



Building Societies Act 1986

1986 CHAPTER 53

^{F1}[PART III

ADVANCES, LOANS AND OTHER ASSETS]

Other commercial assets

^{F1}15 **Loans for mobile homes.**

- (1) Subject to the provisions of this section, a building society may make mobile home loans to individuals, whether or not they are members of the society.
- (2) A mobile home loan is a loan made for the purchase of a mobile home and secured by such security as the Commission may, with the consent of the Treasury, prescribe by order in a statutory instrument.
- (3) No such loan shall be made unless the building society, when it makes the loan, is satisfied that—
 - (a) the borrower or a dependant of his of a prescribed description is or will be entitled under an agreement to which the ^{M1}Mobile Homes Act 1983 applies to station the mobile home on land forming part of a protected site;
 - (b) the mobile home is for the residential use of the borrower or a dependent of his of a prescribed description;
 - (c) the amount lent will not exceed the amount likely to be realised on a sale of the mobile home on the open market; and
 - (d) subject to subsection (4) below, no other security prescribed under subsection (2) above which is to secure the loan is outstanding in favour of a person other than the society.
- (4) The requirement in subsection (3)(d) above shall be treated as satisfied if the loan is made on terms that the other loan is redeemed or postponed to it.
- (5) A building society shall not make a mobile home loan to an individual if the principal exceeds—

Changes to legislation: Building Societies Act 1986, Section 15 is up to date with all changes known to be in force on or before 28 September 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

- (a) the limit for the time being imposed by or under subsection (7) below; or
- (b) the balance remaining after deducting from that limit the aggregate of any other sums outstanding in respect of loans made under this section or section 16 by the society to that individual [^{F2}and any facility limits agreed for the time being between the society and that individual][^{F3}and also the cost of leasable chattels bailed under any current leasing agreement between the society and that individual];

and if two or more loans under this section or this section and section 16 are made simultaneously by the society to the same individual they shall be treated for the purposes of this subsection as a single loan of an amount equal to the aggregate of the principal of each of those loans.

- (6) Joint borrowers under this section shall be treated, for the purpose of the limit on loans under this section, as a single individual and any sums outstanding in respect of loans made under this section or section 16 by the society to any one of the joint borrowers [^{F4}and also the cost of leasable chattels bailed under any current leasing agreement between the society and any one of the joint borrowers are] to be taken into account in determining the balance available for any further loan to him or to him and any joint borrower with him [^{F5}, and so is any facility limit which is agreed for the time being between the society and any one of the joint borrowers].
- (7) The limit on loans to any one individual under this section is £10,000 or such sum as the Commission may, with the consent of the Treasury, specify by order in a statutory instrument.
- (8) Loans under this section constitute class 3 assets for the purposes of the requirements of this Part for the structure of commercial assets and accordingly the aggregate of the amounts outstanding in respect of—
 - (a) the principal of loans under this section,
 - (b) the interest on those loans, and
 - (c) any other sums which borrowers are obliged to pay the society under the terms of those loans,

counts in accordance with section 20 towards the limits applicable to class 3 assets under that section.

- (9) The power conferred by this section is not available to a building society which does not for the time being have a qualifying asset holding, but the cessation of its availability does not require the disposal of any property or rights.
- (10) The power conferred by this section on a building society, if available to it, must in order to be exercisable, be adopted by the society.
- (11) An instrument containing an order under subsection (2) or (7) above shall be subject to annulment in pursuance of a resolution of either House of Parliament.
- (12) In this section—

^{F6}“facility limit” has the meaning which it has for the purposes of the Building Societies (Limited Credit Facilities) Order 1987;]

^{F7}“leasable chattels”, “bailed” and “leasing agreement” have the meanings which they respectively bear in Part III of Schedule 1 to the Building Societies (Commercial Assets and Services) Order 1988 and “cost”, in respect of any leasable chattel bailed by a building society, means the price at which it was acquired by the society;]

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“mobile home” has the same meaning as “caravan” in Part I of the ^{M2}Caravan Sites and Control of Development Act 1960;

“prescribed”, in relation to descriptions of dependants of borrowers, means such as are for the time being prescribed in an order under section 12(1) as respects class 1 advances; and

“protected site” has the same meaning as in the ^{M3}Mobile Homes Act 1983.]

Textual Amendments

- F1** Pt. III (ss. 10-23) repealed (1.12.1997 in specified cases and for specified purposes and otherwise in accordance with art. 2(2)(3)(5) of S.I. 1997/2668) by 1997 c. 32, ss. 12(1)(a), 46(2), 47(3), **Sch. 9**; S.I. 1997/2668, art. 2, Sch. Pts. I(b), **II(j)**
- F2** Words inserted by S.I. 1987/1975, art. 8(1), **Sch. 1 para. 1**
- F3** Words inserted by S.I. 1988/1141, art. 4(1), **Sch. 2 para. 1**
- F4** Words substituted by S.I. 1988/1141, art. 4(1), **Sch. 2 para. 2**
- F5** Words inserted by S.I. 1987/1975, art. 8(1), **Sch. 1 para. 2**
- F6** Definition inserted by S.I. 1987/1975, art. 8(1), **Sch. 1 para. 3**
- F7** Definitions inserted by S.I. 1988/1141, art. 4(1), **Sch. 2 para. 3**
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Marginal Citations

- M1** 1983 c. 34
- M2** 1960 c. 62
- M3** 1983 c. 34.

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 5(11)-(14) inserted by [2007 c. 26 s. 1\(2\)](#)
- s. 5(13)(a) substituted by [S.I. 2013/496 Sch. 8 para. 4\(4\)](#)
- s. 7(6A)-(6C) inserted by [2007 c. 26 s. 1\(1\)\(a\)](#)
- s. 7(8A) inserted by [2007 c. 26 s. 1\(1\)\(c\)](#)
- s. 176ZB excluded by [S.I. 2017/400 reg. 14](#)
- s. 246ZA-246ZC excluded by [S.I. 2017/400 reg. 15](#)
- s. 246ZD excluded by [S.I. 2017/400 reg. 16](#)