1968 No. 35

HOUSING, ENGLAND AND WALES

HOUSING, SCOTLAND

The Assistance for House Purchase and Improvement (Housing Associations) Regulations 1968

Made - - - -	12*th January* 1968
Laid before the House of Commons	18*th January* 1968
Coming into Operation	23*rd January* 1968

The Minister of Housing and Local Government, the Secretary of State for Scotland and the Secretary of State for Wales, acting jointly in exercise of their powers under sections 26(4) and 32(2) of the Housing Subsidies Act 1967(a), and of all other powers enabling them in that behalf, hereby make the following regulations:—

1. These regulations may be cited as the Assistance for House Purchase and Improvement (Housing Associations) Regulations 1968 and shall come into operation on 23rd January 1968.

2.—(1) The Interpretation Act 1889(b) shall apply for the interpretation of these regulations as it applies for the interpretation of an Act of Parliament.

(2) In these regulations, unless the context otherwise requires—

"the Act" means the Housing Subsidies Act 1967;

"association" means a housing association for the time being approved for the purposes of section 43 of the Finance Act 1963(c) and "approved" and "approval" shall in reference to an association be construed accordingly.

3. In relation to a case where an association borrows or has borrowed in the circumstances set out in section 26(4) of the Act, the provisions of Part II of the Act excepting section 30 (which is expressed as inapplicable to borrowing by an association) shall have such effect and be subject to such adaptations and modifications (if any) as the Schedule to these regulations provides.

SCHEDULE

Application of Sections of the Act

1. Section 24 shall apply, subject as follows:—

(*a*) every reference (however expressed) in the said section to a person who borrows or to a borrower (other than a reference to a person who borrows jointly with another person or other persons) shall include an association which borrows or has at any time borrowed whether before or after the date of its approval;

(a) 1967 c. 29. (b) 1889 c. 63. (c) 1963 c. 25.

(*b*) subsection (1)(*a*) shall not apply;

(*c*) the purposes of a loan specified in subsection (1)(*b*) shall include the purpose of making payment by an association to a person or his personal representatives on his ceasing to be a tenant of the association;

(*d*) directions which may be given under subsection (2) as to the form of option notices may include directions (which shall have effect notwithstanding anything in the rules of an association) prescribing the procedure by which an association shall elect that a loan shall be subsidised and shall give notice of such election;

(*e*) in subsection (2) the words "the loan" shall, where an association is the borrower, be construed as meaning every loan (being such a loan as is described in subsection (1) as adapted and modified by this Schedule) which has been or is raised by the association from time to time;

(*f*) for paragraphs (*a*), (*b*) and (*c*) of subsection (3) there shall be substituted the following paragraphs:

"(*a*) that where the association was approved before 1st December 1967 the option notice is given not later than 15th February 1968 or the date of commencement of the period in respect of which the first periodical payment is due to be made under any repayment contract, whichever date is the later; or

(*b*) that where the association was or is approved on or after 1st December 1967 the option notice is given after the date of approval but not later than—

(i) a date two calendar months after the date of receipt of approval by the association, or

(ii) the date of commencement of the period in respect of which the first periodical payment is due to be made under any repayment contract,

whichever date is the later;";

(*g*) subsection (3) shall be modified to provide that the beginning of the period for which an option notice given by an association shall have effect shall be the date on which approval takes effect or 1st April 1968, whichever is the later; but an option notice shall have no effect if before 1st April 1968 any event occurs such as is mentioned in any of paragraphs (i) to (v) of subsection (3) and the provisions of subsection (3) as to the ending of the said period shall apply without modification; and

(*h*) subsection (4) shall not apply.

2. Sections 25 and 26(1),(2),(3) and (5) shall not apply.

3. Section 27 shall apply.

4. Section 28 shall apply with the addition to subsection (1) thereof of the following proviso:

"Provided that for the purposes of this subsection all interest shall be regarded as due when it accrues due, whether it is then paid by the association to the lender or is not then paid but is subsequently treated as part of the capital outstanding in connection with the loan.".

5. Section 29 shall apply with the addition after subsection (1)(*c*) thereof of the following paragraph:

"(*d*) any such scheme may, in respect of loans to associations, include such provisions as to their keeping records or supplying certificates, documents or information to qualifying lenders or to the Minister as the Minister may deem necessary or expedient for ensuring that such loans are not, or do not continue to be, subsidised contrary to any provisions of the Act as applicable thereto.".

6. Section 31 shall apply.

7. Section 32 shall apply with the modification of subsection (2) thereof that in respect of a loan to an association every reference to the Minister in sections 24(2) and 29 of the Act as applied by these regulations shall, according as the land which is security for the loan is in England (excluding Monmouthshire), or in Wales or Monmouthshire, or in Scotland, be construed respectively as a reference to the Minister of Housing and Local Government, the Secretary of State for Wales or the Secretary of State for Scotland.

Given under the official seal of the Minister of Housing and Local Government on 12th January 1968.

(L.S.)

Anthony Greenwood,
Minister of Housing and Local Government.

Given under the Seal of the Secretary of State for Scotland on 12th January 1968.

(L.S.)

William Ross,
Secretary of State for Scotland.

Cledwyn Hughes,
One of Her Majesty's Principal Secretaries of State.

12th January 1968.

Welsh Office.

EXPLANATORY NOTE

(This Note is not part of the Regulations.)

By these regulations the three Ministers apply, with such adaptations and modifications as appear to them to be appropriate or expedient, Part II of the Housing Subsidies Act 1967 to borrowing by certain housing associations. This enables any such association to receive the option mortgage subsidy, if they as a body elect to do so, in substitution for the tax relief on mortgage interest which is available to member/tenants individually.

The housing associations concerned are those for the time being approved for the purposes of section 43 of the Finance Act 1963, i.e. "co-operative" housing associations which provide dwellings for their members only. Associations so approved before 1st December 1967 will have until 15th February 1968 (or the date they start repaying the loans, if later) to give notice of their option for subsidy. Associations approved thereafter will have two months from the date of approval (or up to the date when repayment starts, if later) in which to make up their minds. The procedure to be followed and the forms to be used are to be prescribed in Ministerial directions. An option notice takes effect from 1st April 1968 or the date of approval of the association, whichever is later.