

1989 No. 869

**CONSUMER CREDIT**

**The Consumer Credit (Exempt Agreements)  
Order 1989**

<i>Made</i> - - - -	<i>19th May 1989</i>
<i>Laid before Parliament</i>	<i>24th May 1989</i>
<i>Coming into force</i> -	<i>19th June 1989</i>

The Secretary of State, after consulting in accordance with subsections (3) and (9) of section 16 of the Consumer Credit Act 1974(a) with the persons therein referred to, in exercise of the powers conferred on him by sections 16(1) and (4) to (6) and 182(2) and (4) of that Act and of all other powers enabling him in that behalf, hereby makes the following Order:

**Citation, commencement, interpretation and revocation**

1.—(1) This Order may be cited as the Consumer Credit (Exempt Agreements) Order 1989 and shall come into force on 19th June 1989.

(2) In this Order—

“the Act” means the Consumer Credit Act 1974;

“business premises” means premises for occupation for the purposes of a business (including any activity carried on by a body of persons, whether corporate or unincorporate) or for those and other purposes;

and references to the total charge for credit and the rate thereof are respectively references to the total charge for credit and the rate thereof calculated in accordance with the Consumer Credit (Total Charge for Credit) Regulations 1980(b).

(3) The Orders specified in Schedule 2 to this Order are hereby revoked.

**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(c), or an authorised institution under the Banking Act 1987(d) or a wholly-owned subsidiary of such an institution, paragraph (1) above applies only to—

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(a) 1974 c.39; section 16 was amended by the Employment Protection Act 1975 (c.71), Schedule 18, the Telecommunications Act 1984 (c.12), Schedule 4, paragraph 60, the Building Societies Act 1986 (c.53), Schedule 18, the Housing and Planning Act 1986 (c.63), section 22, the Banking Act 1987 (c.22), section 88, the Housing (Scotland) Act 1987 (c.26), Schedule 23, paragraph 21 and the Housing Act 1988 (c.50), Schedule 17, paragraph 20.

(b) S.I. 1980/51, amended by S.I. 1985/1192, 1989/596.

(c) 1986 c.53.

(d) 1987 c.22.

- (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(a) 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(b);
- (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.

#### **Exemption of certain consumer credit agreements by reference to the number of payments to be made by the debtor**

3.—(1) The Act shall not regulate a consumer credit agreement which is an agreement of one of the following descriptions, that is to say—

- (a) a debtor-creditor-supplier agreement being either—
  - (i) an agreement for fixed-sum credit under which the total number of payments to be made by the debtor does not exceed four, and those payments are required to be made within a period not exceeding 12 months beginning with the date of the agreement; or
  - (ii) an agreement for running-account credit which provides for the making of

(a) 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.

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

payments by the debtor in relation to specified periods and requires that the number of payments to be made by the debtor in repayment of the whole amount of the credit provided in each such period shall not exceed one;

not being, in either case, an agreement of a description specified in paragraph (2) below; and in this sub-paragraph, "payment" means a payment comprising an amount in respect of credit with or without any other amount;

(b) a debtor-creditor-supplier agreement financing the purchase of land being an agreement under which the number of payments to be made by the debtor does not exceed four; and in this sub-paragraph, "payment" means a payment comprising or including an amount in respect of credit or the total charge for credit (if any);

(c) a debtor-creditor-supplier agreement for fixed-sum credit to finance a premium under a contract of insurance relating to any land or to anything thereon where—

(i) the creditor is the creditor under an agreement secured by a land mortgage on that land which either is an exempt agreement by virtue of section 16(1) of the Act or of article 2 above, or is a personal credit agreement which would be an exempt agreement by virtue of either of those provisions if the credit provided were not to exceed £15,000;

(ii) the amount of the credit is to be repaid within the period to which the premium relates, not being a period exceeding 12 months; and

