



# Building Societies Act 1997

## 1997 CHAPTER 32

### PART I

#### CONSTITUTION AND POWERS

#### 5 Loans secured on land.

After section 6 of the 1986 Act there shall be inserted the following section—

**“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 an EEA country or territory other than the United Kingdom.
- (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 Commission with the consent of the 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—
  - (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

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*Changes to legislation: There are currently no known outstanding effects for the Building Societies Act 1997, Section 5. (See end of Document for details)*

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- 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 Commission may, with the consent of the Treasury, by order provide for any provisions of this Act to have effect in relation to loans secured on land outside the European Economic Area with such modifications as appear to the Commission to be appropriate.
- (5) An order under subsection (2) or (4) above may make such incidental, supplementary and transitional provision as appears to the Commission 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”, in relation to land in an EEA country or territory other than the United Kingdom and a loan, 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;
- and for the purposes of this section and that section, the Channel Islands, the Isle of Man and Gibraltar shall be treated as included in the European Economic Area.
- (8) In this Act “land”, in the expression “loan secured on land”, means—
- (a) land in 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.”

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**Commencement Information**

- II** S. 5 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, Section 5.