



Housing Associations Act 1985

1985 CHAPTER 69

PART III

THE HOUSING CORPORATION

Corporation's powers with respect to grants and loans

86 Agreements to indemnify building societies: Scotland

- (1) The Corporation may, with the approval of the Secretary of State, enter into an agreement with a building society under which the Corporation binds itself to indemnify the building society in respect of—
 - (a) the whole or part of any outstanding indebtedness of a borrower; and
 - (b) loss or expense to the building society resulting from the failure of the borrower duly to perform any obligation imposed on him by the heritable security.
- (2) The agreement may also, where the borrower is made party to it, enable or require the Corporation in specified circumstances to take an assignation of the rights and liabilities of the building society under the heritable security.
- (3) Approval of the Secretary of State under subsection (1) may be given generally in relation to agreements which satisfy specified requirements, or in relation to individual agreements, and with or without conditions, as he thinks fit, and such approval may be withdrawn at any time on one month's notice.
- (4) Before issuing any general approval under subsection (1) the Secretary of State shall consult with such bodies as appear to him to be representative of islands and district councils, and of building societies, and also with the Corporation and with the Chief Registrar of Friendly Societies.
- (5) Section 16(3) and (5) of the Restrictive Trade Practices Act 1976 (recommendations by services supply associations to members) does not apply to recommendations made to building societies about the making of agreements under this section provided that the recommendations are made with the approval of the Secretary of State.