(iii) there is no charge forming part of the total charge for credit under the agreement other than interest at a rate not exceeding the rate of interest from time to time payable under the agreement mentioned in head (i) above,

and the number of payments to be made by the debtor does not exceed twelve; and in this sub-paragraph "payment" has the same meaning as it has in paragraph (1)(b) above; and

(d) a debtor-creditor-supplier agreement for fixed-sum credit where—

(i) the creditor is the creditor under an agreement secured by a land mortgage on any land which either is an exempt agreement by virtue of section 16(1) of the Act or of article 2 above, or is a personal credit agreement which would be an exempt agreement by virtue of either of those provisions if the credit provided were not to exceed £15,000;

(ii) the agreement is to finance a premium under a contract of life insurance which provides, in the event of the death before the credit under the agreement referred to in head (i) above has been repaid of the person on whose life the contract is effected, for payment of a sum not exceeding the amount sufficient to defray the sums which, immediately after that credit has been advanced, would be payable to the creditor in respect of that credit and of the total charge for that credit; and

(iii) there is no charge forming part of the total charge for credit under the agreement other than interest at a rate not exceeding the rate of interest from time to time payable under the agreement referred to in head (i) above,

and the number of payments to be made by the debtor does not exceed twelve; and in this sub-paragraph, "payment" has the same meaning as it has in sub-paragraph (1)(b) above.

(2) The descriptions of agreement referred to in sub-paragraph (a) of paragraph (1) above and to which accordingly that sub-paragraph does not apply are—

(a) agreements financing the purchase of land;

(b) agreements which are conditional sale agreements or hire-purchase agreements; and

(c) agreements secured by a pledge (other than a pledge of documents of title or of bearer bonds).

**Exemption of certain consumer credit agreements by reference to the rate of the total charge for credit**

4.—(1) The Act shall not regulate a consumer credit agreement which is an agreement of one of the following descriptions, that is to say—

- (a) subject to paragraphs (2), (3) and (4) below, any debtor-creditor agreement in respect of which the rate of the total charge for credit does not exceed the rate referred to in paragraph (5) below;
- (b) subject to paragraph (4) below, a debtor-creditor-supplier agreement for fixed-sum credit where—
  - (i) the creditor is the creditor under an agreement secured by a land mortgage on any land which either is an exempt agreement by virtue of section 16(1) of the Act or of article 2 above, or is a personal credit agreement which would be an exempt agreement by virtue of either of those provisions if the credit provided were not to exceed £15,000;
  - (ii) the agreement is to finance a premium under a contract of life insurance which provides, in the event of the death before the credit under the agreement referred to in head (i) above has been repaid of the person on whose life the contract is effected, for payment of a sum not exceeding the amount sufficient to defray the sums which, immediately after that credit has been advanced, would be payable to the creditor in respect of that credit and of the total charge for that credit; and
  - (iii) there is no charge forming part of the total charge for credit under the agreement other than interest at a rate not exceeding the rate of interest from time to time payable under the agreement referred to in head (i) above,

and in respect of which the rate of the total charge for credit does not exceed the rate referred to in paragraph (5) below;

- (c) subject to paragraph (4) below, a debtor-creditor agreement in respect of which the only amount included in the total charge for credit is interest which cannot under the agreement at any time exceed the higher of the following, that is to say—
  - (i) the sum of one per cent and the highest of any base rates published by the banks named in paragraph (6) below, being the latest rates in operation on the date 28 days before any such time; and
  - (ii) 13 per cent;

and for the purposes of this sub-paragraph, “interest” means interest at a rate determined in accordance with the formula set out in paragraph (1) of regulation 7 of the Consumer Credit (Total Charge for Credit) Regulations 1980(a), and in that formula as applied by this paragraph “period rate of charge” has the meaning assigned to it in paragraph (2) of that regulation.

(2) Subject to paragraph (3) below, sub-paragraph (a) of paragraph (1) above does not apply to agreements which provide for an increase in, or permit the creditor to increase, the rate or amount of any item which—

- (a) is included in the total charge for credit; or
- (b) would fall to be so included, apart from the operation of regulation 14 of the Consumer Credit (Total Charge for Credit) Regulations 1980,

after the relevant date of the agreement within the meaning of regulation 1(2) of those Regulations.

