



Local Government Act 1986

1986 CHAPTER 10

PART III

TRANSFER OF LOCAL AUTHORITY MORTGAGES

7 Transfer requires mortgagor's consent.

- (1) A local authority shall not dispose of their interest as mortgagee of land without the prior written consent of the mortgagor (or, if there is more than one mortgagor, of all of them) specifying the name of the person to whom the interest is to be transferred.
- (2) Consent given for the purposes of this section—
 - (a) may be withdrawn by notice in writing to the authority at any time before the disposal is made, and
 - (b) ceases to have effect if the disposal is not made within six months after it is given;and if consent is withdrawn or ceases to have effect the authority shall return to the mortgagor any document in their possession by which he gave his consent.
- (3) A disposal made without the consent required by this section is void, subject to subsection (4).
- (4) If consent has been given and the local authority certify in the instrument effecting the disposal that it has not been withdrawn or ceased to have effect, the disposal is valid notwithstanding that consent has in fact been withdrawn or ceased to have effect.
- (5) In such a case any person interested in the equity of redemption may, within six months of the disposal, by notice in writing served on the local authority, require the authority, the transferee and any person claiming under the transferee to undo the disposal, on such terms as may be agreed between them or determined by the court, and execute any documents and take any other steps necessary to vest back in the local authority the interest disposed of by them to the transferee.
- (6) The Secretary of State may by regulations—

Changes to legislation: There are currently no known outstanding effects for the Local Government Act 1986, Section 7. (See end of Document for details)

- (a) require a local authority to give to a mortgagor whose consent is sought such information as may be prescribed,
 - (b) prescribe the form of the document by which a mortgagor's consent is given,
 - (c) require a local authority making a disposal to secure that notice of the fact that the disposal has been made is given to the mortgagor, and
 - (d) prescribe the form of that notice and the period within which it must be given.
- (7) Regulations under this section shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.
- (8) This section applies—
- (a) to disposals on or after 24th July 1985 of a local authority's interest as mortgagee under a Housing Act mortgage, and
 - (b) to disposals on or after 1st April 1986 of a local authority's interest as mortgagee under any description of mortgage,
- except, in either case, where the disposal is carried out in pursuance of a contract entered into before that date.
- (9) For this purpose a "Housing Act mortgage" means a mortgage entered into (whether by the local authority in question or a predecessor in title) under—
- the Small Dwellings Acquisition Acts 1899 to 1923,
 - section 104 or 119 of the ^{M1}Housing Act 1957,
 - section 43 of the ^{M2}Housing (Financial Provisions) Act 1958,
 - section 100 of the ^{M3}Housing Act 1974, or
 - section 1(1)(c) of the ^{M4}Housing Act 1980.

Modifications etc. (not altering text)

- C1** S. 7 extended (5.7.1994) by 1994 c. 19, ss. 39, 66(2)(b), **Sch. 13 para. 20(m)** (with ss. 54(5)(7), 55(5), Sch. 17 paras. 22(1), 23(2))
- C2** S. 7 excluded (8.5.2017) by **The Greater Manchester Combined Authority (Transfer of Police and Crime Commissioner Functions to the Mayor) Order 2017 (S.I. 2017/470)**, art. 1(2), **Sch. 2 para. 11**

Marginal Citations

- M1** 1957 c. 56.
M2 1958 c. 42.
M3 1974 c. 44.
M4 1980 c. 51.

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