

[AS REPORTED FROM THE COMMITTEE OF THE WHOLE.]

House of Representatives, 25th November, 1909.

Right Hon. Sir J. G. Ward.

NEW ZEALAND STATE-GUARANTEED ADVANCES.

ANALYSIS.

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A BILL INTITULED

Title. AN ACT to repeal certain Enactments of the General Assembly relating to Government Advances and Guarantees, and to make other Provisions in lieu thereof.

BE IT ENACTED by the General Assembly of New Zealand 5
in Parliament assembled, and by the authority of the same, as follows:—

Short Title.

1. (1.) This Act may be cited as the New Zealand State-guaranteed Advances Act, 1909, and it shall come into operation on a date to be named by the Governor by notice in the *Gazette*. 10

(2.) This Act is divided into Parts, as follows:—

PART I.—Administration. (Sections 3 to 36.)

PART II.—Advances to Settlers. (Sections 37 to 56.)

PART III.—Advances to Workers. (Sections 57 to 61.)

PART IV.—Advances to Local Authorities. (Sections 62 15
to 73.)

PART V.—Guaranteed Mining Advances. (Sections 74
and 75.)

Part VI.—Miscellaneous Provisions. (Sections 76 to 88.)

2. In this Act, if not inconsistent with the context,—

Interpretation.

“Board” means the New Zealand State-guaranteed Advances Board constituted under this Act:

5 “District” includes a county, borough, road district, town district, water-supply district, river district, drainage district, or harbour district constituted under any Act relating thereto respectively, and includes any two or more districts united to raise a joint loan or to convert or consolidate two or more loans:

10 “Government Advances Act” means the Government Advances to Settlers Act, 1908:

15 “Local authority” means the Council, Board, or other local governing authority of a district empowered by any Act or Ordinance to make and levy rates and to raise, convert, or consolidate loans, and includes any two or more local authorities united to raise a joint loan or to convert or consolidate two or more loans:

“Minister” means the Minister of Finance:

20 “Prescribed” means prescribed by this Act or by regulations made under this Act.

PART I.

ADMINISTRATION.

Office.

25 3. (1.) For the purpose of carrying out the objects of this Act there is hereby established an office, to be called the New Zealand State-guaranteed Advances Office (hereinafter called the Advances Office), administered and managed by an officer to be called the Superintendent, who shall be appointed by the Governor, and shall hold office during pleasure.

The New Zealand State-guaranteed Advances Office established.

30 (2.) The Superintendent is hereby constituted a corporation sole under the style of the New Zealand State-guaranteed Advances Office Superintendent, with perpetual succession and a seal of office, which shall be kept and used by him alone.

Superintendent constituted.

35 4. (1.) The Governor in Council may from time to time appoint some person to act as Deputy of the Superintendent.

Deputy of Superintendent.

40 (2.) On the occurrence from any cause of a vacancy in the office of Superintendent (whether by reason of death, resignation, or otherwise), and in the case of the absence from duty of the Superintendent, and so long as such vacancy or absence continues, the Deputy for the time being shall have and may exercise all the powers, duties, and functions of the Superintendent.

General powers of Deputy.

45 (3.) The fact of the Deputy exercising any power, duty, or function as aforesaid shall be conclusive proof of his authority so to do, and no person shall be concerned to inquire whether the occasion has arisen requiring or authorising the Deputy so to do.

Deputy's authority to act not to be questioned.

(4.) The provisions of section four of the Civil Service Act, 1908, shall not apply to the appointment of the Superintendent or Deputy.

Section 4 of Civil Service Act not to apply.

Power to appoint staff.	5. The Governor in Council may from time to time appoint such officers and clerks (hereinafter called the staff) as may be necessary for the business of the Advances Office.	
Staff to hold office during pleasure.	6. The staff shall hold their offices during pleasure, and shall be subject to the orders, direction, and control of the Superintendent.	5
To be subject to Civil Service Acts.	7. The Superintendent and staff shall be paid such salaries as may be fixed from time to time by Parliament, and shall be subject to the laws for the time being in force affecting and regulating the Civil Service of New Zealand.	
To give security.	8. (1.) The Superintendent, and every member of the staff whose fidelity is not guaranteed under the Civil Service Act, 1908, shall severally give security for the faithful discharge of their duties, in such form, by such sureties, and to such amount as the Governor, by regulations or otherwise, from time to time directs.	10
Present officers and staff continued in office.	(2.) Until other provision is made, the Superintendent, his Deputy, and the staff under the Government Advances Act shall be deemed to hold the corresponding positions and offices under this Act.	15
Description of Superintendent.	9. In all deeds, instruments, or documents of any kind incident to the business of the Advances Office, or the purposes of this Act, the Superintendent shall be described by his corporate style.	20
Execution and signature of deeds and documents.	10. (1.) All deeds, instruments, and other documents to be executed by the Superintendent under seal shall be executed by him by signing his name underneath his corporate style, and affixing his seal, in the presence of one member of the Board, who shall subscribe his name as witness.	25
	(2.) All documents to be signed by the Superintendent shall be signed in his personal name with the addition of his corporate style.	
Power of Superintendent to sue and be sued.	11. (1.) The Superintendent, in his official style and capacity, may sue and be sued in all actions arising out of any act, matter, or thing whatsoever done or suffered in relation to himself, or the Advances Office, or the Board; and no such action shall abate or be dismissed by reason only that the cause of action relates to the Advances Office or the Board and not to the Superintendent himself.	30
Signature, &c., to be judicially noticed.	(2.) The appointment, signature, and seal of the Superintendent and Deputy Superintendent, and the appointment and signature of every member of the Board, shall be judicially noticed without further proof.	35
	<i>Board.</i>	40
Constitution of State-guaranteed Advances Board.	12. (1.) For the purpose of better carrying out the objects of this Act there is hereby constituted a Board, under the style of the New Zealand State-guaranteed Advances Board, consisting of six members, to wit:—	45
	(a.) Four <i>ex officio</i> members—namely, the Minister, the Superintendent, and such two other persons being officers of the Civil Service as the Governor in Council from time to time appoints as members; and	
	(b.) Two competent persons (not being officers of the Civil Service) to be appointed by the Governor in Council as members, who shall hold office for two years (subject never-	50

theless to the right of the Governor in Council to remove them at any time), but may be reappointed, and while holding office shall be paid such salary or fees as may be fixed from time to time by Parliament.

5 (2.) Until other provision is made, the members of the Board under the Government Advances Act shall be deemed to be the members of the Board under this Act.

10 13. (1.) In the absence of the Minister from any meeting of the Board any other Minister (being a member of the Executive Council) may attend such meeting in the stead and as the substitute of the Minister, and while so attending shall be deemed to be a member of the Board. Substitute members of Board.

15 (2.) In the absence of any other *ex officio* member of the Board his Deputy (if any) may attend such meeting in his stead and as his substitute, and while so attending shall be deemed to be a member of the Board.

(3.) The fact that any such substitute so attends and acts at any such meeting shall be conclusive proof of his authority so to do.

20 14. (1.) The Minister shall be *ex officio* Chairman of the Board. Chairman.

(2.) In the absence of the *ex officio* Chairman from any meeting of the Board the members present shall appoint one of their number to be Chairman of that meeting.

(3.) Three members shall form a quorum at any meeting of the Board. Quorum.

25 (4.) The Chairman shall have a deliberative and also a casting vote.

30 15. (1.) The Board shall at all times cause proper minute-books to be kept, in which shall be entered full and faithful minutes of all the proceedings at each Board meeting, with proper tabulated details of the business transacted thereat. Minute-books of proceedings to be kept.

(2.) The minutes of each meeting shall be read and confirmed at the next succeeding meeting, and signed as correct by the Chairman.

35 (3.) The Board may from time to time make by-laws regulating the general conduct of its business and proceedings. Board may make by-laws.

(4.) The Board shall co-operate with and assist the Superintendent in carrying out the objects of this Act, and advise with him upon all matters connected therewith. Board to co-operate with Superintendent.

