
STATUTORY INSTRUMENTS

2009 No. 602

HOUSING, ENGLAND

**The Housing (Service Charge Loans)
(Amendment) (England) Regulations 2009**

<i>Made</i>	- - - -	<i>10th March 2009</i>
<i>Laid before Parliament</i>		<i>13th March 2009</i>
<i>Coming into force</i>	- -	<i>6th April 2009</i>

The Secretary of State, in exercise of the powers conferred by sections 450B and 450C of the Housing Act 1985(1), makes the following Regulations:

Citation, commencement, application and interpretation

1.—(1) These Regulations may be cited as the Housing (Service Charge Loans) (Amendment) (England) Regulations 2009 and shall come into force on 6th April 2009.

(2) These Regulations apply in relation to England only.

(3) In these Regulations “the 1992 Regulations” means the Housing (Service Charge Loans) Regulations 1992(2).

Terms of loans

2. The 1992 Regulations are amended in regulation 6 (terms of loans) by the substitution for paragraph (2) of—

“(2) A loan made by virtue of regulation 5 may be made on terms that—

- (a) do not require the payment of interest; or
- (b) require the payment of interest only on part of the loan;

and shall otherwise, subject to paragraph (3), be on such terms as the lender may determine.”.

(1) 1985 c. 68. Sections 450B and 450C were inserted by the Housing and Planning Act 1986 (c. 63). Section 450B was amended by S.I. 1996/2325 and S.I. 2008/3002. There are other amendments of which none is relevant to this Order. Section 450C was amended by section 308 of the Housing and Regeneration Act 2008 (c. 17). The functions of the Secretary of State under sections 450B and 450C, so far as exercisable in relation to Wales, were transferred to the National Assembly for Wales by the National Assembly for Wales (Transfer of Functions) Order 1999 (S.I. 1999/672) article 2 and Schedule 1. Under paragraphs 30 and 32 of Schedule 11 to the Government of Wales Act 2006 (c. 32), functions formerly exercised by the National Assembly for Wales are now exercisable by the Welsh Ministers.

(2) S.I. 1992/1708, amended by S.I. 2000/1963, and S.I. 2008/2831.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

The rate of interest

3. The 1992 Regulations are amended, in paragraph 1(a) of Schedule 2, by the insertion after “loan” of “or the part of it on which interest is payable”.

Signed by authority of the Secretary of State for Communities and Local Government

Iain Wright
Parliamentary Under Secretary of State
Department for Communities and Local
Government

10th March 2009

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Housing (Service Charge Loans) Regulations 1992 (“the 1992 Regulations”) which provide for housing authorities to make loans to their tenants in respect of service charges for repairs or improvements. The amendments, which apply only in relation to England, relate to loans made under the discretionary power in regulation 5 of the 1992 Regulations. That power may be exercised, in respect of flats, by “housing authorities”. The term “housing authority” for the purposes of these amendments is defined in section 450B(4) of the Housing Act 1985.

Regulation 2 substitutes regulation 6(2) of the 1992 Regulations to provide that a loan made under the power in regulation 5 may be on terms that do not require the payment of interest or that require the payment of interest on only part of the loan.

Regulation 3 amends paragraph 1(a) of Schedule 2 to the 1992 Regulations in consequence of the new regulation 6(2).

A full regulatory impact assessment has not been produced for this instrument as no impact on the private or voluntary sectors is foreseen. However the proposed provision was included in a consultation document issued in August 2007 on proposed changes to the Right to Buy scheme, to which a general impact assessment regarding these changes was attached.