
EXPLANATORY NOTE

(This note is not part of the Order)

Under the Housing Act 1985 (“the 1985 Act”) liability to repay discount following the exercise of the right to buy or the right to be granted a shared ownership lease is secured by a charge on the dwelling house. Such a charge does not have priority over certain charges securing advances by bodies which are approved lending institutions for the purposes of section 156 of that Act.

Such bodies are also approved lending institutions for the purposes of section 36(4) of the 1985 Act (priority of charges on voluntary disposal by a local authority) and paragraph 2(4) of Schedule 2 to the Housing Associations Act 1985 (c. 69) (priority of charges on voluntary disposal by a housing association) dealing with voluntary disposals at a discount by local authorities and housing associations respectively.

Article 2 of this Order specifies eight additional bodies as approved lending institutions. (Other bodies have been specified by previous orders.)