

Hon. Mr. J. McKenzie.

GOVERNMENT ADVANCES TO SETTLERS ACT AMENDMENT.

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A BILL INTITULED

AN ACT to amend "The Government Advances to Settlers Act, 1894."

BE IT ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same, as follows:—

1. The Short Title of this Act is "The Government Advances to Settlers Act Amendment Act, 1896," and it shall form part of and be read with "The Government Advances to Settlers Act, 1894" (hereinafter called "the principal Act").

FIXED LOANS.

2. Notwithstanding anything to the contrary contained in the principal Act, it is hereby declared that advances on the security of freehold lands may be granted for any term not exceeding ten years, and, with respect to every such advance (hereinafter referred to as a "fixed loan"), the following provisions shall apply:—

- (1.) The amount of the fixed loan shall in no case exceed one-half the value of the security:
- (2.) The application for a fixed loan shall be in the form prescribed by the principal Act, save that it shall be expressed to be for a fixed loan, and shall specify the term of the loan:
- (3.) The fixed loan shall be repayable (without sinking fund) at the end of the term for which it is granted: Provided that the mortgagor may, on the due date of any half-yearly payment of interest during the term, repay to the Superintendent any sum of not less than five pounds or a multiple of five pounds in reduction of the principal sum:
- (4.) Interest on the fixed loan, or on so much thereof as for the time being remains unpaid, shall be payable at the rate of five pounds per centum per annum by half-yearly payments, and the first half-yearly payment of interest shall be made at the expiration of six months from the date of the loan:
- (5.) A certificate under the hand of the Superintendent, or of any person authorised by him to give the same, shall, until

the contrary is proved, be sufficient evidence of the amount owing in respect of principal and interest respectively at the date named in the certificate.

Mortgage docketts in respect thereof.

3. The mortgage docketts in respect of fixed loans shall be in the forms respectively prescribed by the principal Act, nevertheless with the omission of the words, "Date of first prescribed half-yearly instalment," and the insertion, in lieu thereof, of the following words:—

"Term of advance:

"Due date of repayment of principal:

"Dates of half-yearly payments of interest: and . 10

"Due date of first half-yearly payment of interest: ."

Covenants to be implied.

4. (1.) Subject to the modifications hereinafter specified, all the covenants and conditions to be implied in mortgage docketts by virtue of the principal Act shall be implied in mortgage docketts for fixed loans. 15

(2.) The modifications above referred to are as follows:—

(a.) In lieu of the covenant marked "Firstly," in the Fourth Schedule to the principal Act, the following covenant shall be deemed to be substituted:—

"Firstly, That the mortgagee will pay the principal sum mentioned in the mortgage docket with interest thereon in accordance with the provisions of "The Government Advances to Settlers Act, 1894," and the amendments thereof, relating to fixed loans, and will make the first half-yearly payment of interest on the date mentioned in that behalf in the mortgage docket." 20 25

(b.) The covenant marked "Seventhly," in the said schedule, shall be deemed to be modified by substituting the words "principal or interest moneys," in lieu of the words "said prescribed half-yearly instalments." 30

Principal Act to apply.

5. Subject to the foregoing provisions of this Act, all the provisions of the principal Act relating to advances on the security of freehold lands, and the mortgage docketts in respect thereof, shall apply to fixed loans and the mortgage docketts in respect thereof.

#### GENERAL.

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Repeals as to suburban lands.

6. (1.) Section twenty-five of the principal Act is hereby amended by repealing the words "or suburban."

(2.) Section five of "The Government Advances to Settlers Act Amendment Act, 1895" (relating to suburban lands) is hereby repealed. 40

Limit of advance on certain suburban lands.

7. No advance on the security of suburban lands held or occupied for residential or manufacturing purposes shall be granted for an amount exceeding one-half of the value of the security.

How other suburban lands to be valued.

8. Suburban land held or occupied for farming, dairying, or market-gardening purposes shall be valued on the basis of such land being used for such purposes only. 45

Board to decide whether suburban land.

9. The General Board shall at all times have full power to decide whether the land offered as security for an advance is or is not suburban land, and for what purpose it is held or occupied.

Advances up to £4,000.

10. Subsections three and four of section forty of the principal Act are hereby amended by substituting "four thousand" for "two thousand five hundred" wherever those words occur therein. 50