(5.) A resolution of the Board shall bind the Superintendent.

Business.

40 16. (1.) The business of the Advances Office is the advancing of money in the cases following, that is to say:— Cases in which money may be advanced.

To settlers as loans on mortgage under Part II of this Act:

45 To workers as loans on mortgage under Part III of this Act.

To local authorities as loans on debentures under Part IV of this Act:

To mining companies and persons as guaranteed mining advances under Part V of this Act.

50 (2.) The business shall be carried on in four separate branches, one for each class of advances as aforesaid, the names of the branches being—

The Advances to Settlers Branch ;
 The Advances to Workers Branch ;
 The Advances to Local Authorities Branch ; and
 The Guaranteed Mining Advances Branch.

Funds.

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Capital to be raised
 on behalf of
 Superintendent.

17. In order to provide capital for the purposes of this Act, money may be raised from time to time by the Minister under the provisions in that behalf hereinafter contained :

Provided, however, as follows :—

(a.) In raising the moneys the Minister shall be deemed to be acting on behalf of the Superintendent and for the purposes of the Advances Office. 10

(b.) Accordingly the moneys raised shall be deemed to be raised by the Superintendent in his corporate capacity for the purposes of the Advances Office. 15

(c.) The moneys raised, with all interest thereon, and the debentures and other securities issued in respect thereof, are guaranteed by the Government as hereinafter provided, but are a liability of the Superintendent in his corporate capacity, and are hereby charged upon the assets of the Advances Office. 20

Sums that may be
 raised for advances
 to settlers.

18. (1.) To provide funds for advances to settlers the Minister (acting as aforesaid) is hereby empowered to raise from time to time for the Advances Office such sum or sums, not exceeding in the whole the sum of one million five hundred thousand pounds in any one financial year, as the Governor in Council from time to time authorises : 25

Provided that whenever the total amount authorised to be raised under this subsection in any one financial year is not raised within such year, the balance unraised may be raised at any subsequent period, in addition to the amount authorised to be raised during such subsequent period. 30

For advances to
 workers.

(2.) To provide funds for advances to workers the Minister (acting as aforesaid) is hereby further empowered to raise from time to time for the Advances Office such sum or sums, not exceeding in the whole the sum of five hundred thousand pounds in any one financial year, as the Governor in Council from time to time authorises. 35

(3.) In computing the total amount which by this section the Governor in Council may authorise to be raised during the present financial year for advances to settlers and advances to workers respectively all sums heretofore raised by the Government during the year under the Government Advances Act for the like purposes shall be deducted. 40

For advances to
 local authorities,
 and guaranteed
 mining advances.

(4.) To provide funds for advances to local authorities and guaranteed mining advances the Minister (acting as aforesaid) is hereby further empowered to raise from time to time for the Advances Office such sum or sums as the Governor in Council from time to time authorises : 45

Provided that the total amount to be authorised under this subsection for guaranteed mining advances shall not exceed twenty thousand pounds in any one financial year : 50

Provided further that the total amount to be authorised under this subsection for advances to local authorities shall not exceed in the present financial year five hundred thousand pounds, and in each subsequent financial year such sum as is fixed by resolution of ~~both Houses of Parliament~~; *the House of Representatives*; and for that purpose the Minister shall within ten days after the commencement of the first session in the year lay before ~~both Houses~~ *the said House* a return showing—

(a.) All advances applied for and approved during the year, or approved but not paid over at the beginning of the year;

(b.) Such of them as have been actually paid over or provided for during the year; and

(c.) The funds actually available for the remainder.

(5.) So far as concerns the actual raising of the aforesaid moneys, they shall be deemed to be for the general purposes of this Act, without regard to the specific purposes to which they are to be applied as aforesaid.

19. (1.) All sums so raised, with all interest thereon, and all debentures and other securities issued in respect thereof, shall be and be deemed to be guaranteed by the Government of New Zealand.

(2.) In order to give full effect to such guarantee it is hereby declared that all principal and interest becoming payable in respect of the sums so raised shall, if and as often as any default is made by the Superintendent or the Advances Office in the payment thereof, be payable by the Minister out of the Consolidated Fund without further appropriation than this Act.

(3.) The guarantee constituted by this section shall be enforceable against the Crown by the holder of any such debenture or security in the same manner and as fully and effectually as if the guarantee were constituted by a contract between such holder and the Crown.

20. (1.) The sums so raised shall bear interest at such rate, not exceeding four pounds ten shillings per centum per annum, as the Minister from time to time prescribes, and shall be raised under and subject to the provisions of this Act.

(2.) For the purpose of raising the aforesaid moneys, Parts I and II of the New Zealand Loans Act, 1908, are hereby incorporated with this Act, but shall be construed with all modifications necessary in order to adapt them to this Act, including the modifications following, that is to say:—

(a.) The moneys referred to are the moneys to be raised under this Act as aforesaid.

(b.) They shall be raised by debentures or scrip issued under this Act.

(c.) All such debentures or scrip shall be in the name of the New Zealand State-guaranteed Advances Office, and shall be signed, not by the Minister, but by the Superintendent or, as the case may be, by the High Commissioner or the Loan Agents raising the moneys, and shall be countersigned as provided by section fourteen of the aforesaid Part I.

Limitations.

Sums raised to be guaranteed by Government.

Rate of interest.

Parts I and II of New Zealand Loans Act incorporated, with modifications.

- (d.) All such debentures and scrip shall bear on their face a statement that they are guaranteed by the Government of New Zealand.
- (e.) All references to the New Zealand Loans Act, 1908, and to the authorising Act respectively shall be deemed references to this Act. 5
- (f.) All references to the appropriate fund or account shall be deemed references to the Advances Account.
- (g.) The provisions for issue of stock or conversion into stock shall mean New Zealand State-guaranteed Advances Stock, not New Zealand Consolidated Stock. 10
- (h.) The provisions of paragraph (f) of section five (giving power to hypothecate or mortgage for the purpose of obtaining temporary advances) shall be exercised only by the Superintendent with the consent of the Minister. 15
- (i.) Subsections two and three of section five shall not apply.
- (j.) In section eight the reference to the Treasury shall be deemed a reference to the Advances Account.
- (k.) In sections fourteen, seventeen, and eighteen the references to the public revenues of New Zealand shall be deemed references to the Advances Account. 20
- (l.) Section twenty shall be read as if the words "charged upon the New Zealand State-guaranteed Advances Account and guaranteed by the Government of New Zealand" were inserted in lieu of the words "part of the public debt charged upon the public revenues of New Zealand." 25
- (m.) In section twenty-two the reference to New Zealand loans shall be deemed to be a reference to loans raised and guaranteed under this Act.
- (n.) In section twenty-four the references to the Consolidated Fund and the Minister respectively shall be deemed references to the Advances Account and the Superintendent respectively, and the reference to warrants shall not apply. 30
- (o.) All moneys paid into the Public Account or into the bank as mentioned in paragraph (g) of section twenty-five shall be paid to the credit of the Advances Account, and shall be forthwith transferred to that account accordingly. 35
- (p.) In section twenty-six the words "New Zealand State-guaranteed Advances Account" shall be deemed to be substituted for the words "the Consolidated Fund." 40
- (q.) Sections thirty-two to forty-two, also section forty-six, shall not apply.
- (r.) In form (1) in the Second Schedule the words "the New Zealand State-guaranteed Advances Act, 1909," shall be deemed to be substituted for the words "the New Zealand Loans Act, 1908"; and the indorsement referred to shall be signed by the Superintendent in lieu of the Minister. 45
- (3.) In exercising their respective powers and functions under the aforesaid Parts I and II the Governor, the Minister, the High Commissioner, the Loan Agents, and the special agents therein referred to shall be deemed to do so on behalf of the Superintendent in his corporate capacity. 50

New Zealand State-guaranteed Advances Account.

21. All sums raised as aforesaid, as and when raised, and all other moneys belonging or payable to the Superintendent or the Advances Office, shall be paid into a bank to be appointed by the Governor in Council to the credit of an account to be called the New Zealand State-guaranteed Advances Account (hereinafter referred to as the Advances Account).