(3) Sub-paragraph (a) of paragraph (1) above does apply to agreements—

- (a) in relation to which the debtor, or any one of two or more debtors where each debtor is a relative of the other debtor or of one of the other debtors, is an employee of the creditor or of an associate of his and which provide for an increase in, or permit the creditor to increase, the rate or amount of any item such as is mentioned in paragraph (2) above on the termination of such employment with the creditor or such associate, as the case may be; or
- (b) under which the rate or amount of any such item falls to be ascertained

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(a) S.I. 1980/51, amended by S.I. 1985/1192, 1989/596.

throughout the duration of the agreement by reference to the level of any index or other factor in accordance with any formula specified in the agreement; and which do not provide for an increase in, or permit the creditor to increase, the rate or amount of any item mentioned in paragraph (2) above in any way other than those permitted by either or both of sub-paragraphs (a) or (b) of this paragraph.

(4) Paragraph (1) above does not apply to agreements under which the total amount to be repaid by the debtor to discharge his indebtedness in respect of the amount of credit provided may vary according to any formula specified in the agreement having effect by reference to movements in the level of any index or to any other factor.

(5) The rate mentioned in sub-paragraphs (a) and (b) of paragraph (1) above is the higher of the following, that is to say—

- (a) the sum of one per cent and the highest of any base rates published by the banks named in paragraph (6) below, being the latest rates in operation on the date 28 days before the date on which the agreement is made; and
- (b) 13 per cent.

(6) The banks referred to in paragraphs (1)(c) and (5)(a) above are—

Bank of England  
Bank of Scotland  
Barclays Bank PLC  
Clydesdale Bank PLC  
Co-operative Bank Public Limited Company  
Coutts & Co.  
Lloyds Bank PLC  
Midland Bank Public Limited Company  
National Westminster Bank Public Limited Company  
The Royal Bank of Scotland p.l.c.  
TSB England & Wales public limited company.

#### **Exemption of certain consumer credit agreements having a connection with a country outside the United Kingdom**

5. The Act shall not regulate a consumer credit agreement made—

- (a) in connection with trade in goods or services between the United Kingdom and a country outside the United Kingdom or within a country or between countries outside the United Kingdom, being an agreement under which credit is provided to the debtor in the course of a business carried on by him; or
- (b) between a creditor listed in Part IV of Schedule 1 to this Order and a debtor who is—
  - (i) a member of any of the armed forces of the United States of America;
  - (ii) an employee not habitually resident in the United Kingdom of any of those forces; or
  - (iii) any such member's or employee's wife or husband or any other person (whether or not a child of his) whom he wholly or partly maintains and treats as a child of the family.

#### **Exemption of certain consumer hire agreements**

6. The Act shall not regulate a consumer hire agreement where the owner is a body corporate authorised by or under any enactment to supply electricity or water and the subject of the agreement is a meter or metering equipment used or to be used in connection with the supply of electricity or water, as the case may be.

*Francis Maude*  
Parliamentary Under-Secretary of State,  
Department of Trade and Industry

19th May 1989

**BODIES WHOSE AGREEMENTS OF THE SPECIFIED DESCRIPTION ARE  
EXEMPT AGREEMENTS****PART I****INSURANCE COMPANIES**

Abbey Life Assurance Company Limited  
Abbey Life Pension and Annuities Limited  
Albany Life Assurance Company Limited  
Allchurches Life Assurance Limited  
Alliance Assurance Company Limited  
Allied Dunbar Assurance PLC  
Ambassador Life Assurance Company Limited  
American Life Insurance Company  
Ansvar Insurance Company Limited  
Atlas Assurance Company Limited  
Australian Mutual Provident Society  
Avon Insurance PLC

