
STATUTORY INSTRUMENTS

1992 No. 1708

The Housing (Service Charge Loans) Regulations 1992

The amount of a loan to which regulation 2 applies

- 3.—(1) Subject to the following paragraphs, the right to a loan under regulation 2—
- (a) arises only in respect of so much of a service charge to which section 450A applies as
 - (i) exceeds £1,500 less the amount of any service charge already demanded under the lease in respect of the same accounting period as that charge; and
 - (ii) does not exceed £20,000 less the amount of any outstanding loan which has been made in pursuance of the right to a loan under regulation 2; and
 - (b) does not arise unless the amount thus qualifying for a loan itself exceed £500.
- (2) In paragraph (1)(a), “accounting period” means—
- (a) where the lease provides for service charges to be payable by reference to a specified annual period, the first such period and any subsequent specified annual period, ending with the end of the tenth specified annual period beginning after the grant of the lease; or
 - (b) in any other case, the period of twelve months beginning with the grant of the lease and any of the next nine consecutive periods of twelve months each of which begins on an anniversary of that grant.
- (3) If the retail prices index for January immediately preceding an index linked period is higher than it was for January 1992, then paragraph (1) shall apply in relation to any demand for service charges made during that index linked period as if for each amount there specified (“the specified amount”) there were substituted the amount arrived at by increasing the specified amount by the same percentage as the percentage increase in the retail prices index between January 1992 and the January immediately preceding that index linked period; and, if the amount arrived at is not a multiple of £10, it shall be rounded up to the nearest amount which is such a multiple.
- (4) In paragraph (3) above—
- (a) “index linked period” means a period of twelve months beginning on 1st April 1993 and each subsequent period of twelve months; and
 - (b) “the retail prices index” means the United Kingdom General Index of Retail Prices (for all items) compiled by the Central Statistical Office.