STATUTORY INSTRUMENTS

1986 No. 1028

LOCAL GOVERNMENT, ENGLAND AND WALES

The Local Authorities (Disposal of Mortgages) Regulations 1986

Made - - - - -	19*th June* 1986
Laid before Parliament	30*th June* 1986
Coming into Operation	21*st July* 1986

The Secretary of State for the Environment, in relation to England, and the Secretary of State for Wales, in relation to Wales, in exercise of the powers conferred upon them by section 7(6) of the Local Government Act 1986**(a)** and of all other powers enabling them in that behalf, hereby make the following regulations:—

Citation, commencement and application

1.—(1) These regulations may be cited as the Local Authorities (Disposal of Mortgages) Regulations 1986 and shall come into operation on 21st July 1986.

(2) These regulations apply to the disposal on or after 1st September 1986 of a local authority's interest as mortgagee of any land under any description of mortgage, other than a disposal which is carried out in pursuance of a contract entered into before 1st April 1986.

Interpretation

2. In these regulations—

"the Act" means the Local Government Act 1986;

"intended transferee" means the person to whom a local authority intend to dispose of their interest as mortgagee of any land; and

"prospective disposal" means the prospective disposal by a local authority to the intended transferee.

Information to be given to mortgagors

3. A local authority shall give to a mortgagor whose consent is sought for the purposes of section 7 of the Act, written information as to—

(1) the name and address of the intended transferee and also, where the intended transferee is a company, the name and address of any holding company;

(a) 1986 c. 10.

(2) the effect which the prospective disposal is likely to have on—

(*a*) the rate of interest applicable to the mortgage;

(*b*) the way in which that rate is determined; and

(*c*) the places at which and the methods by which amounts payable under the mortgage may be paid;

(3) the policy of the intended transferee with regard to mortgagors who are in arrears or default and a comparison of such policy with the policy of the local authority in relation to those matters;

(4) the right of the mortgagor under section 7(2)(*a*) of the Act to withdraw his consent, the way in which consent may be withdrawn, and the fact that, to be effective, notice of the withdrawal must be given before the disposal is made;

(5) the right of a mortgagor who does not wish to give his consent to the transfer of his mortgage to take no further action; and the fact that a mortgagor who takes no further action will not be treated as having given his consent to the transfer; and

(6) the right of the mortgagor (and others) under section 7(5) of the Act to require the local authority (and others) to undo a disposal and the steps to be taken by a mortgagor who wishes to exercise that right.

Form of consent

4. A consent for the purposes of section 7 of the Act shall be given in the form set out in the Schedule to these regulations.

Notification of disposal

5. A local authority shall secure that notice of the fact that they have disposed of their interest as mortgagee of any land shall be given to the mortgagor no later than 7 days after the date of the disposal.

SCHEDULE Regulation 4

LOCAL GOVERNMENT ACT 1986
CONSENT TO TRANSFER OF MORTGAGE

IMPORTANT:— Please read the information sent with this form. If you sign this form you will be giving your consent to the transfer of your mortgage from the local authority to the organisation named below. Your consent will remain valid for six months but you may withdraw it at any time before the transfer takes place by writing to the local authority. Further details are given in the information which accompanied this form.

If you do not wish to give your consent, do not sign this form. You do not need to take any further action.

All the present owners named below must consent before the mortgage can be transferred. If they sign on different dates, the six month period will run from the date of the earliest signature. The mortgage may be transferred as soon as consent has been obtained from all the people whose consent is required.

Notes: *Items marked * must be completed by the local authority before the form is sent to the mortgagor(s). Items within square brackets must be completed or, if inapplicable, deleted by the local authority before the transfer is effected.*

[Title number (if registered):]

* Address of property:

* Full name(s) of mortgagor(s) (being the present owner(s) of the property):

I/We, the above-named mortgagor(s) hereby consent to the mortgage in favour of *

[dated]
[and registered on] being transferred to*

Signed ..... Date .....

Signed ..... Date .....

Signed ..... Date .....

Signed ..... Date .....

Nicholas Ridley,
Secretary of State for the Environment.

12th June 1986.

Nicholas Edwards,
Secretary of State for Wales.

19th June 1986.

EXPLANATORY NOTE

(*This Note is not part of the Regulations.*)

These regulations prescribe the information which is to be given to a mortgagor by a local authority which seeks the consent of the mortagor to the transfer of his mortgage (regulation 3). They also prescribe the form in which consent is to be given (regulation 4) and require that the mortgagor be notified of the transfer no later than 7 days after it has taken place (regulation 5).

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