



CHAPTER 44.

An Act to amend the Law relating to Heritable Securities A.D. 1894.
in Scotland. [25th August 1894.]

BE it enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows :

1. This Act may be cited for all purposes as the Heritable Securities (Scotland) Act, 1894. Short title.

2. This Act shall apply to Scotland only, and shall come into operation on the first day of January one thousand eight hundred and ninety-five. Extent and commencement of Act.

3. The creditor in a heritable security may, without calling the tenants of the lands disposed in security as defenders, raise an action of maills and duties either in the sheriff court, in the form as nearly as may be of Schedule (A.) annexed to this Act, or in the Court of Session in common form, with the necessary alterations consequent upon the provisions of this Act, and may give notice of the raising of such action to the tenants by registered letter in the form as nearly as may be of Schedule (B.) annexed to this Act, and from and after the date when such notice is received by the tenants they shall be held as interpellated from making payment of the rents due by them, in the same manner and to the same effect as if they were called as defenders in an action of maills and duties according to the present law and practice, and upon intimation of the decree obtained in said action being made to the tenants by registered letter in the form as nearly as may be of Schedule (C.) annexed to this Act, the said tenants shall make payment of the rents due by them respectively in the same manner and under the like legal compulsitors as if the same had been decerned for and a charge for payment given in an action of maills and duties according to the existing law and practice, and payment when so made shall be a complete exoneration and discharge to such tenants respectively: Provided always, that no decree in such action shall affect the right of the tenants to refuse payment of such rents on any ground not affecting the title of such creditor or the right of any prior creditor to enter into possession, and nothing herein contained shall prevent an action of maills and duties from being

Tenants need not be parties to actions of maills and duties.

A.D. 1894. — raised in the form heretofore in use, or deprive a creditor of any existing right competent to him of entering into possession without having recourse to an action of mails and duties.

Power to interpell security holder.

4. Any person interested may take proceedings to interpell the creditor from entering into possession of the lands disposed in security or collecting the rents thereof.

Power to eject proprietor in personal occupation.

5. Where a creditor desires to enter into possession of the lands disposed in security, and the proprietor thereof is in personal occupation of the same, or any part thereof, such proprietor shall be deemed to be an occupant without a title, and the creditor may take proceedings to eject him in all respects in the same way as if he were such occupant: Provided that this section shall not apply in any case unless such proprietor has made default in the punctual payment of the interest due under the security, or in due payment of the principal after formal requisition.

Power to lease security subjects for seven years or under.

6. Any creditor in possession of lands disposed in security may let such lands held in security, or part thereof, on lease, for a period not exceeding seven years in duration.

Sheriff may grant power to lease security subjects for longer periods, not more than 21 years for heritable property in general, and 31 years for minerals.

7. Any creditor in possession of lands disposed in security may apply to the sheriff for warrant to let the lands disposed in security or part thereof, for a period exceeding seven years, setting forth the name of the proposed tenant or tenants, the duration and conditions of the proposed lease; and the sheriff may, after service on the proprietor and on the other heritable creditors, if any, and after such intimation and inquiry as he may think proper, and if satisfied that a lease for a longer period than seven years is expedient for the beneficial occupation of the lands, approve of the proposed lease on the terms and conditions proposed, or on such other terms and conditions as may appear to him expedient: Provided always, that such lease shall in no case exceed twenty-one years for heritable property in general and thirty-one years for minerals.

Provisions for security holders becoming proprietors of security subjects.

8. Any creditor who has exposed for sale under his security the lands held in security, at a price not exceeding the amount due under the said security, and under any prior security, and any security or securities ranking *pari passu* with the exposer's security (exclusive of the expenses attending the exposure or prior exposures), or at any lower price, and has failed to find a purchaser, may apply to the sheriff for decree, in the terms of Schedule (D.) hereto annexed; and the sheriff may, after service on the proprietor and on the other creditors, if any, and after such intimation and inquiry as he may think fit, grant such application and issue decree in the said terms. On such decree being pronounced, and an extract thereof in which said lands shall be described at length or by reference recorded in the appropriate register of sasines, the right of redemption reserved to the debtor shall be extinguished, and the creditor shall have right to the lands disposed in security in the same manner and to the same effect as if the disposition in security had been an irredeemable disposition as from the date of such decree, and upon registration of an extract of such decree in the

A. D. 1894.

appropriate register, the lands shall be disencumbered of all securities and diligences posterior to the security of the said creditor ; or instead of granting such decree, the sheriff may, upon any such application being made to him as aforesaid, appoint the lands held subject to the security to be re-exposed for sale at a price to be fixed by him, and in that event the said creditor shall have right to bid for and purchase the said lands at such sale, and, in the event of the creditor purchasing, the sheriff may issue decree in the form and to the effect aforesaid, or the creditor may grant a disposition of the lands to himself in the same manner as if he had been a stranger.

