



# Housing and Regeneration Act 2008

## 2008 CHAPTER 17

### PART 2

#### REGULATION OF SOCIAL HOUSING

### CHAPTER 4

#### REGISTERED PROVIDERS

##### *General provisions*

#### **122 Payments to members etc.**

- (1) This section restricts the making of gifts, and the payment of dividends and bonuses, by a non-profit registered provider to—
  - (a) a member or former member of the registered provider,
  - (b) a member of the family of a member or former member,
  - (c) a company which has as a director a person within paragraph (a) or (b).
- (2) A gift may be made, and a dividend or bonus may be paid, only if it falls within one of the following permitted classes.
- (3) Class 1 is payments which—
  - (a) are in accordance with the constitution of the registered provider, and
  - (b) are due as interest on capital lent to the provider or subscribed in its shares.
- (4) Class 2 is payments which—
  - (a) are paid by a fully mutual housing association (within the meaning of section 1(2) of the Housing Associations Act 1985 (c. 69)),
  - (b) are paid to former members of the association, and
  - (c) are due under—
    - (i) tenancy agreements with the association, or

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*Status: This is the original version (as it was originally enacted).*

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- (ii) agreements under which the former members became members of the association.
- (5) Class 3 is payments which—
- (a) are in accordance with the constitution of the registered provider making the payment (“the payer”), and
  - (b) are made to a registered provider which is a subsidiary or associate of the payer.
- (6) If a registered company or industrial and provident society contravenes this section—
- (a) it may recover the wrongful gift or payment as a debt from the recipient, and
  - (b) the regulator may require it to take action to recover the gift or payment.