New Zealand State-guaranteed Advances Account.

22. (1.) On the coming into operation of this Act the Government Advances to Settlers Account and the Government Advances to Workers Account shall be closed, and the moneys in or belonging to them respectively shall be deemed to belong to the Advances Account, and shall be transferred or paid thereto accordingly.

Moneys to be transferred from Advances to Settlers and Workers Accounts.

(2.) Similarly, all moneys then payable out of those accounts respectively shall be payable out of the Advances Account.

(3.) All receipts and payments under this section shall be dealt with in the Advances to Settlers or Advances to Workers Branch to which they respectively belong.

23. (1.) There shall from time to time be charged to and paid out of the Advances Account, without further appropriation than this Act,—

What to be charged to and paid out of Advances Account.

(a.) The costs and expenses incurred in raising the aforesaid moneys :

(b.) All sums payable in respect of interest on the moneys raised under the authority of this Act or the Government Advances Act, or any prior Act passed for like purposes :

(c.) All moneys required for sinking funds to be paid to the Public Trustee :

(d.) All moneys required for the payment or redemption of the debentures, stock, and other securities issued or created in respect of the moneys so raised :

(e.) All moneys required for the purpose of advances made under this Act.

(2.) Subject to the foregoing provisions of this section, all costs and expenses of management of the Advances Office and of the administration of this Act (including salaries and fees) shall be payable out of the Advances Account according to appropriation by Parliament.

24. All moneys withdrawn from the Advances Account shall be withdrawn only by cheque signed by the Superintendent and countersigned by the Audit Office.

How account to be operated on.

25. (1.) All moneys in the Advances Account, or payable into that account by any person whomsoever, and also all moneys owing by any mortgagor or borrower under this Act, whether the same are accrued due or not, are hereby declared to be the property of the Crown, and recoverable accordingly as from debtors to the Crown.

All moneys to be property of Crown.

(2.) All such moneys are hereby declared to be public moneys within the meaning of the Public Revenues Act, 1908.

26. (1.) Any of the moneys in the Advances Account may, until required for the purposes of this Act, be temporarily invested from time to time, as the Minister directs, in any Government securities or in any securities wherein for the time being any balances in the Public Account may lawfully be invested, and all interest received in respect of any such investment shall be paid into the Advances Account.

Temporary investment of moneys.

New subclause.

(2.) For all the purposes of this Act, and of every other Act relating to the investment of moneys, the debentures or other securities issued by the Superintendent under this Act shall be deemed to be Government securities.

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Reserve Funds.

Reserve fund for
Advances to
Settlers Branch.

27. (1.) In connection with the Advances to Settlers Branch of the business and out of the funds belonging to that branch there is hereby established within the Advances Account a reserve fund, which shall consist of such sum, not being less than fifty thousand pounds, as the Governor from time to time by Order in Council directs.

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(2.) This reserve fund shall from time to time be invested and reinvested in advances to settlers.

(3.) The reserve fund established under Part II of the Government Advances Act is hereby abolished, and the moneys belonging thereto are hereby transferred to the reserve fund under this Act.

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Reserve fund for
Advances to
Workers Branch.

28. (1.) In connection with the Advances to Workers Branch of the business there is hereby similarly established a reserve fund, which shall consist of the whole of the net profits from time to time arising from that branch.

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(2.) This reserve fund shall from time to time be invested and reinvested in advances to workers.

(3.) The reserve fund established under Part III of the Government Advances Act is hereby abolished, and the moneys belonging thereto are hereby transferred to the reserve fund under this Act.

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Sinking Funds.

Sinking funds of
Advances to Settlers
and Workers
Branches.

29. (1.) In connection with each of the two branches aforesaid (to wit, the Advances to Settlers Branch and the Advances to Workers Branch) branch there is hereby established a sinking fund as security for the capital moneys raised for advances belonging to the branch.

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(2.) In the case of each such branch, the sinking fund shall consist of one-tenth of the gross amount of interest received during each financial year in respect of such advances: a sum (to be paid into the sinking fund each financial year out of the Advances Account from moneys belonging to the branch) equal to one per centum of the total capital moneys raised for the purposes of the branch (including capital liabilities, if any, transferred under section thirty-five hereof) and then outstanding.

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(3.) The sinking fund of each branch shall be held by the Public Trustee, who shall invest the same and all accumulations of interest:

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Provided that, as and when directed by the Minister so to do, the Public Trustee shall pay over the sinking fund, or any part thereof, to the Superintendent for investment on mortgages in the branch, and in such case the following provisions shall apply:—

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(a.) When receiving any payment as aforesaid from the Public Trustee, the Superintendent shall deposit with him approved mortgages belonging to the branch, and securing unpaid principal moneys at least equal to the amount so received.

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(b.) The Public Trustee shall by virtue of this Act have a lien on such mortgages and on the moneys payable thereunder.

(c.) All sums received by the Superintendent in respect of such mortgages shall be forthwith paid by him to the Public

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Trustee to the credit of the sinking fund *at quarterly intervals.*

New subclause.

5 (3A.) The foregoing provisions as to deposit of mortgages shall not apply in the case of the Guaranteed Mining Advances Branch.

(4.) The respective sinking funds established under Parts II and III of the Government Advances Act are hereby abolished, and the moneys belonging thereto respectively are hereby transferred to the corresponding sinking funds under this Act:

10 Provided that to the extent of the moneys so transferred the respective sinking funds under this Act shall be a security for the moneys raised under the Government Advances Act or any prior Act passed for like purposes in priority to moneys raised under this Act.

15 (5.) Subject as aforesaid, the respective sinking funds and the investments representing the same shall be held by the Public Trustee, to be applied by him (as and when the Minister directs) in repaying the capital moneys for which they are a security.

20 *Other Accounts.*

30. In connection with each branch there shall be kept within the Advances Account such separate accounts as are prescribed, including in every case an account called the [*Name of the branch*] Branch Account, showing with respect to that branch—

Separate accounts, including a Branch Account, to be kept.

25 (a.) The capital funds:

(b.) The advances made:

(c.) The interest received:

(d.) All other receipts, disbursements, and expenses:

30 (e.) Such other particulars as are prescribed or as the Superintendent thinks necessary in order to show the full financial position.

31. The accounts of each branch shall be so kept as to show the funds, assets, and liabilities of the branch separately and distinctly from those of the other branches.

Accounts of each branch to be kept separately.

35 32. (1.) The Superintendent shall also cause to be kept in the office a separate register of all advances made in each of the branches.

Separate register of advances made in each branch.

(2.) The registers shall be kept in such form as is prescribed.

(3.) The registers under the Government Advances Act shall be deemed to be registers under this Act.

40 33. The salaries, expenses, and administration outgoings of the Advances Office shall be apportioned amongst the respective branches in such shares as the Superintendent thinks proper, having regard to the scope of the business.

Adjustment of charges between branches.

45 34. (1.) With the consent, in writing, of the Minister, funds belonging to one branch and not immediately required for its purposes may be temporarily transferred to and for the use of any other branch, but shall be retransferred as soon as practicable.

Temporary transfer of funds to another branch.

50 (2.) A statement of every such transfer shall, within ten days thereafter, be laid before Parliament if then in session, or if not, then within ten days after the commencement of the next ensuing session.

Special as to Moneys raised by Government under Government Advances Act. Transfer of Liability to Advances Office.

