



Public Works Loans Act 1875

1875 CHAPTER 89 38 and 39 Vict

Recovery of Loans

18 Charge on property and priority [^{F1}of local loans by the Treasury].

Where [^{F2}a local loan] is granted by the [^{F3}Treasury] on the security of a mortgage of any property (whether with or without any other security), the property from and after the date of the mortgage shall be charged with the payment to the use of Her Majesty of the loan with interest as in the mortgage mentioned, in priority, save so far as otherwise specified in the mortgage, over every other debt, mortgage, or charge whatsoever affecting the property, except any loan due to any creditor not assenting to such priority which has been advanced in good faith before the loan advanced by [^{F4}the Treasury] and secured by a mortgage of the property executed to a person who is entitled as a bona fide creditor to the repayment thereof with interest.

Provided that if there is more than one such creditor and not less than four fifths in value of such creditors consent in writing that the said charge shall have priority over the loans and mortgages of such creditors, in such case the loans and mortgages of all such creditors, as well those who have not agreed as those who have agreed, shall be postponed to the loan granted by [^{F4}the Treasury] and to the said charge thereof, and to the security for the same.

Nothing in any special Act, and no rule of law or custom shall affect the priority given by this section, except so far as the special Act negative such priority in terms expressly referring to this Act.

Textual Amendments

- F1** Words in s. 18 heading substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), **Sch. 1 para. 17(2)** (with art. 9)
- F2** Words in s. 18 substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), **Sch. 1 para. 17(3)** (with art. 9)
- F3** Word in s. 18 substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), **Sch. 1 para. 17(4)** (with art. 9)
- F4** Words in s. 18 substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), **Sch. 1 para. 17(5)** (with art. 9)

Changes to legislation: There are currently no known outstanding effects for the Public Works Loans Act 1875, Section 18. (See end of Document for details)

Modifications etc. (not altering text)

C1 S. 18 amended by [Public Works Loans \(Money\) Act 1876 \(c. 31\)](#), s. 7

Changes to legislation:

There are currently no known outstanding effects for the Public Works Loans Act 1875, Section 18.