of Her Majesty, and may be recovered as a specialty debt due to the Crown<sup>F62</sup>...

Every sum payable in respect of [<sup>F63</sup>a local loan] or under the security for such loan, shall be compounded for or released only under the authority of Parliament in each case.

<sup>F62</sup> .....

...<sup>F64</sup>

Nothing in this Act shall render it the duty of the Loan Commissioners to issue such warrant or to register such writ or debt, unless they are of opinion that it is necessary for the purpose of securing the payment of the debt, or that otherwise under the particular circumstances it is expedient so to do.

#### Textual Amendments

- F62** Words in s. 33 repealed (22.7.2004) by [Statute Law \(Repeals\) Act 2004 \(c. 14\)](#), **Sch. 1 Pt. 9** Group 3
- F63** Words in s. 33 substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), **Sch. 1 para. 32** (with art. 9)

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**F64** Words repealed by [Courts Act 1971 \(c. 23\)](#), **Sch. 11 Pt. IV**

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

**C5** S. 33 modified (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), arts. 1(2), **9(4)(a)(ii)** (with art. 9(1)-(3))

**34 Recovery of [<sup>F65</sup>local loan] after the expiration of term for repayment.**

The expiration of the period within which a [<sup>F66</sup>local loan] is made repayable (whether such period is the full period allowed by this or the special Act or a shorter period) shall not in any way affect any power of the [<sup>F67</sup>Treasury] of recovering or enforcing payment of any sum due in respect of such loan.

**Textual Amendments**

**F65** Words in s. 34 heading substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), **Sch. 1 para. 33(2)** (with art. 9)

**F66** Words in s. 34 substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), **Sch. 1 para. 33(3)** (with art. 9)

**F67** Word in s. 34 substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), **Sch. 1 para. 33(4)** (with art. 9)

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