55 35. With respect to the moneys that have heretofore been raised by the Government for advances under the Government Advances Act or any prior Act passed for like purposes, the following provisions shall apply:—

Certificate as to moneys heretofore raised by Government

- (a.) The Audit Office shall certify the total amounts so raised for advances to settlers and for advances to workers respectively.
- Transfer of liability to Advances Office. (b.) As between the Government and the Advances Office, the respective amounts so certified shall be entered in the appropriate accounts of the Advances Office as capital liabilities of the Advances to Settlers Branch and the Advances to Workers Branch respectively, and shall be credited by the Treasury in the Public Accounts of the Dominion in reduction of the public debt. 5 10
- Repayment of such moneys by Advances Office. 36. For the purpose of repaying the moneys referred to in the *last preceding* section, or of redeeming or exchanging the debentures or other securities issued by the Government in respect thereof and outstanding on the coming into operation of this Act, the following special provisions shall apply, anything elsewhere in this Act to the contrary notwithstanding:— 15
- For such purpose moneys may be raised and debentures issued under this Act. (a.) The Minister, on behalf of the Superintendent, may from time to time, under and subject to the provisions of sections *seventeen* to *twenty* hereof, raise such sums and issue such debentures and other securities as may be required. 20
- Application thereof. (b.) The moneys so raised and the debentures and other securities so issued shall be applied only in repaying the aforesaid outstanding moneys, or of redeeming or exchanging the aforesaid outstanding debentures or other securities. 25
- (c.) The limitations imposed by sections *seventeen* to *twenty* hereof with respect to the amounts to be authorised or raised shall not apply.
- Return to be laid before Parliament. (d.) Within ten days after the commencement of the first session of Parliament in each year the Minister shall lay before both Houses a return showing all sums raised, and debentures or other securities issued, during the year under this section, and the mode in which the same have been applied. 30 35

PART II.

ADVANCES TO SETTLERS.

Limitations.

- Classes of land on which money may be advanced. 37. (1.) All advances under this Part of this Act shall be made in the Advances to Settlers Branch, and shall be on first mortgages of the following classes of lands in New Zealand, free from all incumbrances, liens, and interests other than leasehold interests, that is to say:— 40
- (a.) Freehold land held in fee-simple under the Land Transfer Act, 1908, or the title to which is registered under the Deeds Registration Act, 1908; or 45
- (b.) Crown land held on perpetual lease under the Land Act, 1885; or
- (c.) Crown land held under Part III or IV of the Land Act, 1892, or of the Land Act, 1908; or 50

- (d.) Crown land held on lease as a small grazing-run under the Land Act, 1885, or under the Land Act, 1892, or the Land Act, 1908 ; or
- 5 (e.) Crown land held on agricultural lease under the Mining Act, 1891 ; or
- (f.) Crown land held on lease (not being for mining purposes) under the Westland and Nelson Coalfields Administration Act, 1877 ; or
- 10 (g.) Native land held on lease under the West Coast Settlement Reserves Act, 1881, or under the West Coast Settlement Reserves Act, 1892 ; or
- (h.) Land held on lease under the Westland and Nelson Native Reserves Act, 1887 ; or
- 15 (i.) Land held under the Thermal Springs Districts Act, 1881, or the Thermal Springs Districts Act, 1908 ; or
- (j.) Educational and other reserves which are subject to the provisions of the Land Act 1877 Amendment Act, 1882, by virtue of Proclamation made under section fifty thereof, or the Land Act, 1885, by virtue of Proclamation made under section two hundred and thirty-seven thereof, or the Land Act, 1892, by virtue of Proclamation made under section two hundred and forty-three thereof, or the Land Act, 1908, by virtue of Proclamation made under section three hundred and thirty thereof, and are held on perpetual lease, or lease in perpetuity, or renewable lease, or on the deferred-payment or small-grazing-run systems ; or
- 20 (k.) Crown land held by license on the deferred-payment system under Part III of the Land Act, 1885 ; or
- (l.) Land held under lease from a leasing authority as defined by the Public Bodies' Leasing-powers Act, 1908, or the Public Bodies' Leases Act, 1908, and providing for the payment by the incoming tenant of valuation for improvements made upon the land, whether by the lessee named in such lease or any former lessee or tenant ; or
- 30 (m.) Land held under lease from a Maori Land Board under the Maori Land Settlement Act, 1905 :
- 35 Provided the Board or other person in whom the land is vested joins in the mortgage for the purpose of securing the due payment of the moneys payable under the mortgage ; or
- 40 *New.*
- (n.) Crown lands held on lease for agricultural purposes under the Mining Districts Land Occupation Act, 1894 ; or
- (o.) Crown lands held on license for residence-sites under the Mining Act, 1891, or the Mining Act, 1905 ; or
- 45 (p.) Crown lands held on lease under section forty-five, Part III, of the Mining Act, 1898, and section forty-five, Part III, of the Mining Act, 1908 ; or
- (q.) Maori lands which have been transferred in trust for leasing to and are held under leases from a Maori Land Board under the powers contained in the Maori Lands Administration Act, 1900, and its amendments, and which have been granted for terms of not less than twenty-one years, with right of renewal for another term of twenty-one years, or for further terms of twenty-one years, and which contain the provisions set out in the regulations under the last-mentioned Act for valuation for improvements ; or
- 50
- 55

- (r.) Land held under any class of lease or license that the Governor in Council, by notice in the *Gazette*, declares to be a sufficient security for a loan under this Part of this Act.
- (2.) The class of land in each instance shall be determined by the Board. 5
- How advances to be made. 38. (1.) No advance shall be granted except upon the written application of the proposed borrower and by the resolution of a duly constituted meeting of the Board at which the question is duly considered.
- Amount of advance. (2.) Every such application shall be in the prescribed form. 10
(3.) No advance shall be granted for a sum of less than twenty-five pounds or more than three thousand pounds.
(4.) Not more than three thousand pounds shall be advanced to any one borrower.
(5.) Applications for loans not exceeding five hundred pounds shall have priority over applications for larger sums. 15
- Conditions subject to which advances will be made. 39. (1.) No advance on the security of freehold lands shall be granted for an amount exceeding three-fifths of the value of the security, or two-thirds of the value of the security where the security is first-class agricultural land. 20
(2.) No advance on the security of leasehold lands shall be granted unless and until all covenants and conditions on the lessee's part contained or implied in the lease are complied with up to the date of the granting of the advance; and
(3.) No advance on the security of leasehold lands shall be granted for an amount exceeding three-fifths of the value of the lessee's interest in the lease. 25
(4.) The valuation of every security shall be made by the Valuer-General on behalf of the Superintendent and to the satisfaction of the Board. 30
(5.) The security shall consist of some one or more of the several classes of land mentioned in section thirty-seven hereof, free from all incumbrances, liens, and interests other than leasehold interests.
(6.) The Valuer-General's report shall in each instance be signed by him and addressed to the Superintendent, and particulars thereof shall be noted in the minute-book of the Board. 35

Provisions as to Mortgages.

- Provisions relating to mortgages. 40. With respect to every mortgage under this Part of this Act the following provisions shall apply:—
- (a.) The Superintendent shall be the sole mortgagee in his corporate style and capacity. 40
- (b.) The term of the loan shall be thirty-six and one-half years.
- (c.) The loan, with interest thereon at the rate of five per centum per annum, shall be repaid to the Superintendent by seventy-three half-yearly instalments, all such instalments being of equal amount except the last, and the first half-yearly instalment being payable six months after the date of the loan. 45
- (d.) Every such half-yearly instalment shall consist partly of principal and partly of interest, but every such instalment except the last shall be at the rate of three pounds for every one hundred pounds of the loan. 50

