

Status: Point in time view as at 01/02/1993.

Changes to legislation: There are currently no known outstanding effects for the Friendly Societies Act 1992, SCHEDULE 5. (See end of Document for details)

SCHEDULES

SCHEDULE 5

Section 7.

ADDITIONAL ACTIVITIES OF INCORPORATED SOCIETIES

Introductory

- 1 An incorporated friendly society may do anything mentioned in the following provisions of this Schedule in the manner directed by the society's rules.

Loans out of separate loan fund

- 2 (1) An incorporated friendly society may, out of any separate loan fund to be formed by contributions or deposits from its members, make loans to members on their personal security, with or without sureties or, in Scotland, cautioners, subject to the restrictions in sub-paragraphs (2) to (4) below.
- (2) A loan shall not at any time be made out of money contributed otherwise than for the purpose of the loan fund.
- (3) A member shall not be capable of holding any interest in the loan fund exceeding £800.
- (4) The society shall not—
- (a) make any loan to a member on personal security beyond the amount fixed by the rules, or make any loan which, together with any money owing by a member to the society, exceeds £200; or
 - (b) hold at any one time on deposit from its members any money beyond the amount fixed by the rules, and the amount so fixed shall not exceed two thirds of the total sums owing to the society by the members who have borrowed from the loan fund.
- (5) The Commission may by order made with the consent of the Treasury amend sub-paragraph (3) or (4) above to substitute, for the sum for the time being specified in that sub-paragraph, such greater sum as is specified in the order.

Power to set up funds for purchasing Government Securities

- 3 (1) An incorporated friendly society may set up and administer a fund for the purchase, on behalf of members contributing thereto, of Defence Bonds, National Savings Certificates, Ulster Savings Certificates or such other securities of Her Majesty's Government as the Commission may prescribe.
- (2) A society may allow persons to become members of the society for the purpose only of contributing to a fund set up by virtue of this paragraph.

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- (3) Any securities prescribed, before the commencement of this paragraph, for the purposes of section 47 of the 1974 Act shall be treated as having been prescribed under sub-paragraph (1) above.

Investment of funds in housing association

- 4 (1) An incorporated friendly society may invest funds of the society in subscribing for any of the share or loan capital of a housing association (within the meaning of the Housing Associations Act 1985) other than shares or debentures not fully paid up at the time of issue.
- (2) This paragraph has effect without prejudice to any power the society may have by virtue of section 14 above.

Accumulation of members' surplus contributions

- 5 An incorporated friendly society may accumulate at interest, for the use of any member, any surplus of his contributions to the funds of the society which may remain after providing for any assurance in respect of which they are paid and for the withdrawal of the accumulations.

Subscriptions to other bodies

- 6 An incorporated friendly society may subscribe out of its funds to any hospital, infirmary, charitable or provident institution, any annual or other sum which may be necessary to secure to members of the society and their families the benefits of that institution.
- 7 An incorporated friendly society may contribute to the funds and take part in the government of any other friendly society.

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