



House Purchase and Housing Act 1959

1959 CHAPTER 33

PART I

LOANS FOR PURCHASE OF HOUSES

1 Designation of building societies for investment by trustees and government loans

- (1) Where the Chief Registrar of Friendly Societies (in this section referred to as the Registrar) is satisfied that a permanent building society fulfils such requirements as to its assets and liabilities, liquid funds, reserves, and other matters, as the Treasury may by regulations prescribe, he may designate the society for the purposes of this section; and where a society has been so designated and the designation has not been revoked—
 - (a) the powers of a trustee under section one of the Trustee Act, 1925, or section ten of the Trusts (Scotland) Act, 1921, shall include power to invest funds of trusts in his hands by depositing with the society amounts not exceeding five thousand pounds for any one trust; and
 - (b) the Minister may make advances to the society in accordance with the provisions of section two of this Act.
- (2) Where the officer appointed to perform in Northern Ireland the functions of registrar of friendly societies (in this section referred to as the Registrar for Northern Ireland) is satisfied that a society incorporated under the Building Societies Acts (Northern Ireland), 1874 to 1940, which is a permanent society within the meaning of those Acts fulfils the requirements prescribed under subsection (1) of this section, he may designate the society for the purposes of paragraph (a) of that subsection; and where a society has been so designated and the designation has not been revoked, that paragraph shall apply in relation to it as it applies in relation to a permanent building society within the meaning of this Act.
- (3) The Registrar or, as the case may be, the Registrar for Northern Ireland, shall publish in the London, Edinburgh and Belfast Gazettes a notice of every designation made by him under this section and of any revocation of such a designation.

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- (4) If any person knowingly or recklessly makes or causes or procures another person to make a false or misleading statement in connection with any information which the Registrar or the Registrar for Northern Ireland may request for the purposes of this section he shall be guilty of an offence and liable on summary conviction to a fine not exceeding one hundred pounds or imprisonment for a term not exceeding three months or both, or on conviction on indictment to a fine not exceeding five hundred pounds or imprisonment for a term not exceeding two years or both.
- (5) The Treasury may by order vary the amount specified in paragraph (a) of subsection (1) of this section.

2 Exchequer advances to building societies

- (1) Any advance made to a building society under this Act shall be repayable to the Minister at such times and by such methods, and interest thereon shall be payable at such rates and at such times, as the Minister may with the approval of the Treasury direct.
- (2) Subject to subsection (3) of this section—
 - (a) such advances made to any building society in respect of any financial year shall not exceed the amounts advanced in that year by the society to its members for the purchase or improvement of houses in the United Kingdom satisfying the following conditions, that is to say, that each house was completed before the year nineteen hundred and nineteen and that its estimated value does not exceed two thousand five hundred pounds, or in the Metropolitan Police District or the City of London, three thousand pounds;
 - (b) such an advance shall not be made to a building society if the amount thereof, together with the amount outstanding in respect of any such advances previously made to the society, would exceed one-fifth of the amount outstanding in respect of any funds raised by the society by other means.
- (3) The Minister may by order vary the conditions specified in paragraph (a) of subsection (2) of this section or the fraction specified in paragraph (b) of that subsection.
- (4) Advances made to building societies under this Act shall not together exceed the sum of one hundred million pounds.
- (5) The Treasury may issue to the Minister, out of the Consolidated Fund, such sums as are necessary to enable him to make such advances; and for the purpose of providing sums to be so issued, or of providing for the replacement of sums so issued, the Treasury may at any time, if they think fit, raise money in any manner in which they are authorised to raise money under the National Loans Act, 1939, and any securities created and issued to raise money under this subsection shall be deemed for all purposes to have been created and issued under that Act.
- (6) Any sums received by the Minister under subsection (1) of this section shall be paid into the Exchequer and shall be issued out of the Consolidated Fund at such times as the Treasury may direct, and shall be applied by the Treasury as follows, that is to say—
 - (a) so much thereof as represents principal shall be applied in redeeming or paying off debt of such description as the Treasury think fit; and

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- (b) so much thereof as represents interest shall be applied towards meeting such part of the annual charges for the national debt as represents interest.
- (7) The Minister shall, as respects each financial year, prepare in such form and manner as the Treasury may direct an account of sums issued to him for advances under this Act and of sums received by him under subsection (1) of this section and of the disposal by him of those sums respectively, and send it to the Comptroller and Auditor General not later than the end of November following the year; and the Comptroller and Auditor General shall examine, certify and report on the account and lay copies of it, together with his report, before each House of Parliament.
- (8) The reference in paragraph (a) of subsection (2) of this section to the estimated value of a house shall be construed, in relation to a house in England, Wales or Northern Ireland, as a reference to the estimated value of its fee simple in possession free from incumbrances and, in relation to a house in Scotland, as a reference to the estimated value of the house subject to feu duty, ground annual or other burden incident to tenure but free from other incumbrances.

3 Power of local authorities to advance full value of houses

- (1) Paragraph (d) of section twenty-two of the Housing, &c. Act, 1923, paragraph (b) of subsection (3) of section forty-three of the Act of 1958, and paragraph (b) of subsection (3) of section seventy-five of the Act of 1950 (which limit to ninety per cent. of the value therein mentioned the amount of any advance that may be made by local authorities in respect of certain houses) shall be amended by the omission of the words " ninety per cent. of" and "nine-tenths of", wherever they occur in those enactments.
- (2) So much of the said section forty-three and of the said section seventy-five as prevents the making of an advance thereunder in respect of a house the estimated value of which or of the fee simple of which exceeds five thousand pounds shall cease to have effect.