
Changes to legislation: *Housing Act 1988, Cross Heading: Obligation to repay a charge on the house is up to date with all changes known to be in force on or before 24 January 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*

SCHEDULES

SCHEDULE 11

PROVISIONS APPLICABLE TO CERTAIN DISPOSALS OF HOUSES

Obligation to repay a charge on the house

- 2 (1) The liability that may arise under the covenant required by paragraph 1 above is a charge on the house, taking effect as if it had been created by deed expressed to be by way of legal mortgage.
- (2) The charge has priority immediately after any legal charge securing an amount—
- (a) left outstanding by the purchaser; or
 - (b) advanced to him by an approved lending institution for the purpose of enabling him to acquire the interest disposed of on the first disposal; or
 - (c) further advanced to him by that institution;
- but the housing action trust may at any time by written notice served on an approved lending institution postpone the charge taking effect by virtue of this paragraph to a legal charge securing an amount advanced or further advanced to the purchaser by that institution.
- (3) ^{F1}
- (4) The covenant required by paragraph 1 above does not, by virtue of its binding successors in title of the purchaser, bind a person exercising rights under a charge having priority over the charge taking effect by virtue of this paragraph, or a person deriving title under him; and a provision of the conveyance, grant or assignment, or of a collateral agreement, is void in so far as it purports to authorise a forfeiture, or to impose a penalty or disability, in the event of any such person failing to comply with the covenant.
- (5) The approved lending institutions for the purposes of this paragraph are—
- (a) a building society;
 - (b) a bank;
 - (c) an insurance company;
 - (d) a friendly society; and
 - [^{F2}(e) an authorised mortgage lender (within the meaning of the Housing Act 1985 (see section 622 of that Act)).]

Textual Amendments

- F1** Sch. 11 para. 2(3) repealed (13.10.2003) by [Land Registration Act 2002 \(c. 9\)](#), ss. 135, 136(2), [Sch. 13](#) (with s. 129); [S.I. 2003/1725](#), [art. 2\(1\)](#)
- F2** Sch. 11 para. 2(5)(e) substituted (22.9.2008) by [Housing and Regeneration Act 2008 \(c. 17\)](#), [ss. 307\(6\)](#), 325

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Changes and effects yet to be applied to :

- specified provision(s) savings for amendments by 2018 anaw 1, s. 6, Sch. 6 by [S.I. 2019/110 reg. 5](#)

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

- Act savings and transitional provisions for amendments by S.I. 2022/1166 by [S.I. 2022/1172 Regulations](#)