STATUTORY INSTRUMENTS

2000 No. 1963

HOUSING, ENGLAND

The Housing (Service Charge Loans) (Amendment) (England) Regulations 2000

Made - - - -	*21st July 2000*
Laid before Parliament	*24th July 2000*
Coming into force	*14th August 2000*

The Secretary of State for the Environment, Transport and the Regions, in exercise of the powers conferred upon him by sections 450A, 450B and 450C of the Housing Act 1985**(a)** hereby makes the following Regulations:

Citation, commencement and extent

1.—(1) These Regulations may be cited as the Housing (Service Charge Loans) (Amendment) (England) Regulations 2000 and shall come into force on 14th August 2000.

(2) These Regulations extend to England only.

Amendment to the Housing (Service Charge Loans) Regulations 1992

2. For paragraph 1 of Schedule 2 to the Housing (Service Charge Loans) Regulations 1992**(b)** there shall be substituted the following—

"1. (a) Except in a case falling within sub-paragraph (b), the rate of interest payable on the loan shall be such reasonable rate as may be determined by the lender.

(b) In the case of a loan under regulation 2 where the lender is a local authority, the provisions of Schedule 16 to the Act shall apply.".

Signed by authority of the Secretary of State

Nick Raynsford
Minister of State,
Department of the Environment,
Transport and the Regions

21st July 2000

(a) 1985 c. 68; sections 450A, 450B and 450C were inserted by section 5 of the Housing and Planning Act 1986 (c. 63). Sections 450A and 450B were amended by the Housing Act 1988 (c. 50), Schedule 17, paragraphs 56, 57 and 106 and by the Housing Act 1996 (Consequential Provisions) Order 1996 (S.I. 1996/2325), Schedule 2. The Secretary of State's functions under sections 450A, 450B and 450C, so far as exercisable in relation to Wales, were transferred to the National Assembly for Wales by Article 2 of S.I. 1999/672, *see* entry in Schedule 1 for the Housing Act 1985.

(b) S.I. 1992/1708.

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EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Housing (Service Charge Loans) Regulations 1992 (the 1992 Regulations), where the housing authority (as defined in section 450A and 450B of the Housing Act 1985 (the Act)) is a local authority.

Section 450A of the Act and regulation 2 of the 1992 Regulations give tenants a right to a loan (a mandatory loan) in respect of service charges for repairs where the lease was granted under Part V of the Act (the right to buy) and the landlord is a housing authority.

Section 450B of the 1985 Act and regulation 5 of the 1992 Regulations empowers housing authorities to make a loan (a discretionary loan) in respect of service charges for repairs.

Regulations 6 and Schedule 2 to the 1992 Regulations provide for the rates of interest which are to be payable on such loans and, in particular, apply the provisions of Schedule 16 to the Act where a local authority is the lender.

These Regulations disapply Schedule 16 to the Act as regards the rate of interest for discretionary loans and, as a consequence, the rate of interest payable on such loans shall be such a reasonable rate as may be determined by the local authority making the loan. Local authorities are thus put in the same position as other lenders under the 1992 Regulations.

The position in relation to mandatory loans remains unchanged.

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