



Law of Property Act 1925

1925 CHAPTER 20 15 and 16 Geo 5

PART I

GENERAL PRINCIPLES AS TO LEGAL ESTATES, EQUITABLE INTERESTS AND POWERS

[^{F1} Trusts of land]

31 [^{F1}Trust] of mortgaged property where right of redemption is barred.

- (1) Where any property, vested in trustees by way of security, becomes, by virtue of the statutes of limitation, or of an order for foreclosure or otherwise, discharged from the right of redemption, it shall be held by them [^{F2}in trust—
- (a) to apply the income from the property in the same manner as interest paid on the mortgage debt would have been applicable; and
 - (b) if the property is sold, to apply the net proceeds of sale, after payment of costs and expenses, in the same manner as repayment of the mortgage debt would have been applicable.]

[^{F3}(2) Subsection (1) of this section] operates without prejudice to any rule of law relating to the apportionment of capital and income between tenant for life and remainderman.

^{F4}(3)

[^{F5}(4) Where—

- (a) the mortgage money is capital money for the purposes of the Settled Land Act 1925;
- (b) land other than any forming the whole or part of the property mentioned in subsection (1) of this section is, or is deemed to be, subject to the settlement; and
- (c) the tenant for life or statutory owner requires the trustees to execute with respect to land forming the whole or part of that property a vesting deed such as would have been required in relation to the land if it had been acquired on a purchase with capital money,

Status: Point in time view as at 01/10/2011.

Changes to legislation: Law of Property Act 1925, Section 31 is up to date with all changes known to be in force on or before 16 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)

the trustees shall execute such a vesting deed.]

- (5) This section applies whether the right of redemption was discharged before or after the first day of January, nineteen hundred and twelve, but has effect without prejudice to any dealings or arrangements made before that date.

Textual Amendments

- F1** Word in s. 31 sidenote substituted (1.1.1997) by 1996 c.47, s. 5(1), **Sch. 2 para. 1(6)(7)** (with ss. 24(2), 25(4)); S.I. 1996/2974, **art.2**
- F2** S. 31(1)(a)(b) and preceding words substituted (1.1.1997) by 1996 c. 47, s. 5(1), **Sch. 2 para. 1(2)(7)** (with ss. 24(2), 25(4)); S.I. 1996/2974, **art. 2**
- F3** Words in s. 31(2) substituted (1.1.1997) by 1996 c. 47, s. 5(1), **Sch. 2 para. (1)(3)(7)** (with ss. 24(2), 25(4)); S.I. 1996/2974, **art.2**
- F4** S. 31(3) repealed (1.1.1997) by 1996 c. 47, ss. 5(1), 25(2), Sch. 2 para. 1(4)(7), **Sch. 4** (with ss. 24(2), 25(4)); S.I. 1996/2974, **art.2**
- F5** S. 31(4) substituted (1.1.1997) by 1996 c. 47, s. 5(1), **Sch. 2 para. 1(5)(7)** (with ss. 24(2), 25(4)); S.I. 1996/2974, **art.2**

Status:

Point in time view as at 01/10/2011.

Changes to legislation:

Law of Property Act 1925, Section 31 is up to date with all changes known to be in force on or before 16 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.