Black Horse Life Assurance Company Limited  
Bradford Insurance Company Limited  
Britannic Assurance Public Limited Company  
The British & European Reinsurance Company Limited  
British Equitable Assurance Company Limited  
The British Life Office Limited  
The British Oak Insurance Company Limited  
British Reserve Insurance Company Limited

Caledonian Insurance Company  
The Cambrian Insurance Company Limited  
The Canada Life Assurance Company  
Cannon Assurance Limited  
Car and General Insurance Corporation Limited  
Citibank Assurance Company Limited  
City of Westminster Assurance Company Limited  
City of Westminster Assurance Society Limited  
Clerical, Medical and General Life Assurance Society  
The Colonial Mutual Life Assurance Society Limited  
Commercial Union Assurance Company plc  
Commercial Union Pensions Management Limited  
Commercial Union Life Assurance Company Limited  
Confederation Life Insurance Company  
The Contingency Insurance Company Limited  
Co-operative Insurance Society Limited  
Cornhill Insurance Public Limited Company  
Criterion Insurance Company Limited  
Crown Life Assurance Company Limited  
Crown Life Insurance Company Limited  
Crown Life Pensions Limited  
Crusader Insurance PLC

The Dominion Insurance Company Limited

Eagle Star Insurance Company Limited  
Ecclesiastical Insurance Office plc  
Economic Insurance Company Limited  
English & American Insurance Company Limited  
The Equitable Life Assurance Society  
Equity & Law Life Assurance Society plc  
Essex and Suffolk Insurance Company Limited  
Excess Insurance Company Limited

Federation Mutual Insurance Limited  
Fine Art and General Insurance Company Limited  
Friends' Provident Life Office  
FS Assurance Limited

General Accident Fire and Life Assurance Corporation Public Limited Company  
General Accident Life Assurance Limited  
General Accident Linked Life Assurance Limited  
General Portfolio Life Insurance Public Limited Company  
Gisborne Life Assurance Company Limited  
Gresham Life Assurance Society Limited  
Guardian Assurance plc  
Guardian Royal Exchange Assurance plc

Hill Samuel Life Assurance Limited

The Ideal Insurance Company Limited  
The Imperial Life Assurance Company of Canada  
Irish Life Assurance plc  
The Iron Trades Employers Insurance Association Limited

Langham Life Assurance Company Limited  
Legal and General Assurance Society Limited  
The Licenses and General Insurance Company Limited  
The Life Association of Scotland Limited  
London Aberdeen & Northern Mutual Assurance Society Limited  
London and Manchester Assurance Company Limited  
London and Manchester (Pensions) Limited  
London & Scottish Assurance Corporation Limited  
The London Assurance  
The London Life Association Limited

The Manufacturers Life Insurance Company  
Marine and General Mutual Life Assurance Society  
Maritime Insurance Company Limited  
Medical Sickness Annuity & Life Assurance Society Limited  
The Mercantile and General Reinsurance Company plc  
Midland Assurance Limited  
The Motor Union Insurance Company Limited  
Minster Insurance Company Limited  
Municipal Life Assurance Limited  
Municipal Mutual Insurance Limited

NALGO Insurance Association Limited  
National Employers' Life Assurance Company Limited  
National Employers' Mutual General Insurance Association Limited  
The National Farmers Union Mutual Insurance Society Limited  
National House-Building Council  
The National Insurance and Guarantee Corporation PLC  
The National Mutual Life Association of Australasia Limited  
National Mutual Life Assurance Society  
National Provident Institution  
National Vulcan Engineering Insurance Group Limited  
N.E.L. Pensions Limited  
The New Zealand Insurance plc  
North British & Mercantile Insurance Company Limited  
The Northern Assurance Company Limited  
Norwich Union Asset Management Limited  
Norwich Union Fire Insurance Society Limited  
Norwich Union Insurance Group (Pensions Management) Limited  
Norwich Union Life Insurance Society  
NRG London Reinsurance Company Limited

Oaklife Assurance Limited  
The Ocean Accident & Guarantee Corporation Limited  
The Orion Insurance Company P.L.C.

