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STATUTORY INSTRUMENTS

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**2018 No. 719**

**The Housing Administration (England and Wales) Rules 2018**

**PART 5**

**CLAIMS BY AND DISTRIBUTIONS TO CREDITORS**

**CHAPTER 3**

**Distribution to creditors**

**Secured creditors**

**5.38.**—(1) The following applies where a creditor alters the value of a security after a dividend has been declared.

(2) If the alteration reduces the creditor's unsecured claim ranking for dividend, the creditor must as soon as reasonably practicable repay to the housing administrator, for the credit of the registered provider's estate, any amount received by the creditor as dividend in excess of that to which the creditor would be entitled, having regard to the alteration of the value of the security.

(3) If the alteration increases the creditor's unsecured claim, the creditor is entitled to receive from the housing administrator, out of any money for the time being available for the payment of a further dividend, before any such further dividend is paid, any dividend or dividends which the creditor has failed to receive, having regard to the alteration of the value of the security.

(4) The creditor is not entitled to disturb any dividend declared (whether or not distributed) before the date of the alteration.