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## EXPLANATORY NOTE

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

Section 2 of the Housing Act 1996 makes provision for the eligibility of certain bodies (such as charitable housing associations) for registration as social landlords with the Housing Corporation or, in Wales, Housing for Wales. Section 2(4) sets out certain permissible additional purposes or objects that such a body may have as a condition for registration.

This Order specifies further permissible additional purposes or objects that such body may have for the purposes of section 2(4) namely—

- (a) disposing of houses to its residents at less than the market value;
- (b) making certain kinds of disposal where the body obtains a mortgagee's interest, the value of which is calculated by reference to a percentage of the value of the house from time to time ('equity percentage arrangements');
- (c) the provision of certain kinds of financial assistance (for example, 'assured percentage arrangements') to enable or assist its residents to purchase houses or to procure the construction of self-contained accommodation for their occupation.

The Order also makes provision with respect to the priority of mortgages securing the liability of persons to make payments to registered social landlords required under the arrangements referred in paragraphs (b) and (c) above.

The additional purposes or objects specified by the Order correspond to the additional purposes or objects within section 4(3) of the Housing Association Act 1985 as provided for in [SI 1994/2895](#) and [SI 1996/592](#).