- (e.) All such half-yearly instalments shall be calculated and paid according to the table in the *First* Schedule hereto, which sets forth as to every one hundred pounds of the loan all the half-yearly instalments, and shows also how much of each and every half-yearly instalment is on account of principal and how much thereof is for interest, and also what balance of principal is owing by the borrower at the due date of each half-yearly instalment.
- (f.) Irrespective of the prescribed half-yearly instalments, the mortgagor may from time to time pay to the Superintendent any sum of not less than five pounds or a multiple of five pounds in reduction of the mortgage debt.
- (g.) All such last-mentioned payments shall be disposed of as hereinafter provided.
- (h.) The forms of mortgage in Parts I and II of the *Second* Schedule hereto (hereinafter called the mortgage docket) shall be used for mortgages of land held under the Land Transfer Act, 1908, and land registered under the Deeds Registration Act, 1908, respectively.
41. Notwithstanding anything in this or any other Act, the following provisions shall apply to every mortgage of leasehold land under this Part of this Act:—
- (a.) The term of the mortgage (in no case exceeding the aforesaid term of thirty-six and one-half years) shall expire on the due date of the prescribed half-yearly instalment next preceding the date of the expiration of the lease, and such instalment shall include the balance of principal then owing under the mortgage.
- (b.) Subject to the aforesaid modification, principal and interest shall be payable by the prescribed half-yearly instalments.
- (c.) It shall not be lawful for the mortgagor to surrender his lease or to exercise any right of purchase of the land comprised therein without the consent in writing of the Superintendent.
- (d.) So long as any moneys remain owing under the mortgage the Superintendent shall have the sole right to receive all sums payable to the mortgagor in respect of compensation or valuation for improvements or otherwise howsoever under the lease, and may at the expense of the mortgagor do all things necessary in order to obtain the same.
- (e.) All such sums when received by the Superintendent shall be treated as moneys arising from the lawful exercise of the power of sale.
42. (1.) Every mortgage docket shall be deemed to be executed by the mortgagor subject to the provisions of this Act, and the provisions of this Act shall apply thereto accordingly.
- (2.) In every mortgage docket there shall be implied on the part of the mortgagor and in favour of the mortgagee the covenants and conditions contained in Part I of the *Third* Schedule hereto:
- Provided that in the covenants implied in mortgages of land registered under the Deeds Registration Act, 1908, the Property Law Act, 1908, shall be read in lieu of the Land Transfer Act, 1908, whenever the last-mentioned Act is referred to.
- (3.) In every mortgage docket of leasehold land there shall be similarly implied as an additional covenant the covenant contained in Part II of the said *Third* Schedule.

Provisions applying to mortgages of leasehold lands.

Mortgage docket to be executed subject to provisions of Act

Covenants, &c., implied therein.

(4.) In every mortgage docket of agricultural land there shall be similarly implied as an additional covenant the covenant contained in Part III of the said *Third* Schedule.

(5.) All such covenants and conditions shall extend to and include the executors, administrators, and assigns of the mortgagor and the successors and assigns of the Superintendent. 5

(6.) The Governor in Council may from time to time by regulations alter any of the aforesaid covenants and conditions, or prescribe additional covenants and conditions; but such regulations shall not affect any mortgage existing at the time when they are made. 10

(7.) Every mortgage docket of land held under the Land Transfer Act, 1908, shall, for all purposes whatsoever, be deemed to be a memorandum of mortgage within the meaning and under the provisions of that Act, the Superintendent being the mortgagee, the person signing the docket being the mortgagor of such person's estate and interest in the land named in the docket, and the principal sum thereby secured being the principal sum named in the docket. 15

(8.) Every mortgage docket of land registered under the Deeds Registration Act, 1908, shall, for all purposes whatsoever, be deemed to be a deed or instrument within the meaning of that Act, and a deed of conveyance of land by way of mortgage within the meaning of the Property Law Act, 1908, and may be registered under the former Act accordingly, the Superintendent being the mortgagee and the person signing the docket being the mortgagor of the land therein mentioned. 20

Rebate of Interest.

25

Rebate of interest when instalments paid punctually.

43. In order to encourage the early payment of the prescribed instalments of principal and interest the following provisions shall apply with respect to every instalment:—

(a.) If the mortgagor (not being in arrears with any previous instalment or other payment under the mortgage) pays the instalment on or before its due date, or not later than the fourteenth day thereafter, he shall be entitled to a rebate of one-tenth of so much thereof as consists of interest, thereby reducing the rate of such interest to four and a half per centum in lieu of five per centum per annum. 30

(b.) Such rebate may be deducted and retained by the mortgagor from the full nominal amount of the instalment when making the payment. 35

Notice of due date of instalment to be given.

44. Not later than one month before any instalment falls due the Superintendent shall post to the mortgagor, at his last known address, a notice specifying the due date of the instalment, the full nominal amount thereof, the amount of the rebate, the net amount of the instalment after deducting the rebate, and the date on which the right to the rebate will lapse: 40

Provided that the rights and liabilities of the mortgagor shall not be affected by the non-posting or non-receipt of such notice or by any error therein. 45

Mode of Disposal of Moneys paid in Advance.

Mode of disposal of moneys paid in advance.

45. (1.) All moneys paid in advance by a mortgagor in reduction of the mortgage debt shall be disposed of by the Superintendent in or towards satisfaction of the future instalments in the order of their due dates in mode A, or, if the mortgagor so directs, in mode B, as hereinafter set forth. 50

Under mode A, moneys to be used to pay instalments of principal.

(2.) With respect to mode A, and the moneys to be disposed of thereunder, the following provisions shall apply:— 55

- (a.) In the case of each instalment of principal which is wholly satisfied, and on which no interest has actually begun to accrue, the corresponding instalment of interest shall not be payable.
- 5 (b.) The instalments unsatisfied in whole or in part shall, as to both principal and interest, be deemed to be due and payable at half-yearly intervals computed from the due date of the instalment next preceding the instalment that is first satisfied in whole or in part, and there shall consequently be no break
- 10 in the periodical continuity of the payments to be made by the mortgagor.
- (3.) With respect to mode B, and the moneys to be disposed of thereunder, the following provisions shall apply :—
- 15 (a.) Such moneys shall be disposed of in or towards satisfaction of the future instalments of principal and interest in the order of their due dates.
- (b.) The due dates of the instalments shall not be affected, and consequently, in so far as the instalments are wholly satisfied in advance, there shall be a break in the periodical continuity
- 20 of the payments to be made by the mortgagor.
- (4.) In the case of moneys paid in advance prior to the coming into operation of the Government Advances to Settlers Act Amendment Act, 1899, and then held thereunder, they may, at the option of the mortgagor, either continue to be held thereunder or, together with
- 25 interest thereon from the date of the last yearly rest up to the date of the coming into operation of that Act, may be deemed to be moneys paid in advance, and be disposed of accordingly under the provisions in that behalf hereinbefore contained.

Under mode B, for payment of instalments of principal and interest.

Disposal of moneys paid in advance.

Readjustment of Loans.

- 30 46. (1.) For the purpose of giving greater elasticity to the existing provisions affecting loans, the following provisions shall apply in the case of every loan, whether now current or hereafter granted :—
- (a.) At any time after at least one-tenth of the principal has been repaid the mortgagor (not being in arrear with any instalment or other payment under the mortgage) may, with the consent of the Superintendent, readjust the loan, by treating the balance of principal then unpaid as a fresh loan duly granted for a fresh term :
- 35
- 40 Provided that in no case shall any loan be readjusted unless the balance of unpaid principal at the time of readjustment amounts to at least one hundred pounds.
- (b.) Such readjustment shall be effected by memorandum of readjustment, which shall be executed by the Superintendent (but not necessarily under seal).
- 45 (c.) The memorandum of readjustment shall be in the form in the *Fourth* Schedule hereto or to that effect, and shall specify the amount of the fresh loan (being in no case less than one hundred pounds), the date on which it is deemed to be granted (being the due date of an instalment under the original loan), and the amount and due date of the first
- 50 prescribed instalment.

All loans may be readjusted when part repaid.

Mode and effect thereof.

- (d.) The memorandum of readjustment shall be indorsed on the mortgage executed by the mortgagor in respect of the original loan, and need not be registered.
- (e.) From and after the execution of the memorandum of readjustment, such mortgage shall operate and be construed as applying to the fresh loan in lieu of the original loan, in the same manner in all respects and with the same priorities of security and otherwise as if the mortgage had been originally granted in respect of the fresh loan. 5
- (2.) The provisions of this section shall, *mutatis mutandis*, extend and apply to fixed loans granted under any former Act authorising such loans any part of which (not less than one hundred pounds) is outstanding on the coming into operation of this Act. 10

Further Advances.

Power to make further advances.

