



# Building Societies Act 1986

## 1986 CHAPTER 53

### PART II

#### CONSTITUTION OF BUILDING SOCIETIES

##### <sup>F1</sup>[Making loans]

##### <sup>F1</sup>6A Loans secured on land.

- (1) For the purposes of this Act a loan is secured on land if it is secured by—
  - (a) a mortgage of a legal estate in land in England and Wales or Northern Ireland;
  - (b) a heritable security over land in Scotland; or
  - (c) a qualifying security over land in [<sup>F2</sup>the Isle of Man, the Channel Islands or Gibraltar].
- <sup>F3</sup>(1A) [ For the purposes of this Act a loan is also secured on land if—
  - (a) it was secured before IP completion day by a qualifying security over land in an EEA country or territory other than the United Kingdom, and
  - (b) it continues to be secured by a qualifying security over that land.]
- (2) For the purposes of this Act a loan is also secured on land if—
  - (a) it is secured by a mortgage of an equitable interest in land in England and Wales or Northern Ireland;
  - (b) the equitable interest is an equitable interest in land of a description, and is created in circumstances, prescribed in an order made by the <sup>F4</sup>. . . Treasury; and
  - (c) any conditions prescribed in the order are complied with;and an order under this subsection may apply in relation to securities held by or on behalf of building societies or connected undertakings of a description specified in the order, or securities held by or on behalf of all such societies or undertakings other than those of a description so specified.
- (3) For the purposes of this Act—

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*Changes to legislation: Building Societies Act 1986, Section 6A is up to date with all changes known to be in force on or before 10 May 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*

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- (a) a loan shall be treated as secured by a mortgage of a legal estate in registered land in England and Wales or Northern Ireland notwithstanding that the loan is made before the mortgagor is registered as proprietor of the estate; and
  - (b) a loan shall be treated as secured by a heritable security over land in Scotland notwithstanding that the loan is made before title to that land has been transferred to the debtor in the heritable security.
- (4) The [<sup>F5</sup>Treasury may], by order provide for any provisions of this Act to have effect in relation to loans secured on land outside the [<sup>F6</sup>United Kingdom] with such modifications as appear to [<sup>F7</sup>them] to be appropriate.
- (5) An order under subsection (2) or (4) above may make such incidental, supplementary and transitional provision as appears to the [<sup>F8</sup>Treasury] to be necessary or expedient.
- (6) The power to make an order under subsection (2) or (4) above is exercisable by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.
- (7) In this section and section 6B—
- “EEA country or territory” means a country or territory in the European Economic Area;
- “qualifying security”, [<sup>F9</sup> in relation to a loan and land in the Isle of Man, the Channel Islands, Gibraltar or in an EEA country or territory], means a security over the land which—
- (a) acknowledges, and requires repayment of, the loan; and
  - (b) secures repayment of the loan on the land;
- <sup>F10</sup>  
...
- (8) In this Act “land”, in the expression “loan secured on land”, means—
- [<sup>F11</sup>(a) land in—
    - (i) the United Kingdom;
    - (ii) the Isle of Man, the Channel Islands, Gibraltar; or
    - (iii) an EEA country or territory; and]
  - (b) in so far as land in any other country or territory is, under any provision of this Act, land on which loans may be secured, land in that other country or territory.]

#### Textual Amendments

- F1** S. 6A inserted (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. 5, 47(3); S.I. 1997/2668, art. 2, Sch. Pt. II(e)
- F2** Words in s. 6A(1)(c) substituted (31.12.2020) by The Building Societies Legislation (Amendment) (EU Exit) Regulations 2018 (S.I. 2018/1187), regs. 1, 3(1)(a); 2020 c. 1, Sch. 5 para. 1(1)
- F3** S. 6A(1A) inserted (31.12.2020) by The Building Societies Legislation (Amendment) (EU Exit) Regulations 2018 (S.I. 2018/1187), regs. 1, 3(1)(b) (as amended by S.I. 2020/1301, regs. 1, 3, Sch. para. 4(a)); 2020 c. 1, Sch. 5 para. 1(1)
- F4** Words in s. 6A(2)(b) repealed (1.12.2001) by S.I. 2001/2617, arts. 2(b), 13(2), Sch. 4 (with art. 13(3), Sch. 5 and with saving in S.I. 2001/2967, arts. 1(2), 9(1)(c)); S.I. 2001/3538, art. 2(1)
- F5** Words in s. 6A(4) substituted (17.8.2001 for certain purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8, 13(1), Sch. 3 Pt. II para. 135(b)(i) (with art. 13(3), Sch. 5); S.I. 2001/3538, art. 2(a)

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- F6** Words in s. 6A(4) substituted (31.12.2020) by The Building Societies Legislation (Amendment) (EU Exit) Regulations 2018 (S.I. 2018/1187), regs. 1, **3(1)(c)**; 2020 c. 1, Sch. 5 para. 1(1)
- F7** Word in s. 6(4) substituted (17.8.2001 for certain purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8, 13(1), **Sch. 3 Pt. II para. 135(b)(ii)** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(a)**
- F8** Word in s. 6(5) substituted (17.8.2001 for certain purposes and otherwise 1.12.2001) by S.I. 2001/2617, arts. 2, 8, 13(1), **Sch. 3 Pt. II para. 135(c)** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(a)**
- F9** Words in s. 6A(7) substituted (31.12.2020) by The Building Societies Legislation (Amendment) (EU Exit) Regulations 2018 (S.I. 2018/1187), regs. 1, **3(1)(d)(i)**; 2020 c. 1, Sch. 5 para. 1(1)
- F10** Words in s. 6A(7) omitted (31.12.2020) by virtue of The Building Societies Legislation (Amendment) (EU Exit) Regulations 2018 (S.I. 2018/1187), regs. 1, **3(1)(d)(ii)**; 2020 c. 1, Sch. 5 para. 1(1)
- F11** S. 6A(8)(a) substituted (31.12.2020) by The Building Societies Legislation (Amendment) (EU Exit) Regulations 2018 (S.I. 2018/1187), regs. 1, **3(1)(e)**; 2020 c. 1, Sch. 5 para. 1(1)

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**Modifications etc. (not altering text)**

- C1** S. 6A(2)(b)(4)(5): Functions of Building Societies Commission transferred (1.12.2001) by S.I. 2001/2617, arts. 2(b), 4(1), **Sch. 1 Pt. III**; S.I. 2001/3538, **art. 2(a)**

**Changes to legislation:**

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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](#)