

**2011 No. 1864 (W. 202)**

**HOUSING, WALES**

The Housing (Service Charge  
Loans) (Amendment) (Wales)  
Regulations 2011

**EXPLANATORY NOTE**

*(This note is not part of the Order)*

These Regulations amend the Housing (Service Charge Loans) Regulations 1992 (“the 1992 Regulations”) which provide for housing authorities to make loans to their tenants in respect of service charges for repairs or improvements. The amendments which apply only in relation to Wales, relate to loans made under the discretionary power in regulation 5 of the 1992 Regulations. That power may be exercised, in respect of flats, by “housing authorities”. The term “housing authority” for the purposes of these amendments is defined in section 450B(4) of the Housing Act 1985.

Regulation 2 substitutes regulation 6(2) of the 1992 Regulations to provide that a loan made under the power in regulation 5 may be on terms that do not require the payment of interest or that require the payment of interest on only part of the loan.

Regulation 3 amends paragraph 1 of Schedule 2 to the 1992 Regulations in consequence of the new regulation 6(2).

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*Made* 26 July 2011

*Laid before the National Assembly for Wales*  
27 July 2011

*Coming into force* 19 August 2011

The Welsh Ministers, in exercise of the powers conferred on the Secretary of State by sections 450B and 450C of the Housing Act 1985<sup>(1)</sup>, and which are now vested in them<sup>(2)</sup>, make the following Regulations:

**Title, commencement, application and interpretation**

**1.**—(1) The title of these Regulations is the Housing (Service Charge Loans) (Amendment) (Wales) Regulations 2011 and they come into force on 19 August 2011.

(2) These Regulations apply in relation to Wales.

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(1) 1985 c. 68.

(2) Sections 450B and 450C were inserted by section 5 of the Housing and Planning Act 1986 (c.63). Section 450B was amended by the Government of Wales Act 1998 (c.38), section 140, Schedule 16, paragraphs 5 and 17 and by the Commonhold and Leasehold Reform Act 2002 (c.15), section 150, Schedule 9, paragraphs 1 and 3. Section 450B was also amended by S.I. 2008/3002 and S.I. 2010/866. Section 450C was amended by section 308 of the Housing and Regeneration Act 2008 (c. 17). The functions of the Secretary of State under sections 450B and 450C, so far as exercisable in relation to Wales, were transferred to the National Assembly for Wales by the National Assembly for Wales (Transfer of Functions) Order 1999 (S.I. 1999/672) article 2 and Schedule 1. Under paragraphs 30 and 32 of Schedule 11 to the Government of Wales Act 2006 (c. 32), functions formerly exercised by the National Assembly for Wales are now exercisable by the Welsh Ministers.

(3) In these Regulations “the 1992 Regulations” means the Housing (Service Charge Loans) Regulations 1992<sup>(1)</sup>.

### **Terms of loan**

2. The 1992 Regulations are amended in regulation 6 (terms of loans) by the substitution for paragraph (2) of—

“(2) A loan made by virtue of regulation 5 may be made on terms that—

(a) do not require the payment of interest; or

(b) require the payment of interest only on part of the loan;

and shall otherwise, subject to paragraph (3), be on such terms as the lender may determine.”.

### **The rate of interest**

3. The 1992 Regulations are amended, in paragraph 1 of Schedule 2, by the insertion after “loan” of “or the part of it on which interest is payable”.

*Huw Lewis*

Minister for Housing, Regeneration and Heritage, one of the Welsh Ministers

26 July 2011

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(1) S.I. 1992/1708, amended by S.I. 2008/2831. There are other amendments of which none are relevant to these Regulations.