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SCHEDULES.

FOURTH SCHEDULE

PART II

EFFECT OF ENDORSED RECEIPT

- (1) Any such receipt shall operate—
 - (a) In the case of land in fee simple comprised in the mortgage, as a conveyance or re-conveyance (as the case may be) of the land to the person (if any) who immediately before the execution of the receipt was entitled in fee simple to the equity of redemption, or otherwise to the mortgagor in fee simple to the uses (if any) upon the trusts subject to the powers and provisions which at that time are subsisting or capable of taking effect with respect to the equity of redemption or to uses (if any) which correspond as nearly as may be with the limitations then affecting the equity of redemption ;
 - (b) In the case of other property, as an assignment or re-assignment (as the case may be) thereof to the extent of the interest which is the subject-matter of the mortgage, to the person who immediately before the execution of the receipt was entitled to the equity of redemption :

Provided that (except as hereinafter mentioned) where, by the receipt, the money appears to have been paid by a person who is not entitled to the immediate equity of redemption, then, unless it is otherwise expressly provided, the receipt shall operate as if the mortgage had been a statutory mortgage and the benefit thereof had, by deed expressed to be made by way of statutory transfer of mortgage, been transferred to him ; but this provision shall not apply where the mortgage is paid off out of capital money, or other money in the hands of a personal representative or trustee properly applicable for the discharge of the mortgage, unless it is expressly provided that the receipt is to operate as a transfer.

- (2) Nothing in this schedule shall confer on a mortgagor a right to keep alive a mortgage, paid off by him, so as to affect prejudicially any subsequent incumbrancer ; and where there is no right to keep the mortgage alive, the receipt shall not operate as a transfer.
- (3) In any such receipt the same covenants shall be implied as if the person who executes the receipt had by deed been expressed to convey the property as mortgagee.
- (4) Where a mortgage consists of a mortgage and a further charge or of more than one deed, it shall be sufficient if the receipt refers either to all the deeds whereby the mortgage money is secured or to the aggregate amount of the mortgage money thereby secured and is endorsed on, written at the foot of, or annexed to, one of the mortgage deeds.
- (5) In this schedule the expressions " mortgage " " mortgage money " " mortgagor " and " mortgagee " have the same meanings as in the Conveyancing Act, 1881.