Pearl Assurance Public Limited Company  
Pensions Management (SWF) Limited  
Permanent Insurance Company Limited

Phoenix Assurance Public Limited Company  
Pioneer Mutual Insurance Company Limited  
Property Growth Pensions & Annuities Limited  
Provident Life Association Limited  
Provident Mutual Life Assurance Association  
Provincial Insurance Public Limited Company  
Provincial Life Assurance Company Limited  
The Prudential Assurance Company Limited

Railway Passengers Assurance Company  
Refuge Assurance, public limited company  
Regency Life Assurance Company Limited  
The Reliance Fire and Accident Insurance Corporation Limited  
The Reliance Marine Insurance Company Limited  
Reliance Mutual Insurance Society Limited  
Royal Exchange Assurance  
Royal Insurance Public Limited Company  
Royal Insurance (Int.) Limited  
Royal Insurance (U.K.) Limited  
Royal Life Insurance Limited  
Royal Life (Unit Linked Assurances) Limited  
Royal Life (Unit Linked Pension Funds) Limited  
The Royal London Mutual Insurance Society Limited  
The Royal National Pension Fund for Nurses  
Royal Reinsurance Company Limited

Schroder Life Assurance Limited  
Scottish Amicable Life Assurance Society  
Scottish Equitable Life Assurance Society  
Scottish General Insurance Company Limited  
Scottish Insurance Corporation Limited  
The Scottish Life Assurance Company  
The Scottish Mutual Assurance Society  
The Scottish Provident Institution  
Scottish Union and National Insurance Company  
Scottish Widows' Fund and Life Assurance Society  
Sentinel Life plc  
Skandia Life Assurance Company Limited  
Standard Life Assurance Company  
Standard Life Pension Funds Limited  
The State Assurance Company Limited  
Suffolk Life Annuities Limited  
Sun Alliance and London Assurance Company Limited  
Sun Insurance Office Limited  
Sun Life Assurance Company of Canada  
Sun Life Assurance Society plc

Target Life Assurance Company Limited  
Teachers Assurance Company Limited  
Trident Investors Life Assurance Company Limited  
Trident Life Assurance Company Limited  
Trinity Insurance Company Limited

United British Insurance Company Limited  
United Friendly Insurance plc  
United Kingdom Temperance and General Provident Institution  
United Standard Insurance Company Limited  
The University Life Assurance Society

The Victory Reinsurance Company Limited

Wesleyan and General Assurance Society  
The Western Australian Insurance Company Limited  
The White Cross Insurance Company Limited  
World-Wide Reassurance Company Limited

The Yorkshire Insurance Company Limited

Zurich Life Assurance Company Limited



## FRIENDLY SOCIETIES

The Ancient Order of Foresters Friendly Society  
Anglo-Saxons Friendly Society

Blackburn Philanthropic Mutual Assurance Society  
British Benefit Society  
British Order of Ancient Free Gardeners' Friendly Society  
British United Order of Oddfellows Friendly Society  
Brunel Assurance Society

Cirencester Benefit Society  
City of Glasgow Friendly Society  
Civil Servants' Annuities Assurance Society  
Colmore Friendly Society  
Coventry Assurance Society

Dentists' Provident Society  
Devon and Exeter Men's Equitable Benefit Society  
Devon and Exeter Women's Equitable Benefit Society

Grand United Order of Oddfellows Friendly Society

The Hampshire and General Friendly Society  
Harvest Friendly Society  
Hazel Grove Provident Burial Society  
Hearts of Oak Benefit Society  
Hoddesdon Provident and Annuity Society

The Ideal Benefit Society  
Independent Order of Oddfellows Kingston Unity Friendly Society  
The Independent Order of Odd Fellows Manchester Unity Friendly Society  
The Independent Order of Rechabites, Salford Unity, Friendly Society

