STATUTORY INSTRUMENTS

# 1961 No. 1183

# BUILDING SOCIETIES

## The Building Societies (Additional Security) Order, 1961

| | |
|---|---|
| *Made* - - - - | 26*th June*, 1961 |
| *Laid before Parliament* | 29*th June*, 1961 |
| *Coming into Operation* | 11*th August*, 1961 |

The Chief Registrar of Friendly Societies, with the consent of the Treasury, pursuant to the powers conferred upon him by section fifteen of the Building Societies Act, 1960(a), and to all other powers him enabling, hereby makes the following Order:—

**1.** Part I of the Schedule to the Building Societies Act, 1939(b), (which gives a list of the classes of additional security which a building society may take into account in determining the amount of an advance to a member) shall be amended as follows:—

(*a*) at the end of paragraph 3, as amended by subsection (3) of section seventy-seven of the Housing (Scotland) Act, 1950(c), there shall be inserted the words "or by a local authority under subsection (1) of section twenty-three of the Housing (Miscellaneous Provisions) and Rent Restriction Law (Amendment) Act (Northern Ireland), 1956(d)";

(*b*) after paragraph 8 there shall be inserted the following paragraphs:—

"9. A charge given by a person other than the member upon money deposited with the society.

10. A guarantee given, whether in pursuance of a continuing arrangement or not, by (i) a bank authorised under section eleven of the Building Societies Act, 1960, to hold the funds of a building society, or (ii) a company, not being a bank as aforesaid or an assurance company, incorporated in the United Kingdom having a total issued and paid-up share capital of one million pounds or more and having in each of the five years immediately preceding the calendar year in which the guarantee is given paid a dividend on all the shares issued by it, excluding any shares issued after the dividend was declared and any shares which by their terms of issue did not rank for the dividend for that year; and for the purposes of the foregoing a company formed to take over the business of another company or other companies or to acquire the securities of, or control of, another company or other companies or for either of those purposes and for other purposes shall be deemed to have paid a dividend as mentioned in this paragraph in any year in which such a dividend has been paid by the other company or all the other companies, as the case may be."

(a) 8 & 9 Eliz. 2. c. 64. (b) 2 & 3 Geo. 6. c. 55.
(c) 14 Geo. 6. c. 34. (d) 1956, c. 10 (N.I.).

**2.** This Order may be cited as the Building Societies (Additional Security) Order, 1961 and shall come into operation on the 11th day of August, 1961.

Dated the 26th day of June, 1961.

*Cecil Crabbe,*
Chief Registrar of Friendly Societies.

We consent to this Order.

Dated the 26th day of June, 1961.

*R. Chichester-Clark,*
*W. Whitelaw,*
Two of the Lords Commissioners of Her Majesty's Treasury.

## EXPLANATORY NOTE

*(This note is not part of the Order but is intended to indicate its general purport.)*

This Order adds three further classes to the classes of additional security which are set out in the Schedule to the Building Societies Act, 1939, and which a building society is allowed to take into account when making an advance. The new classes are (i) a guarantee given by a local authority in Northern Ireland, (ii) a charge upon money deposited with the society which is given by a person other than the borrower, (iii) a guarantee given by a bank authorised to hold the funds of a building society under the Building Societies Act, 1960, s. 11, or by a company incorporated in the United Kingdom (other than an assurance company, guarantees of which are already permissible additional security) which has complied with certain specified conditions with regard to its capital and dividend record.