***Changes to legislation:** There are currently no known outstanding effects for the Building Societies Act 1997, Paragraph 56. (See end of Document for details)*

SCHEDULES

SCHEDULE 7

OTHER AMENDMENTS OF 1986 ACT

Establishment, incorporation and constitution

56 (1) Part I of Schedule 2 to the 1986 Act (establishment, incorporation and constitution) shall be amended as follows.

(2) For sub-paragraph (4) of paragraph 1 (requirements for establishment) there shall be substituted the following sub-paragraph—

"(4) In this Act "memorandum", in relation to a building society, means the memorandum of the purpose and the extent of the powers of the society including the record of any alteration under paragraph 4 below."

(3) For sub-paragraphs (1) to (3) of paragraph 2 (the memorandum) there shall be substituted the following sub-paragraphs—

"(1) The memorandum of a building society shall state the purpose or principal purpose of the society to be that of making loans which are secured on residential property and are funded substantially by its members.

(2) The memorandum of a building society shall specify—

(a) the name of the society and the address of its principal office;

(b) any purposes of the society other than that mentioned in sub-paragraph (1) above; and

(c) the powers of the society."

(4) Sub-paragraph (5) of that paragraph shall cease to have effect.

(5) In sub-paragraph (4) of paragraph 3 (the rules)—

(a) in item 2 of the Table, for the words "stock or funds of the society is or are" there shall be substituted the words " funds of the society are "; and

(b) in item 5 of the Table, for the word "advances" there shall be substituted the word " loans " and for the word "advance" there shall be substituted the word " loan ".

(6) For sub-paragraph (1) of paragraph 4 (requirements for alteration of purpose, powers and rules) there shall be substituted the following sub-paragraph—

"(1) A building society may by special resolution alter its purposes, alter its powers or alter its rules."

(7) In sub-paragraph (4) of that paragraph, the words "subject to paragraph 19 below" shall cease to have effect.

(8) In sub-paragraph (1) of paragraph 8 (joint borrowers), for the words "an advance" there shall be substituted the words " a loan ".

(9) In sub-paragraph (1)(b) of paragraph 11 (change of principal office), for the words "then at a general meeting specially called for the purpose in accordance with the rules" there shall be substituted the words " by an ordinary resolution ".

(10) For sub-paragraph (1) of paragraph 13 (register of members) there shall be substituted the following sub-paragraph—

"(1) Every building society shall maintain a register of members showing—

(a) the name and address of each member; and

(b) whether each member is a shareholding member or a borrowing member or both."

Commencement Information

I1 Sch. 7 para. 56 partly in force; Sch. 7 para. 56 not in force at Royal Assent see s. 47(3); Sch. 7 para. 56(9) in force at 9.6.1997 by S.I. 1997/1427, **art. 2**; Sch. 7 para. 56 in force at 1.12.1997 by S.I. 1997/2668, art. 2, **Sch. Pt. II** (subject as mentioned in art. 2(2)-(5) of that S.I.)

Changes to legislation:
There are currently no known outstanding effects for the Building Societies Act 1997, Paragraph 56.