Leeds District of the Ancient Order of Foresters Investment Association  
Leek Assurance Collecting Society  
The Leicester District Foresters' Investment Society  
Liverpool Victoria Friendly Society  
The Loyal Order of Ancient Shepherds (Ashton Unity) Friendly Society  
Loyal Past and Present Officers' Lodge, Norwich District, Independent Order of Oddfellows M.U.  
Friendly Society

The Manchester and Districts of the Ancient Order of Foresters Investment Association

National Deposit Friendly Society  
National Equalized Druids Friendly Society  
National United Order of Free Gardeners Friendly Society  
New Tab Friendly Society  
Northumberland and Durham Miners' Permanent Relief Fund Friendly Society  
Nottingham Oddfellows Friendly Society  
Nottingham Permanent Mutual Money Society

The Order of Druids Friendly Society  
The Order of the Sons of Temperance Friendly Society  
Original Holloway Society

Pioneer Benefit Society  
Preston Catholic Collecting Society  
Preston Shelley Assurance Collecting Society  
Provident Reliance Friendly Society

Rational and County Assurance Society  
Royal Liver Friendly Society  
Scottish Friendly Assurance Society  
The Scottish Legal Life Assurance Society  
Sons of Scotland Temperance Friendly Society

Stepney District Distressed Members' Pension Benevolent Fund  
Suffolk Friendly Society  
The Sussex Widow and Orphans Society

Teachers Provident Society  
Time Assurance Society  
Tunbridge Wells Equitable Friendly Society  
Tunstall and District Assurance Collecting Society

United Ancient Order of Druids Friendly Society  
United Kingdom Civil Service Benefit Society  
United Patriots' National Benefit Society

West Surrey General Benefit Society  
Widow and Orphan Fund of the Woolwich District of the Independent Order of Odd Fellows  
Manchester Unity Friendly Society  
Widow and Orphans' Fund, Stepney District of the Independent Order of Odd Fellows,  
Manchester Unity Friendly Society  
Widows' and Orphans' Society, Ware District of Odd Fellows  
Widow, Widowers and Orphans' Fund of the Godalming District of the Independent Order of  
Oddfellows, Manchester Unity, Friendly Society  
Wiltshire Holloway Benefit Society

#### CHARITIES

The Central Board of Finance of the Church of England  
Church Commissioners  
The Church of England Pensions Board  
The Church of Scotland  
The Church of Scotland General Trustees  
Church of Scotland Trust  
Timber Trades Benevolent Society  
The Winchester Diocesan Board of Finance  
York Diocesan Board of Finance Limited

#### PART II

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*Bodies Corporate*

*Description of Agreement and Enactments*

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#### LAND IMPROVEMENT COMPANIES

The Lands Improvement Company

Agreements of a description falling within section 16(2) of the Act, being agreements made pursuant to—  
(a) the Lands Improvement Company's Acts 1853 to 1969(a); or  
(b) the Improvement of Land Acts 1864 and 1899(b).

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(a) 1853 c.cliv, 1855 c.lxxxiv, 1859 c.lxxxii, 1863 c.cxl, 1920 c.xi, 1969 c.xxv.  
(b) 1864 c.114, 1899 c.46.

