

HOUSING (SCOTLAND) ACT 2014

EXPLANATORY NOTES

THE STRUCTURE AND A SUMMARY OF THE ACT

Part Seven – Miscellaneous

Right to redeem heritable security after 20 years: power to exempt

189. [Part 7](#) of the Act contains a provision, section 93(1) which amends the “20-year security rule” – section 11 of the Land Tenure Reform (Scotland) Act 1974 (“the 1974 Act”).
190. Section 11 of the 1974 Act permits debtors to redeem a standard security over property used as, or as part of, a private dwelling house once 20 years from the date of creation of the security has elapsed, regardless of the fact that the security is for a longer contractual term. Social landlords, their connected bodies and rural housing bodies are able to renounce their right to redeem a standard security after 20 years.
191. [Section 93\(1\)](#) inserts subsection (3D) into section 11 of the 1974 Act to provide that the right to redeem a standard security, as permitted by section 11, will not be allowed in certain circumstances to be prescribed by the Scottish Ministers by order subject to the negative procedure.
192. [Section 93\(1\)](#) also inserts subsection (3E) into section 11, which provides that an order under subsection (3D) may disapply the right to redeem a standard security subject to certain conditions or restrictions. Such an order may restrict the disapplication of the right to redeem to specified descriptions of debt, to specified creditors or creditors of specified descriptions, to specified heritable securities or heritable securities of specified descriptions. It may prescribe circumstances in which the disapplication of the right to redeem is to apply or cease to apply. For example, an order under new section 11(3D) could exclude debtors who grant a standard security in favour of the Scottish Ministers as part of a Scottish Government shared equity scheme or equity release scheme from being able to exercise the right to redeem their security after 20 years.