



Housing (Scotland) Act 1987

1987 CHAPTER 26

PART XII

HOUSE LOANS AND OTHER FINANCIAL ASSISTANCE

Other assistance

229 Local authority indemnities for building societies, etc.

- (1) A local authority may, with the approval of the Secretary of State, enter into an agreement with a building society or recognised body under which the authority binds itself to indemnify the building society or recognised body in respect of—
 - (a) the whole or any part of any outstanding indebtedness of a borrower; and
 - (b) loss or expense to the building society or recognised body resulting from the failure of the borrower duly to perform any obligation imposed on him by a heritable security.
- (2) The agreement may also, where the borrower is made party to it, enable or require the authority in specified circumstances to take an assignation of the rights and liabilities of the building society or recognised body under the heritable security.
- (3) Approval of the Secretary of State under subsection (1) may be given generally in relation to agreements which satisfy specified requirements, or in relation to individual agreements, and with or without conditions, as he thinks fit, and such approval may be withdrawn at any time on one month's notice.
- (4) Before issuing any general approval under subsection (1) the Secretary of State shall consult with such bodies as appear to him to be representative of local authorities, and of building societies, and also with the [^{F1}Financial Conduct Authority and the Prudential Regulation Authority] .

^{F2}(5)

Changes to legislation: *Housing (Scotland) Act 1987, Section 229 is up to date with all changes known to be in force on or before 09 May 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

- (6) In this section “recognised body” means a body designated, or of a class or description designated, in an order under this subsection made by statutory instrument by the Secretary of State with the consent of the Treasury.
- (7) Before making an order under subsection (6) varying or revoking an order previously so made, the Secretary of State shall give an opportunity for representations to be made on behalf of a recognised body which, if the order were made, would cease to be such a body.

Textual Amendments

- F1** Words in s. 229(4) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), [Sch. 11 para. 4](#) (with Sch. 12)
- F2** S. 229(5) repealed (1.3.2000) by [S.I. 2000/311](#), [arts. 1, 44\(3\)](#)

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 21(3)(i)s. 21(3)(ai)(ii) by [2001 asp 10 Sch. 10 para. 13\(3\)\(c\)](#)[para. 13\(I\)-\(iii\)](#)
- s. 24(3)(f) and word(s) inserted by [2003 asp 10 s. 5\(1\)](#) (This amendment not applied to [legislation.gov.uk](#). S. 5 omitted (31.12.2012) without ever being in force by virtue of S.S.I. 2012/330, arts. 1, 13)
- s. 31(2C)(c) words substituted by [2004 asp 8 Sch. 4 para. 2](#)
- s. 61(2)(a)(ia) by [2001 asp 10 Sch. 10 para. 13\(6\)\(a\)\(ii\)](#)
- s. 63(1A)-(61C) by [2001 asp 10 s. 46\(2\)](#)
- s. 66(1)(vi)(vii) by [2001 asp 10 Sch. 10 para. 13\(9\)\(b\)](#)
- s. 286(a)(c) by [2001 asp 10 Sch. 10 para. 13\(40\)\(a\)\(b\)](#)