



2001 CHAPTER 5

Consequences of redemption

Mortgages and leases

15.—(1) Where by virtue of section 13(2) a certificate of redemption operates to enlarge a leasehold estate into a fee simple,—

- (a) any mortgage of the leasehold estate continues to have effect as if it were, and had originally been created as, a mortgage of the fee simple, and, in particular—
 - (i) where the instrument creating the mortgage was an assignment of the leasehold estate, it has effect as if it were a conveyance of the fee simple;
 - (ii) where the instrument creating the mortgage was a sub-lease, it has effect as if it were a lease for a term equivalent to the term of the sub-lease and any provision in the instrument providing for an estate acquired by the mortgagor to be held in trust for the mortgagee or appointing the mortgagee as the mortgagor's attorney in relation to such estate applies to the fee simple;
- (b) any sub-lease of the land granted by the rent-payer or a predecessor in title of his has effect as if it were a lease for a term equivalent to the term of the sub-lease, and any mortgage of the estate created by such a sub-lease has effect as if it were a mortgage of the estate created by such a lease.

(2) Where the land is subject to a mortgage by the terms of which the mortgagee is entitled to possession of the documents relating to the mortgagor's title to the land, there is deemed to be included in the instrument or agreement containing the terms of the mortgage a covenant binding the mortgagor to deliver

the certificate of redemption to the mortgagee as soon as reasonably practicable after the redemption date.

(3) This section does not prejudice the generality of section 14.