STATUTORY INSTRUMENTS

1987 No. 1848

BUILDING SOCIETIES

The Building Societies (Provision of Services) (No. 2) Order 1987

Made - - - -	*19th October 1987*
Laid before Parliament	*23rd October 1987*
Coming into force	*15th November 1987*

The Building Societies Commission, in exercise of the powers conferred on it by section 34(2) and (8) of the Building Societies Act 1986(a) and of all other powers enabling it on that behalf, hereby makes the following Order:

Citation and commencement

1. This Order may be cited as the Building Societies (Provision of Services) (No. 2) Order 1987 and shall come into force on 15th November 1987.

Variation of Schedule 8 to the Building Societies Act 1986

2. Schedule 8 to the Building Societies Act 1986 (provision of services) shall be varied by the following amendments –

(a) in paragraph 7(a) of Part III, after the words "authorised institution" there shall be inserted the words "or building society";

(b) in paragraph 7(c) of Part III, after the words "other body" there shall be inserted the words "or description of body"; and

(c) in paragraph 7 of Part IV, in the definition of "mortgage investments", for the words "advances secured on land" there shall be substituted the words "secured lending where the security comprises or includes land".

In witness whereof the common seal of the Building Societies Commission is hereto fixed, and is authenticated by me, a person authorised under paragraph 14 of Schedule 1 to the Building Societies Act 1986, on 19th October 1987.

L.S.

D. B. Severn
Secretary to the Commission

(a) 1986 c.53; Schedule 8 was amended by S.I. 1987/172 and 1670.

EXPLANATORY NOTE

(This note is not part of the Order)

The Order varies Schedule 8 to the Building Societies Act 1986 in relation to the power of building societies to manage the mortgage investments of others and arrange for the provision of credit by others. Article 2(a) includes other building societies among the bodies for which a particular building society may arrange credit. Article 2(b) provides for the approval by the Building Societies Commission of descriptions of bodies (as well as individual bodies) for the purposes of arranging the provision of credit. Article 2(c) relates to the power to manage mortgage investments, which is found in paragraph 4 of Part I of Schedule 8. In Part IV "mortgage investments" are defined as meaning rights arising out of advances secured on land, a term which, in the context of the Act, means an advance of a particular nature by a building society, and accordingly the power is limited to the power to act on behalf of another society. Article 2(c), by changing the definition, removes that restriction.

45p net

ISBN 0 11 077848 0

Printed in the United Kingdom for Her Majesty's Stationery Office

762 WO1629 C12 11/87 452 7102 PS 7944001