

NATIONAL ASSEMBLY FOR WALES

LEGISLATION COMMITTEE REPORT

The Housing (Right to Buy) (Priority of Charges) (No.2) (Wales) Order 2000

Background

This Order is very similar to the Housing (Right to Buy) (Priority of Charges) (Wales) Order 1999 considered by the Committee on the 23rd of November 1999.

Under the terms of the original right to buy council homes scheme initiated by the Housing Act 1985 ("the Act"), the transaction is subject to a covenant binding on the tenant to the effect that in the event of a relevant disposal of the dwelling within three years, the discount received (under the terms of the scheme) must be repaid.

The liability that may arise under the covenant takes effect as a legal charge on the dwelling in question.

This charge has priority immediately after any legal charge securing an amount advanced to the tenant by an "approved lending institution" for the purposes of enabling him or her to exercise the right to buy.

Section 156 of the Act specifies certain types of institution as "approved lending institutions" but also provides for further bodies to be specified by the National Assembly.

This Order specifies M1 Mortgages Limited, Ocwen 2 Limited, Ocwen 3 Limited, Ocwen 4 Limited, Ocwen M Limited and Ocwen P Limited as such bodies.

The institutions named using section 156 of the Act also apply to sections 36 and 171A of the Act and to sections 12 and 16 of the Housing Act 1996.

Standing Order 11.5

It is not considered that there are any issues arising that the Committee should report as requiring special attention.

General Comments

Explanatory Note

There is a typographical error in the first line of the Welsh language text where "un pennu" should be "yn pennu".

Title

There is a bracket missing after "Wales" in the English language text of the first heading.

The computer software has changed the small "i" to a capital "I" in the Welsh language text in the first heading and also in Article 1.

Article 1

The coming into force date has been inserted into the heading but not into the gaps left in Article 1.

Footnotes

There is a superfluous bracket after "paragraff" in the Welsh language text of footnote (c). There should also be an "a" before "Datblygu Trefol".

M. GERMAN OBE AM

Chair,

Legislation Committee

4th April 2000