
STATUTORY INSTRUMENTS

1989 No. 869

The Consumer Credit (Exempt Agreements) Order 1989

Exemption of certain consumer credit agreements secured on land

2.—(1) The Act shall not regulate a consumer credit agreement which falls within section 16(2) of the Act, being an agreement to which this paragraph applies.

(2) Where the creditor is a body specified in Part I of Schedule 1 to this Order, or a building society authorised under the Building Societies Act 1986(1), or an authorised institution under the Banking Act 1987(2) or a wholly-owned subsidiary of such an institution, paragraph (1) above applies only to—

- (a) a debtor-creditor-supplier agreement falling within section 16(2)(a) or (c) of the Act;
- (b) a debtor-creditor agreement secured by any land mortgage to finance—
 - (i) the purchase of land; or
 - (ii) the provision of dwellings or business premises on any land; or
 - (iii) subject to paragraph (3) below, the alteration, enlarging, repair or improvement of a dwelling or business premises on any land;
- (c) a debtor-creditor agreement secured by any land mortgage to refinance any existing indebtedness of the debtor, whether to the creditor or another person, under any agreement by which the debtor was provided with credit for any of the purposes specified in heads (i) to (iii) of sub-paragraph (b) above.

(3) Head (iii) of sub-paragraph (b) of paragraph (2) above applies only—

- (i) where the creditor is the creditor under—
 - (a) an agreement (whenever made) by which the debtor is provided with credit for any of the purposes specified in head (i) and head (ii) of that sub-paragraph; or
 - (b) an agreement (whenever made) refinancing an agreement under which the debtor is provided with credit for any of the said purposes,

being, in either case, an agreement relating to the land referred to in the said head (iii) and secured by a land mortgage on that land; or

- (ii) where a debtor-creditor agreement to finance the alteration, enlarging, repair or improvement of a dwelling, secured by a land mortgage on that dwelling, is made as a result of any such services as are described in section 4(3)(dd) of the Housing Associations Act 1985(3) which are certified as having been provided by—

- (a) a local authority;
- (b) a housing association within the meaning of section 1 of the Housing Associations Act 1985 or Article 114 of the Housing (Northern Ireland) Order 1981(4);

(1) 1986 c. 53.

(2) 1987 c. 22.

(3) 1985 c. 69; section 4(3) was amended by the insertion of paragraph (dd) by the Housing and Planning Act 1986 (c. 63), section 19.

(4) S.I.1981/156 (N.I.3).

- (c) a body established by such a housing association for the purpose of providing such services as are described in the said section 4(3)(dd);
- (d) a charity;
- (e) the National Home Improvement Council; or
- (f) the Northern Ireland Housing Executive.

(4) Where the creditor is a body specified in Part II of Schedule 1 to this Order, paragraph (1) above applies only to an agreement of a description specified in that Part in relation to that body and made pursuant to an enactment or for a purpose so specified.

(5) Where the creditor is a body specified in Part III of Schedule 1 to this Order, paragraph (1) above applies only to an agreement of a description falling within Article 2(2)(a) to (c) above, being an agreement advancing money on the security of a dwelling-house.