
STATUTORY INSTRUMENTS

1997 No. 1179

The Property (Northern Ireland) Order 1997

PART II

GROUND RENTS AND CERTAIN OTHER PAYMENTS

Consequences of redemption

Mortgages and leases

24.—(1) Where by virtue of Article 20(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;
- (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) A mortgagee to whom a certificate of redemption is delivered under paragraph (2) is under an obligation to submit the certificate for registration in the Registry of Deeds if it has not already been registered there or, as the case requires, to lodge it in the Land Registry in order to permit the Registrar to take any action provided for in Article 20(4) if the necessary action has not already been taken (and may charge to the mortgagor his costs in connection therewith); and such an obligation is deemed to be included in the instrument or agreement containing the terms of the mortgage.

(4) This Article does not prejudice the generality of Article 23.