



Housing Associations Act 1985

1985 CHAPTER 69

PART III

[^{F1} THE HOUSING CORPORATION][^{F1} SOCIAL HOUSING IN WALES]

[^{F1} Relevant Authority's] powers with respect to grants and loans

86 Agreements to indemnify building societies: Scotland.

- (1) [^{F1} Scottish Homes] may, with the approval of the Secretary of State, enter into an agreement with a building society [^{F2} or recognised body] under which [^{F1} Scottish Homes] binds itself to indemnify the building society [^{F2} or recognised body] in respect of—
 - (a) the whole or part of any outstanding indebtedness of a borrower; and
 - (b) loss or expense to the building society [^{F2} or recognised body] resulting from the failure of the borrower duly to perform any obligation imposed on him by [^{F3} a] heritable security.
- (2) The agreement may also, where the borrower is made party to it, enable or require [^{F1} Scottish Homes] in specified circumstances to take an assignation of the rights and liabilities of the building society [^{F4} or recognised body] under the heritable security.
- (3) Approval of the Secretary of State under subsection (1) may be given generally in relation to agreements which satisfy specified requirements, or in relation to individual agreements, and with or without conditions, as he thinks fit, and such approval may be withdrawn at any time on one month's notice.
- (4) Before issuing any general approval under subsection (1) the Secretary of State shall consult with such bodies as appear to him to be representative of islands and district councils, and of building societies, and also with [^{F1} Scottish Homes] and with [^{F5} the Financial Conduct Authority and the Prudential Regulation Authority].

^{F6}(5)

Changes to legislation: There are currently no known outstanding effects for the Housing Associations Act 1985, Section 86. (See end of Document for details)

- [^{F7}(6) In this section, “recognised body” means a body designated, or of a class or description designated, in an order made under this subsection by statutory instrument by the Secretary of State with the consent of the Treasury.
- (7) Before making an order under subsection (6) above varying or revoking an order previously so made, the Secretary of State shall give an opportunity for representations to be made on behalf of a recognised body which, if the order were made, would cease to be such a body.]

Textual Amendments

- F1** Words in s. 86(1)(2)(4) substituted (1.10.1996) by S.I. 1996/2325, art. 5(1), **Sch. 2 para. 15(6)**
- F2** Words inserted by [Housing \(Scotland\) Act 1986](#) (c. 65, SIF 61), s. 25(1), **Sch. 2 para. 4(6)(a)(i)**
- F3** “a” substituted by [Housing \(Scotland\) Act 1986](#) (c. 65, SIF 61), s. 25(1), **Sch. 2 para. 4(6)(a)(ii)**
- F4** Words inserted by [Housing \(Scotland\) Act 1986](#) (c. 65, SIF 61), s. 25(1), **Sch. 2 para. 4(6)(b)**
- F5** Words in s. 86(4) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013](#) (S.I. 2013/496), art. 1(1), **Sch. 11 para. 1(3)** (with Sch. 12)
- F6** S. 86(5) repealed (1.3.2000) by S.I. 2000/311, **art. 16**
- F7** S. 86(6)(7) added by [Housing \(Scotland\) Act 1986](#) (c. 65, SIF 61), s. 25(1), **Sch. 2 para. 4(6)(d)**

Changes to legislation:

There are currently no known outstanding effects for the Housing Associations Act 1985, Section 86.