47. For the purpose of enabling further advances to be made in the case of loans, whether now current or hereafter granted, the following provisions shall apply:— 15

- (a.) At any time and from time to time the mortgagor may apply for a further advance of any sum that with the principal sum owing under the mortgage will not exceed the respective limits fixed by this Act in the case of an original loan. 20
- (b.) If the application is granted, in whole or in part, the amount granted shall be secured by memorandum of further advance, which shall be executed by the mortgagor and by the Superintendent. 25
- (c.) The memorandum of further advance shall be in the form in the *Fifth* Schedule hereto or to the like effect, and shall specify—
- (i.) The amount of the further advance :
 - (ii.) The amount of outstanding principal owing under the mortgage : 30
 - (iii.) The total amount of such principal and further advance (such total amount being hereinafter referred to as the fresh loan) :
 - (iv.) The date on which the fresh loan is deemed to be granted : 35
 - (v.) The amount and due date of the first prescribed instalment.
- (d.) On and after the execution of the memorandum of further advance the original mortgage shall operate and be construed as applying to the fresh loan in lieu of the original loan, in the same manner in all respects and with the same priorities of security and otherwise as if the mortgage had been originally granted in respect of the fresh loan as specified in the memorandum of further advance. 40 45
- (e.) The memorandum of further advance shall be registered.
- (f.) The further advance shall in every case be granted on the same system as the original loan, and in no case shall a further advance be granted unless all instalments on the original loan are paid up to the commencement of the term of the fresh loan. 50

Provisions as to other than Freehold Securities in Fee-simple.

48. In every case where the security of a loan consists of land of any of the classes (b) to (l) or of class (n) mentioned in section thirty-seven hereof, the following provisions shall apply, anything in this or any other Act to the contrary notwithstanding:—

Provisions with respect to other than freehold securities.

5 (a.) Except with the consent of the Superintendent, and on such terms as in his interests as mortgagee he thinks fit, it shall not be lawful for the Land Board to forfeit or cancel the mortgagor's title for breach of conditions, or to accept any

10 surrender thereof, without giving to the Superintendent at least three months' previous notice in writing of intention so to do.

15 (b.) Notwithstanding any such forfeiture, cancellation, or surrender, the mortgage shall by force of this Act be deemed to be a first charge on the improvements then existing on the land, and on all moneys payable in respect thereof by any incoming tenant or occupier of the land (nevertheless to the extent only to which the mortgagor would have had interest therein if his title to the land had been lawfully determined other-

20 wise than by forfeiture, cancellation, or surrender), and such money shall be payable to the Superintendent accordingly:

25 Provided that the Superintendent may accept from such tenant or occupier a mortgage of his estate and interest in the land in lieu of cash; and in such case neither paragraph (a) of section eighty-four nor section eighty-seven of the Land Act, 1908, nor any similar limitation in that Act or in any other Act, shall be deemed to apply.

30 (c.) In the event of the Superintendent granting a lease or any tenancy of the land or of any part thereof as mortgagee in possession (which he is hereby empowered to do without the consent of the Land Board), then, for the purpose of preventing forfeiture or cancellation of the mortgagor's title for breach of conditions, but for no other purpose, fulfilment of conditions by the person in actual possession under such

35 tenancy or lease shall count as fulfilment by the mortgagor:

Provided that every such tenancy or lease shall, in the case of Crown land, be subject to the approval of the Minister of Lands.

40 (d.) In the event of the Superintendent selling the security in exercise of power of sale, then, in so far as concerns the transfer to the purchaser, or any mortgage of his estate and interest in the land to the Superintendent to secure the whole or any part of the purchase-money, neither paragraphs (a), (e), nor (f) of section eighty-four nor section eighty-seven

45 of the Land Act, 1908, nor any similar limitation in that Act or in any other Act, shall be deemed to apply.

(e.) Any such sale may be by public auction or private contract, as the Superintendent in his discretion thinks fit, and in the case of sale by private contract advertising shall not be necessary:

50 Provided that the sale shall, in the case of Crown lands, be subject to the approval of the Minister of Lands.

- (f.) The power of sale shall be deemed to arise and accrue, and may, without the consent of the Land Board, be exercised by the Superintendent, at any time after the expiration of the period limited in that behalf by the mortgage, anything in paragraph (c) of section eighty-four of the Land Act, 1908, or in any other Act to the contrary notwithstanding.
- (g.) All moneys expended by the Superintendent in exercise of the powers in that behalf conferred by the mortgage shall be payable to him by the mortgagor on demand, and until paid shall, together with interest at the rate of five per centum per annum computed from the date or dates of such moneys being expended, be deemed to be charged on the land, and be covered by the security accordingly. 10
- (h.) The provisions of this section apply to mortgages now current or hereafter granted. 15
- (i.) For the purposes of this section "Land Board" includes the statutory Board, trustees, Public Trustee, or other authority granting the lease or other title under which the mortgagor holds.

Special provisions
as to deferred-
payment and
village-settlement
lands.

49. (1.) Notwithstanding anything to the contrary in section one hundred and nineteen of the Land Act, 1885, lands held on deferred-payment license may be mortgaged under this Act. 20

(2.) The existence of any deferred payment in respect of any such license or of any advance made to occupiers of any village-settlement land under section one hundred and seventy of the Land Act, 1892, or the corresponding provisions of the Land Act, 1908, shall not be construed to be an incumbrance, lien, or interest within the meaning of this Act. 25

(3.) All such deferred payments and advances may be paid out of moneys advanced on mortgages granted under this Act. 30

Power to lease in Cases of Default.

Power to lease in
lieu of selling.

50. (1.) Where default is made in payment of any instalment or in the observance of any covenant implied in any mortgage docket, the Superintendent, if he thinks fit, may, in lieu of exercising the power of sale conferred by the mortgage docket, lease the mortgaged land for any term not exceeding thirty years in the case of freehold land, or sublease the land for the remainder of the term of the lease, but not exceeding a term of thirty years, in the case of leasehold land. 35

(2.) Every such lease or sublease shall contain a covenant to pay such rent and to observe such conditions as the Superintendent in each case thinks fit. 40

(3.) The rent and profits from time to time derived from any such lease or sublease shall be applied—

- (a.) In payment of the costs and expenses from time to time incurred in connection with the lease or sublease; 45
- (b.) In payment of the instalments and other payments (if any) due under the mortgage; and
- (c.) In payment of the balance (if any) to the mortgagor.

Fees.

51. (1.) Valuation fees shall be payable by the proposed borrower under this Part of this Act in any event, and according to the scale in the *Sixth* Schedule hereto. Scale of valuation fees.

5 (2.) The costs and fees of preparing and completing any mortgage under this Part of this Act and of discharging it shall be payable by the mortgagor according to the scale in the *Seventh* Schedule hereto. Scale of costs.

(3.) The Governor in Council may from time to time vary any of the aforesaid costs and fees.

10 *General.*

52. The Board shall at all times have power to determine whether the land offered as security for a loan is or is not first-class agricultural land, or urban land, or suburban land. Board to determine quality of land.

15 53. In any case where the Superintendent sells any security or any part thereof in exercise of the power of sale, he may, to the extent of the amount owing thereunder, accept from the purchaser a mortgage of the land for the whole or any part of the purchase-money, whatever the value of the security, anything in this Act to the contrary notwithstanding. Mortgage of land for whole or part of purchase-money may be accepted.

20 54. Any moneys payable to the Superintendent or to the Advances Account under this Part of this Act may be lodged for credit of that account with such Postmasters as the Postmaster-General may authorise, and the amount of such lodgments shall be transferred by the Postmaster-General to the credit of the Advances Account as often Repayments may be made through Postmasters.

25 55. Notwithstanding anything to the contrary in sections sixty-four and sixty-five of the Land for Settlements Act, 1908, it shall be lawful for a lessee of land under that Act to mortgage his lease under the provisions of this Part of this Act at any time after the grant of the Mortgage of leases under Land for Settlements Act.

30 56. Nothing in section eighty-seven of the Land Act, 1908, shall apply so as to prevent any lessee or licensee of land subject to that Mortgage of leases under Land Act.

35 Act from mortgaging his lease or license under the provisions of this Part of this Act, although the lease or license has been current for a shorter period than twelve months.