9. Upon a sale being carried through under the immediately preceding section, and upon consignment of the surplus of the price, if any, over the sum due under the security, in terms of the Titles to Lands Consolidation (Scotland) Act, 1868, or upon the execution and recording of a certificate that there is no surplus, in terms of the Conveyancing (Scotland) Act, 1874, the right and title of the creditors to the lands shall be absolute and irredeemable, and the lands shall be disencumbered of securities and diligences in the manner and to the effect provided for in the said statutes as regards sales carried through in virtue thereof. Provided always, that the personal obligation of the debtor shall be reserved in full force and effect so far as not extinguished by the price at which the lands have been acquired.

Completion of title of security holders.
Personal obligation of debtor to remain so far as not extinguished by price.
31 & 32 Vict. c. 101.
37 & 38 Vict. c. 94.

10. No purchaser from the creditor or other successor in title in the lands shall be under any duty to inquire into the regularity of the proceedings under which such creditor has acquired right to the lands held under his security by virtue of the provisions contained herein, or be affected by any irregularity therein, without prejudice to any competent claim of damages against such creditor.

Purchaser's title indefeasible.

11. Any creditor holding a security ranking *pari passu* with another security who desires to sell the lands conveyed in security by his security, and who is unable to obtain the consent of the creditor holding such other *pari passu* security to a sale, may apply to the sheriff for warrant to sell the said lands, calling such other creditor as defender ; and the sheriff, after hearing parties and making such inquiry as he thinks fit, may order a sale of the said lands, if in his opinion it is reasonable and expedient that such sale should take place ; and in case of difference of opinion, the sheriff may fix the price, authorise both or either of the parties or some other person to carry through the sale, and upon payment or consignment of the price to grant a conveyance and disencumber the lands of the said securities in the same way and as fully as if the creditors therein were by agreement carrying through said sale, and also to fix the times and conditions of sale in conformity with the law and practice relating to premonition and advertisement. And the expenses of and connected with the sale shall be payable preferably out of the price or proceeds of the sale, and the balance of such price or proceeds after providing for such expenses shall

Sheriff may grant power to *pari passu* security holder to sell *pari passu* security.

A.D. 1894. be paid to the creditors in the securities charged upon the lands according to their just rights and preferences.

Provisions anent procedure.

12. The following provisions shall have effect with regard to applications under sections seven, eight, and eleven of this Act:—

- (1.) The interlocutor of the sheriff who pronounces any order or decree shall be final, and not subject to review, except (1) as to questions of title and (2) where the principal sum due under the heritable security exceeds one thousand pounds.
- (2.) The sheriff may award expenses, or may direct that the expenses be treated as part of the expenses of the sale.

Provisions of Act to have effect notwithstanding incapacity of debtor. Trustees and others to have powers conferred by Act.

13. The rights and powers conferred by this Act may be exercised by any creditor, although the debtor or any other creditor holding a security over the same lands, or other person to whom intimation may require or be ordered to be given is in pupillarity or minority, or subject to any legal incapacity, and any action or proceeding under this Act shall have the same force and effect as it would have had if such debtor, proprietor, creditor, or other person had been of full age and not subject to any legal incapacity when such action or proceeding was taken; and trustees, executors, tutors, curators, judicial factors, and other officers of court may exercise all or any of the powers conferred by this Act.

Security holders under Registration of Leases Act to have same powers as security holders.

20 & 21 Vict. c. 26.
31 & 32 Vict. c. 101.
37 & 38 Vict. c. 94.

14. From and after the passing of this Act the powers of sale contained in bonds and assignations in security granted in terms of the Registration of Leases (Scotland) Act, 1857, may be exercised by adopting the procedure provided in the case of sales under the powers of sale contained in bonds and dispositions in security by the Titles to Land Consolidation (Scotland) Act, 1868, and the Conveyancing (Scotland) Act, 1874, and this Act, and any sales under such bonds and assignations in security carried through by adopting the said procedure shall be as valid and effectual in every respect as if they had been carried through in accordance with the provisions of the Registration of Leases (Scotland) Act, 1857.

Sheriff to have jurisdiction whatever value of lands.

15. The sheriff of the county in which the lands held in security or part thereof are situate, or where lands are situate in more counties than one the sheriff of any of such counties, shall have jurisdiction in all cases instituted under or in connexion with this Act, whatever the value of the lands may be.

Provisions as to notice where debtor has died and heir cannot be ascertained.