BODIES CORPORATE NAMED OR SPECIFICALLY REFERRED TO IN A PUBLIC GENERAL ACT

UNITED KINGDOM

The Agricultural Mortgage Corporation PLC	Agreements of a description falling within section 16(2) of the Act, being agreements made for a purpose consistent with the principal objects of that body set out in section 1(1)(a) and (b) of the Agricultural Credits Act 1928(a).
Commission for the New Towns	Agreements of a description falling within section 16(2) of the Act, being agreements made pursuant to section 132(1) of the Housing Act 1985(b), or falling within article 2(2)(a) to (c), being agreements made pursuant to section 36 of the New Towns Act 1981(c).
The Eastern Electricity Board	Agreements of a description falling within article 2(2)(a) to (c), being agreements made between the Board and employees or prospective employees of the Board pursuant to section 2(5) of the Electricity Act 1947(d).
The Electricity Council	Agreements of a description falling within article 2(2)(a) to (c), being agreements made between the Council and employees or prospective employees of the Council pursuant to section 2(5) of the Electricity Act 1947, as applied in relation to the Council by section 3(6) of the Electricity Act 1957(e).
The London Docklands Development Corporation	Agreements of a description falling within article 2(2)(a) to (c), being agreements made pursuant to section 136 of the Local Government, Planning and Land Act 1980(f).
The London Electricity Board	Agreements of a description falling within article 2(2)(a) to (c), being agreements made between the Board and employees or prospective employees of the Board pursuant to section 2(5) of the Electricity Act 1947.
The North Eastern Electricity Board	Agreements of a description falling within article 2(2)(a) to (c), being agreements made between the Board and employees or prospective employees of the Board pursuant to section 2(5) of the Electricity Act 1947.
The Scottish Agricultural Securities Corporation plc	Agreements of a description falling within section 16(2) of the Act, being agreements made for a purpose consistent with the principal objects of that body set out in section 1(1)(a) and (b) of the Agricultural Credits (Scotland) Act 1929(g).
Sea Fish Industry Authority	Agreements of a description falling within section 16(2) of the Act, being agreements made pursuant to section 3(1)(e) and (f) of the Fisheries Act 1981(h).

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(a) 1928 c.43.

(b) 1985 c.68.

(c) 1981 c.64; section 36 was amended by the New Towns and Urban Development Corporations Act 1985 (c.5), section 1, Schedule 3, paragraph 4, and Schedule 4.

(d) 1947 c.54.

(e) 1957 c.48.

(f) 1980 c.65.

(g) 1929 c.13.

(h) 1981 c.29.

<b>The South Eastern Electricity Board</b>	Agreements of a description falling within article 2(2)(a) to (c), being agreements made between the Board and employees or prospective employees of the Board pursuant to section 2(5) of the Electricity Act 1947.
<b>The South Western Electricity Board</b>	Agreements of a description falling within article 2(2)(a) to (c), being agreements made between the Board and employees or prospective employees of the Board pursuant to section 2(5) of the Electricity Act 1947.
<b>The Southern Electricity Board</b>	Agreements of a description falling within article 2(2)(a) to (c), being agreements made between the Board and employees or prospective employees of the Board pursuant to section 2(5) of the Electricity Act 1947.
<b>The Yorkshire Electricity Board</b>	Agreements of a description falling within article 2(2)(a) to (c), being agreements made between the Board and employees or prospective employees of the Board pursuant to section 2(5) of the Electricity Act 1947.

#### NORTHERN IRELAND

<b>Eastern Health and Social Services Board</b>	Agreements of a description falling within section 16(2) of the Act, being agreements made pursuant to article 59 of and Schedule 9 to the Health and Personal Social Services (Northern Ireland) Order 1972(a).
<b>Northern Health and Social Services Board</b>	Agreements of a description falling within section 16(2) of the Act, being agreements made pursuant to article 59 of and Schedule 9 to the Health and Personal Social Services (Northern Ireland) Order 1972.
<b>Southern Health and Social Services Board</b>	Agreements of a description falling within section 16(2) of the Act, being agreements made pursuant to article 59 of and Schedule 9 to the Health and Personal Social Services (Northern Ireland) Order 1972.
<b>Western Health and Social Services Board</b>	Agreements of a description falling within section 16(2) of the Act, being agreements made pursuant to article 59 of and Schedule 9 to the Health and Personal Social Services (Northern Ireland) Order 1972.

### PART III

BODIES CORPORATE NAMED OR SPECIFICALLY REFERRED TO IN AN ORDER MADE UNDER SECTION 156(4), 444(1) OR 447(2)(a) OF THE HOUSING ACT 1985

Abbey Life Executive Mortgages Limited  
Abbey Life Funding Limited  
Abbey Life Home Loans Limited  
Abbey Life Home Services Limited  
Abbey Life Mortgage Finance Limited  
Abbey Life Mortgage Loans Limited  
Abbey Life Mortgage Securities Limited  
Abbey Life Residential Loans Limited  
CIS Mortgage Maker Limited  
General Portfolio Finance Limited

(a) S.I. 1972/1265 (N.I.14).

