

## SCHEDULE 2

### AMENDMENTS OF EXISTING POWER TO ADVANCE MONEY

#### PART 2

##### AMENDMENT OF SECTION 435: CONSEQUENTIAL AMENDMENTS TO 1985 ACT

- 4.—(1) The 1985 Act is amended in accordance with sub-paragraphs (2) to (4) below.
- (2) In section 436 (terms of advance), in subsection (4), for “section 435(1)(b) to (d)” substitute “section 435(1)(b) and (c) and (1A)”.
- (3) In section 439 (requirements as to fitness of premises, &c.)—
- (a) in subsection (2), for “subsection (1)(b) to (d)” substitute “subsections (1)(b) and (c) and (1A)”; and
  - (b) in subsection (3)—
    - (i) for “section 435(1)” substitute “subsection (1) of section 435”,
    - (ii) after “(repayment of previous loan)” insert “or in subsection (1A)(b) of that section (repayment of previous loan for improvements etc)”, and
    - (iii) in paragraph (b), for the words from “paragraph” to the end substitute—
      - “(i) subsection (1)(c) of that section (conversion), or
      - (ii) subsection (1A)(a) of that section (improvements, etc),as the case may be.”.
- (4) In section 442 (agreement by local authority to indemnify mortgagee), in subsection (1A)(1), after “subsection (1)”, insert “or (1A)”.

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(1) Subsection (1A) was inserted by the Housing Act 1996 (c. 52), Schedule 18, paragraph 27.