16. Where (a) the debtor in an heritable security has died and no heritable title has been completed to the lands by his heir or other representative, and the name and address of such heir cannot be ascertained by the creditor, or (b) the creditor cannot ascertain the address of the debtor in the security, or whether such debtor is still alive, or (c) the creditor cannot ascertain the address of the person who, in terms of such heritable security, is the person legally entitled to receive intimation of the demand of payment herein-after mentioned, the creditor in such security may, in any such case, apply to the sheriff of the county in which any portion of the lands disposed by such heritable security is situate,

A.D. 1894.

for warrant to intimate the demand of payment specified in section one hundred and nineteen of the Titles to Land Consolidation (Scotland) Act, 1868, to the debtor, at the office of the Keeper of the Record of Edictal Citations, within the General Register House, Edinburgh, in such form and addressed to such person or persons by name, or in his or their representative character, or as the sheriff may, after such inquiry (if any) as he may think fit, prescribe, and a demand for payment so made shall have the same effect as a demand for payment delivered personally to the debtor in such security.

Rights under existing law reserved.

Interpretation clause.

Saving as to rights of Crown.

17. Nothing herein contained shall prejudice or restrict the powers, rights, and privileges of creditors in heritable securities according to the present law and practice.

18. In this Act the words "conveyance," "heritable security," "security," "creditor," "debtor," and "purchaser" shall have the same meanings respectively as in the Titles to Land Consolidation (Scotland) Act, 1868.

The word "lands" shall extend to and include all heritable subjects.

19. Nothing in this Act contained shall affect the present law and practice in regard to the preferential character of debts due to the Crown, nor shall anything done under the new procedure by this Act authorised prejudice the rights of the Crown as these exist according to the present law and practice.

SCHEDULES.

SCHEDULE (A.)

Section 3.

In the sheriff court of
at

A.B., Pursuer,
against
C.D., Defender.

The above-named pursuer submits to the court the condescendence and note of plea-in-law hereto annexed, and prays the court—

To grant a decree against the above-named defender, finding and declaring that the pursuer has right to the rents, maills, and duties of the subjects and others specified in the bond and disposition in security for £ _____, granted by _____ in favour of _____, dated the _____ and recorded in the register

or, at least so much of the said rents, maills, and duties as will satisfy and pay the pursuer the principal sum of £ _____ with interest thereon at the rate of _____ per centum per annum from the _____ day of _____ 18 _____, liquidate penalty and termly failures all as specified and contained

A.D. 1894.

in the said bond and disposition in security dated and recorded as aforesaid, and to find the said *C.D.* liable in expenses, and to decern therefor.

Add condescendence and pleas-in-law.

Section 3.

SCHEDULE (B.)

In the court of session [or] shire, at
In the sheriff court of Notice.

An action has been raised of this date [*specify place and date*] in the above court, at the instance of *A.B.* [*design him*], pursuer, against *C.D.* [*design him*], defender, in which the said pursuer asks that it be declared that as holding a bond and disposition in security over the subjects situated at [*here give such description of the subjects, e.g., their name or the number of street in which they are situated, as may identify them*], he has right to the rents due, current, and to become due, from the subjects.

Should you, after receiving this notice, pay your rent to the defender, you will do so at the risk of having to pay again to the pursuer should he obtain decree in the action.

[*To be signed by the pursuer or his law agent, or messenger at arms, or sheriff officer.*]

Section 3.

SCHEDULE (C.)

In the court of session [or] shire, at
In the sheriff court of Notice.

Decree having been obtained of this date [*specify place and date*] in the above court, at the instance of *A.B.* [*design him*] pursuer, against *C.D.* [*design him*] defender, finding and declaring that the pursuer has right to the rents, maills, and duties of the subjects and others situated at [*here give such description of the subjects, e.g., their name, or the number of street in which they are situated, as may identify them*] specified in a bond and disposition in security for £ granted by in favour of dated the and recorded in the register, you are hereby notified of the same, and desired and required to make payment to the said *A.B.* of the rents, maills, and duties due by you in respect of the occupancy of said subjects or part thereof.

[*To be signed by the pursuer or his law agent, or messenger at arms, or sheriff officer.*]

Section 8.

SCHEDULE (D.)

The sheriff having resumed consideration of the said petition, finds and declares that *X.Y.* [the debtor in the bond], has forfeited the right of redemption reserved to him in the said bond and disposition in security, and that the said right is extinguished as from and after this date, and that *A.B.* [*design him*], the petitioner has right to, and is vested in, the lands described in the said bond and disposition in security, dated and recorded as aforesaid, as absolute proprietor thereof, but subject always to the burdens and conditions contained or referred to in the said bond and

disposition in security, at the price of £ [here mention the price at which the lands were last exposed, or the price at which the lands have been bought in, as the case may be], and decerns; and grants warrant to record the decree to be extracted hereon in the register of sasines. A.D. 1894.
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Note.—The extract decree is to describe the subject.

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FOR

T. DIGBY FIGOTT, Esq., C.B., the Queen's Printer of Acts of Parliament.