Lombard Home Loans Limited  
 London and Manchester (Mortgages) (No. 1) Limited  
 London and Manchester (Mortgages) (No. 2) Limited  
 The National Home Loans Corporation Limited  
 National Mutual Home Loans plc  
 National Westminster Home Loans Limited  
 Royal London Homebuy Limited

PART IV

CREDITORS WHOSE AGREEMENTS ARE EXEMPT UNDER PARAGRAPH (b) OF ARTICLE 5, SUBJECT TO THE PROVISIONS OF THAT PARAGRAPH

A Federal Credit Union (as defined in the Federal Credit Union Act(a) of the United States of America of 26th June 1934)  
 American Book Distributors Inc.  
 American Express Bank Limited

SCHEDULE 2

Article 1(3)

<i>Orders revoked</i>	<i>References</i>
The Consumer Credit (Exempt Agreements) (No. 2) Order 1985	S.I. 1985/757
The Consumer Credit (Exempt Agreements) (No. 2) (Amendment) Order 1985	S.I. 1985/1736
The Consumer Credit (Exempt Agreements) (No. 2) (Amendment No. 2) Order 1985	S.I. 1985/1918
The Consumer Credit (Exempt Agreements) (No. 2) (Amendment) Order 1986	S.I. 1986/1105
The Consumer Credit (Exempt Agreements) (No. 2) (Amendment No. 2) Order 1986	S.I. 1986/2186
The Consumer Credit (Exempt Agreements) (No. 2) (Amendment) Order 1987	S.I. 1987/1578
The Consumer Credit (Exempt Agreements) (No. 2) (Amendment) Order 1988	S.I. 1988/707
The Consumer Credit (Exempt Agreements) (No. 2) (Amendment No. 2) Order 1988	S.I. 1988/991

EXPLANATORY NOTE

*(This note is not part of the Order)*

This Order consolidates the Consumer Credit (Exempt Agreements) (No. 2) Order 1985 as amended, which provides that certain consumer credit and consumer hire agreements shall be exempt agreements for the purposes of the Consumer Credit Act 1974.

The Order provides that the following consumer credit agreements are exempt agreements:—

- (a) certain agreements secured on land where the creditor is a building society, bank or body specified in Schedule 1 to the Order (Article 2);
- (b) certain agreements where the number of payments to be made by the debtor does not exceed the number specified (Article 3);

(a) Chapter 14 of Title 12 of the United States Code (June 26, 1934, ch 750 §1, 48 Stat. 1216; Sept 22, 1959, pub L.86-354, §1, 73, Stat. 628).

- (c) certain agreements where the rate of the total charge for credit is a rate which does not exceed the highest of the specified banks' base rate plus one per cent, or 13 per cent, whichever is the higher (Article 4);
- (d) certain agreements having a connection with a country outside the United Kingdom or made between a U.S. Federal Credit Union and defined persons having a connection with the U.S. armed forces (Article 5).

The Order also provides that consumer hire agreements are exempt agreements where the owner is a body corporate authorised by statute to supply electricity or water and the subject of the agreement is a meter or metering equipment used in connection with that supply (Article 6).

Article 3(1)(a)(i) amends the previous Order to exempt agreements which are repaid by a maximum of 4 payments in a period not exceeding 12 months from the date of the agreement, and brings the provision into line with Council Directive 87/102/EEC (O.J. L42, 12.2.1987, p. 42).

Eleven further bodies are included in Schedule 1; one is deleted, and the names of two are amended.

Schedule 2 lists the Orders revoked by this Order.

The text of the Federal Credit Union Act referred to in Part IV of Schedule 1 is available for inspection by prior arrangement at the Department of Trade and Industry (Overseas Trade Division 2), 1 Victoria Street, London SW1H 0ET.