
STATUTORY INSTRUMENTS

1987 No. 1975

The Building Societies (Limited Credit Facilities) Order 1987

Facility debts and accounts

3.—(1) The forms of property which, by virtue of this Order, a society is to have power, subject to the provisions of this Order, to acquire, hold and dispose of as class 3 assets are facility debts.

(2) For the purposes of this Order—

- (a) a facility debt is the aggregate of the sums in which a person is indebted, or treated by subparagraph (e) below as indebted, to the society on a facility account (whether those sums represent principal, interest or other sums payable on the facility account and whether they are immediately payable or not),
- (b) a facility account holder is that person,
- (c) a facility account is an account which (by virtue of an agreement to which the society and the facility account holder are parties or a series of agreements to at least one of which the society, and to at least one of which the facility account holder, is a party) the facility account holder is capable of operating (or of authorising, or causing the authorisation of, another person to operate) so as to cause the facility account holder to become indebted to the society (or the person so authorised to become indebted to the society and the facility account holder to become indebted to that authorised person), and—
 - (i) if the facility account is also a share account, to reduce the value of the shares in the society held by the facility account holder, or
 - (ii) if the facility account is also a deposit account, to reduce the amount owing by the society to the facility account holder,
- (d) a facility agreement is that agreement or series of agreements, and
- (e) where the indebtedness to the society is or includes indebtedness of a person authorised under subparagraph (c) above, the indebtedness of that authorised person shall be treated as indebtedness of the facility account holder.