



Charities Act 2011

2011 CHAPTER 25

PART 7

CHARITY LAND

Restrictions on mortgages of land in England and Wales

125 Mortgages: required statements, etc.

- (1) Any mortgage of land held by or in trust for a charity must state—
 - (a) that the land is held by or in trust for a charity,
 - (b) whether the charity is an exempt charity and whether the mortgage is one falling within section 124(9), and
 - (c) if it is not an exempt charity and the mortgage is not one falling within section 124(9), that the mortgage is one to which the restrictions imposed by section 124 apply.
- (2) Where section 124(1) or (2) applies to any mortgage of land held by or in trust for a charity, the charity trustees must certify in the mortgage—
 - (a) (where section 124(1) applies) that the mortgage has been sanctioned by an order of the court or of the Commission (as the case may be), or
 - (b) (where section 124(2) applies) that the charity trustees have power under the trusts of the charity to grant the mortgage, and have obtained and considered such advice as is mentioned in section 124(2).
- (3) Where subsection (2) has been complied with in relation to any mortgage, then in favour of a person who (whether under the mortgage or afterwards) acquires an interest in the land in question for money or money's worth, it is conclusively presumed that the facts were as stated in the certificate.
- (4) Subsection (5) applies where—
 - (a) section 124(1) or (2) applies to any mortgage of land held by or in trust for a charity, but

Status: This is the original version (as it was originally enacted).

- (b) subsection (2) has not been complied with in relation to the mortgage.
- (5) In favour of a person who (whether under the mortgage or afterwards) in good faith acquires an interest in the land for money or money's worth, the mortgage is valid whether or not—
- (a) the mortgage has been sanctioned by an order of the court or of the Commission, or
 - (b) the charity trustees have power under the trusts of the charity to grant the mortgage and have obtained and considered such advice as is mentioned in section 124(2).
- (6) Where section 124(7) applies to any mortgage of land held by or in trust for a charity, the charity trustees must certify in relation to any transaction falling within section 124(7) that they have obtained and considered such advice as is mentioned in section 124(7).
- (7) Where subsection (6) has been complied with in relation to any transaction, then, in favour of a person who (whether under the mortgage or afterwards) has acquired or acquires an interest in the land for money or money's worth, it is conclusively presumed that the facts were as stated in the certificate.