



# Leasehold Reform Act 1967

## 1967 CHAPTER 88

### PART I

#### ENFRANCHISEMENT AND EXTENSION OF LONG LEASEHOLDS

##### *Transitional*

### **36 Relief in respect of mortgages etc. on landlord's estate.**

(1) Where at the passing of this Act—

- (a) a house is held on a long tenancy not having more than twenty years unexpired, or on a long tenancy capable of being determined within twenty years by notice given by the landlord; and
- (b) the estate of the immediate or a superior landlord is charged to secure payment of any sum (otherwise than by way of rentcharge), whether or not the landlord is personally liable as principal or otherwise for the payment of that sum;

then on an application under subsection (2) or (3) below the court may make such order authorised by the subsection as the court thinks proper for the purpose of avoiding or mitigating any financial hardship that might otherwise be caused by the rights conferred on tenants by this Part of this Act.

(2) In any of the following cases, that is to say,—

- (a) where the landlord proposes during the tenancy (including any extension thereof under this Act) to sell or realise any property which is subject to the charge, or a tenant of the house has given notice under this Part of this Act of his desire to have the freehold;
- (b) where during the tenancy (including any such extension) the person entitled to the benefit of the charge has taken any steps to enforce the charge or demanded payment of the sum thereby secured or, if the house or any other property subject to the charge is subject also to another charge created or arising before the commencement of this Part of this Act, a person entitled to the benefit of the other charge has taken any steps to enforce the other charge or demanded payment of the sum thereby secured;

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*Changes to legislation: There are currently no known outstanding effects for the Leasehold Reform Act 1967, Section 36. (See end of Document for details)*

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the court may on the application of the landlord make an order providing for all or any of the following:—

- (i) for discharging or modifying any liability in respect of the sum secured by the charge, whether of the landlord or of persons liable jointly with him or as surety for him;
  - (ii) for discharging or modifying the terms of the charge whether as respects the house or any other property subject to the charge, or the terms of any collateral charge;
  - (iii) for restricting the exercise of any right or remedy in respect of any such liability or charge.
- (3) In any of the cases mentioned in subsection (2)(a) and (b) above the court may on the application of the person entitled to the benefit of the charge make an order providing for all or any of the following:—
  - (a) for discharging or modifying the terms of any prior charge, whether as respects the house or any other property subject to the charge;
  - (b) for restricting the exercise of any right or remedy in respect of any prior charge on the house or other property subject to the charge.
- (4) Any order under this section may be made either unconditionally or subject to such terms and conditions, including conditions with respect to the payment of money, as the court may think just and equitable to impose.
- (5) Where steps are taken in a court other than the county court to enforce a charge or recover any sum thereby secured, that other court shall have the like powers under this section in relation to that or any other charge as the county court would have in consequence of those steps being taken or, if an application under this section is pending in the county court, may on such terms as the other court thinks just suspend the proceedings for the enforcement of the charge or recovery of the said sum or direct that they be transferred to the county court.

**Changes to legislation:**

There are currently no known outstanding effects for the Leasehold Reform Act 1967, Section 36.