PART III.

ADVANCES TO WORKERS.

40 57. All advances under this Part of this Act shall be made in the Advances to Workers Branch. Advances to be made in Branch.

45 58. In this Part of this Act, if not inconsistent with the context,—
 “Family” includes the parents or other dependants of the worker;
 “Worker” means a person employed in manual or clerical work, and who at the time of his application as hereinafter mentioned is not in receipt of an income of more than two hundred pounds per annum, and is not the owner of any land other than the section on which he proposes to build. Interpretation.

Loan on worker's
home.

59. (1.) A worker who desires to erect a dwellinghouse for himself and his family on land on which the Superintendent might advance money under Part II hereof may apply to the Superintendent for a loan for that purpose.

(2.) The application shall be in the prescribed form, and shall be accompanied by a statutory declaration that the applicant is a worker within the meaning of this Act, and that he desires the loan for the sole purpose of erecting a home for himself and his family. 5

(3.) Not more than ~~three~~ *four* hundred and fifty pounds shall be granted to any one borrower, and no advance shall be granted exceeding the value of the dwellinghouse to be erected, or exceeding three-fourths of the value of the security in the case of freehold land, or three-fourths of the lessee's interest in the lease in the case of leasehold land. 10

(4.) Subject to the *last preceding* subsection, the amount of the loan shall, if the applicant so desires, be advanced by *progress payments* corresponding in amount to the progress from time to time made in the erection of the building. 15

(5.) The value of the progress made, and the amount of each progress payment, shall from time to time be ascertained and certified to by the Valuer-General on behalf of and to the satisfaction of the Superintendent, and such certificate shall be final. 20

Provisions relating
to mortgages.

60. Subject as aforesaid, every mortgage under this Part of this Act shall be granted on the same instalment system as mortgages under Part II hereof, and accordingly all the provisions of that Part relating to mortgages thereunder shall, *mutatis mutandis*, apply to mortgages under this Part. 25

Regulations.

61. In addition to the powers conferred on the Governor by section *eighty-four* hereof of making regulations, he may from time to time make regulations for the purposes of the Advances to Workers Branch—

(a.) Prescribing the form and manner of application in respect of loans : 30

(b.) Prescribing the method of preparing mortgages under this Part of this Act, and the fees payable in connection with the preparation, discharge, and otherwise of such mortgages :

(c.) Prescribing the valuation and inspection fees : 35

(d.) Prescribing the classes of leases of Crown or other lands that may be accepted by the Board as security for any loan.

PART IV.

ADVANCES TO LOCAL AUTHORITIES.

Advances to be
made in Branch.

62. All advances under this Part of this Act shall be made in the Advances to Local Authorities Branch. 40

Local authority
may apply to
Superintendent
for loan.

63. (1.) In any case where a local authority is empowered by statute to raise a loan, it may apply therefor to the Superintendent.

Form of application.

64. The application shall be made in the prescribed manner and form, and shall be submitted to the Board. 45

Amount of loan.

65. The application may be granted for the amount applied for or for any less sum the applicant is willing and empowered to accept.

Application to be
approved by Board.

66. The application shall not be granted except pursuant to the resolution of a duly constituted meeting of the Board at which the question is duly considered. 50

67. Before granting the application the Board shall satisfy itself—
- (a.) That the local authority is duly empowered by statute to raise the loan, and has duly taken all statutory and other proceedings necessary for that purpose :
- (b.) That the purpose for which the loan is required is lawful and reasonable :
- (c.) That, irrespective of any other security, there is the security of a special rate sufficient to meet ten per centum more than the periodical payments in respect of the loan as they fall due :
- (d.) That the application is approved by the Minister in writing, for which purpose the application and all papers relating thereto shall be forwarded by the Board to the Treasury.
68. (1.) The loan, if granted, shall be on the like instalment system as is specified in Part II hereof, provided as follows :—
- (a.) The rate of interest charged shall be the same as the actual rate at which the money was raised (*being the rate payable on the debentures or other securities issued in respect of the money so raised*), but no rebate shall be allowed under section forty-three hereof.
- ~~(b.) The "actual rate" means the rate fixed by the Board as being the rate actually produced to the lender by the money actually lent.~~
- (c.) The term of the loan may be the same as that specified in Part II hereof or such shorter prescribed term as is agreed ; the term and the number and amount of the half-yearly instalments in respect of interest and principal shall in every case be according to prescribed tables.
- (d.) The debentures on which the loan is granted shall be in such form as is prescribed.
- (e.) If in addition to the debentures the loan is further secured by any mortgage or charge, it shall be in such form as is prescribed, or as (subject to any prescription) the Superintendent requires.
- (2.) To cover the administration expenses of the branch there shall be payable by the local authority to which a loan is granted a commission fee of such amount as is prescribed, not exceeding one-half per centum of the amount of the loan.
69. The Superintendent, as holder of the debentures or as mortgagee under any additional security, shall have all the rights, remedies, and powers conferred by law on a holder or mortgagee for value, and, in addition, all such rights, remedies, and powers, so far as applicable, as he possesses as mortgagee of instalment advances to settlers.
- New clause.*
- 69A. (1.) In any case where before the coming into operation of this Act a local authority has taken any statutory proceedings for the purpose of raising a loan, but the loan has not been actually raised, the following special provisions shall apply :—
- (a.) The proceedings so taken shall enure for the purposes of this Act as fully and effectually as if this Act had been in force when they were taken, and they had been taken for the purposes of a loan under this Part of this Act.

Matters to be complied with before loan granted.

Loan to be on instalment system.

Rate of interest.

Term.

Debentures.

Mortgage or charge.

Administration expenses.

Rights and remedies of Superintendent as holder of debentures.

Uncompleted proceedings continued.

- (b.) If such proceedings are in progress on the coming into operation of this Act they may be continued and completed without commencing *de novo*.
- (c.) All such proceedings shall avail for the purpose of a loan under this Part, notwithstanding that the loan they originally related to was different in term, rate of interest, system of repayment, or in any other respect, from a loan under this Part. 5
- (d.) "Statutory proceedings" in this section include all proceedings connected with any poll or consent of the rate-payers. 10

(2.) The foregoing provisions of this section apply only for the purposes of a loan under this Part, and shall not operate or be construed to prevent the aforesaid proceedings being utilised for the purpose of a loan outside this Act if the local authority so desires. 15

Loans not to be granted under Part II of Local Bodies' Loans Act

70. (1.) From and after the coming into operation of this Act the Minister shall not grant any loan to a local authority under Part II of the Local Bodies' Loans Act, 1908, ~~except in cases where he has previously agreed to grant the same or the local authority has previously applied for the loan and taken all the preliminary steps~~ prescribed by that Part. 20

New subclause.

(2.) In any case where before the coming into operation of this Act the Minister has agreed to grant a loan but the loan has not been paid over, or where any statutory proceedings for obtaining a loan from the Minister under the aforesaid Part II have been commenced, the local authority may apply for the loan under this Part of this Act, and for such purpose the provisions of subsection *one* of the *last preceding* section hereof shall apply. 25

Any local authority under the said Part II may apply for loan under this Part

71. (1.) Any local authority within the meaning of the aforesaid Part II, which, if that Part were fully in operation, might lawfully apply to and obtain from the Minister a loan thereunder, may apply therefor to the Superintendent, who with the approval of the Board may grant the same on the instalment system under this Part of this Act, subject to the like limitations of amount as are prescribed by that Part in the case of loans granted by the Minister. 35

(2.) Every such application shall be deemed an application under this Part of this Act, and the provisions thereof shall apply thereto accordingly.

Other borrowing-powers not affected.

(3.) This section shall not operate to restrict or limit in any way the borrowing-powers of a local authority under any other statutory provision than the aforesaid Part II. 40

Provisions of Local Bodies' Loans Acts as to sinking funds not to apply.

72. The provisions of the Local Bodies' Loans Act, 1908, and the Local Bodies' Loans Amendment Act, 1908, relating to sinking funds shall not apply in the case of loans to local authorities under this Act, *and the provisions of section twenty-five of the Local Bodies' Loans Amendment Act, 1908, shall only apply in the case of loans to local authorities guaranteed by the Government under such last-mentioned Act.* 45

Repeal.

