

## SCHEDULES

### SCHEDULE 4

#### ADVANCES : SUPPLEMENTARY PROVISIONS

##### *Provisions as to sale of mortgaged property*

- 1 (1) Where any land has been mortgaged to a building society as security for an advance and a person sells the land in the exercise of a power (whether statutory or express) exercisable by virtue of the mortgage, it shall be his duty—
- (a) in exercising that power, to take reasonable care to ensure that the price at which the land is sold is the best price that can reasonably be obtained, and
  - (b) within 28 days from the completion of the sale, to send to the mortgagor at his last-known address by the recorded delivery service a notice containing the prescribed particulars of the sale.
- (2) In so far as any agreement relieves, or may have the effect of relieving, a building society or any other person from the obligation imposed by sub-paragraph (1)(a) above, the agreement shall be void.
- (3) Breach by a building society or any other person of the duty imposed by sub-paragraph (1)(b) above, if without reasonable excuse, shall be an offence.
- (4) Any person guilty of an offence under sub-paragraph (3) above shall be liable on summary conviction—
- (a) to a fine not exceeding level 2 on the standard scale, and
  - (b) to an additional fine for each week during which the offence continues not exceeding £10,
- and, in relation to such an offence on the part of a building society, so shall any officer who is also guilty of the offence.
- (5) Nothing in this section shall affect the operation of any rule of law relating to the duty of a mortgagee to account to his mortgagor.
- (6) In sub-paragraph (1) above " mortgagor", in relation to a mortgage in favour of a building society, includes any person to whom, to the knowledge of the person selling the land, any of the rights or liabilities of the mortgagor under the mortgage have passed, whether by operation of law or otherwise.