73. Sections two to fifteen of the Local Bodies' Loans Amendment Act, 1908 (providing for Government guarantee of local bodies' loans), are hereby repealed. 50

PART V.

GUARANTEED MINING ADVANCES.

74. All advances under this Part of this Act shall be made in the Guaranteed Mining Advances Branch.

Advances to be made in Branch.

5 75. (1.) In every case where, under section three hundred and fifty-nine of the Mining Act, 1908, the Minister of Mines has forwarded the therein-mentioned application and documents for the approval of the Minister of Finance, the following provisions shall apply:—

Provisions as to mining advances and guarantee thereof.

10 (a.) If the Minister of Finance approves the application then, in lieu of recommending the Governor to grant it, he may, by endorsement on the application, recommend the Superintendent to do so under the guarantee of the Government:

15 (b.) On receipt of such recommendation, the Superintendent shall submit the application and all accompanying documents to the Board:

20 (c.) If satisfied that the Minister of Finance has recommended the grant of the application, the Board shall by resolution consent thereto, whereupon the Superintendent shall grant the application.

25 (d.) The amount of the advance shall be paid over to the applicant by the Superintendent on behalf of the Minister of Finance in such instalments, in such manner, and at such times as the Minister of Finance, in writing, directs:

Provided that before any payment is made the provisions of Part X of the *Mining Act, 1908*, as to the execution of the therein-mentioned agreement, and also of the therein-mentioned first mortgage and charge, shall be duly complied with to the satisfaction of the Minister of Finance.

30 (e.) All payments so made by the Superintendent, together with interest thereon at the rate of four and a half per centum per annum, as mentioned in *the said* section three hundred and fifty-nine, shall be and be deemed to be guaranteed by the Government.

35 (f.) For the purposes of such guarantee, the said agreement, mortgage, and charge, shall provide that all sums to be paid thereunder by the mortgagor to the Minister of Finance in respect of the sum advanced and interest thereon, shall be paid to the Superintendent.

40 (g.) If and as often as default occurs in the due and punctual payment of any such sum to the Superintendent the Minister of Finance shall pay the same to the Superintendent out of the Consolidated Fund without further appropriation than this Act.

45 (h.) Such payment by the Minister of Finance shall not operate as a waiver or release of the mortgagor's default, and the amount so paid shall be a liability of the mortgagor to the Minister of Finance, within the meaning of section
50 three hundred and sixty-one.

(2.) Part X of the Mining Act, 1908, is hereby modified in so far as it is inconsistent with the *last preceding* subsection hereof, but not further or otherwise.

PART VI.

MISCELLANEOUS PROVISIONS.

*Audit, &c.*Powers of Minister
of Finance.

76. The Minister of Finance shall have full access to all the accounts, documents, and papers in the Advances Office, and the Superintendent shall at all times furnish to the said Minister all such information as the latter may require.

5

Powers of Audit
Office.

77. The Audit Office shall have in respect of the Superintendent, the Advances Office, the accounts thereof, and all persons employed therein, and in respect of all other persons employed under this Act, all the powers which it possesses under the Public Revenues Act, 1908.

10

Annual statement
to Parliament.

78. (1.) The Superintendent shall prepare annually a statement showing separately in respect of each branch of the business of the Advances Office for the previous financial year—

(a.) The financial position of the branch ;

15

(b.) The financial result of the year's operations ;

(c.) The cost of management during the year ;

(d.) The gross profits made during the year ; and

(e.) The whole cash receipts and expenditure during the year.

(2.) Such statement shall be submitted to the Audit Office for audit, and shall be duly certified by the Audit Office either wholly or with such exceptions as may be necessary.

20

(3.) Such statement (duly certified by the Audit Office) shall, within fourteen days after the commencement of each session, be laid before Parliament.

25

*Recovery of Instalments, &c., due under Mortgage.*Unpaid instalments,
&c., may be sued
for.

79. All unpaid instalments and other moneys due by a mortgagor under his mortgage shall be recoverable by the Superintendent in any Court of competent jurisdiction.

Procedure for
recovery.

80. With respect to proceedings in any Court for the recovery of such instalments or other moneys the following provisions shall apply:—

(a.) It shall be sufficient if the particulars of demand state the amount sought to be recovered, and the date on which the same was payable, with such further and other particulars as the Superintendent thinks necessary in order to fully inform the defendant of the nature of the demand.

35

(b.) If the summons is served on the defendant at least twenty-one days before the date appointed for hearing, then, unless eight days before such date a statement in writing by or on behalf of the defendant, showing a defence on the merits, is filed in the Court, judgment shall be given for the amount claimed and costs, without allowing any defence, and without the necessity of the Superintendent or any one on his behalf appearing in Court or proving the liability of the defendant.

40

45

*Penalties.*Penalty if officer
takes fee or reward.

81. Every person employed in the business of the Advances Office who directly or indirectly takes any fee or reward from any applicant for a loan under this Act shall be dismissed from his office

and be liable to imprisonment for any period not exceeding two years with or without hard labour.

82. Every person who,—

Penalty for acting when interested.

5 (a.) Having any pecuniary interest in any land tendered as security for a loan under this Act; or

(b.) Being a partner of the applicant for a loan,—

acts as valuer in connection with such land or loan, or sits and votes at any meeting of the Board upon any resolution having reference to such land or loan, is liable to a fine of not less than fifty pounds nor more than two hundred pounds, and shall also be dismissed from his office.

10 83. Every person who, in respect of any loan or application for any loan, bribes, or attempts to bribe, or corruptly influences any person whomsoever appointed or acting under this Act is liable to imprisonment for any period not exceeding two years with or without hard labour.

Penalty for bribing officer.

Regulations, &c.

84. The Governor may from time to time, by Order in Council gazetted, make regulations for all or any of the following purposes, that is to say:—

Regulations.

20 (a.) The conduct of the business of the Advances Office:

(b.) Determining the duties of the staff, and the forms, amounts, and nature of the securities to be furnished by each member of the staff:

25 (c.) The custody and control of the moneys in the Advances Account, and the payment of moneys to and the withdrawal of moneys from that account; the mode of keeping and rendering that account, and any other account in connection with the Advances Office:

(d.) The receipt and payment of moneys under this Act:

30 (e.) Determining what moneys under this Act shall be invested, and in what securities:

(f.) The safe custody of securities:

(g.) The principle and method to be adopted in valuing lands for the purposes of this Act:

35 (h.) Prescribing what accounts, registers, and books shall be kept, and in what form:

(i.) Fixing the scale of costs and fees for the preparation, completion, and discharge of mortgages, and the valuation of securities:

40 (j.) Specifying the rules of good husbandry:

(k.) Exempting any person employed under this Act from the examinations prescribed by the Civil Service Regulations:

(l.) For anything which by this Act is expressed to be prescribed: and generally

45 (m.) For any object or purpose deemed necessary for the efficient administration of this Act.

85. The Governor in Council may from time to time alter any of the forms in the Schedules hereto.

Forms in Schedules may be altered.

50 86. The Bankruptcy Act, 1908, shall not apply to debts payable under this Act, except in cases where the Minister certifies in writing his consent to the discharge of a bankrupt from debts payable under this Act.

Bankruptcy Act not to apply.

Repeals.

87. The Government Advances to Settlers Act, 1908, and the Government Advances to Settlers Amendment Act, 1908, are hereby repealed, and with respect to those Acts, and generally for the purposes of this Act, the following provisions shall apply:—

Savings.

- (a.) All references in any of those Acts, or in any other Act, or in any instrument of any description, to the Superintendent and the Board respectively or to the Advances to Settlers Office under those Acts shall be deemed to be references to the Superintendent and Board respectively or to the Advances Office under this Act. 5
- (b.) All mortgages, securities, and instruments held by or executed in favour of the Superintendent under those Acts, and to the benefit of which he is entitled, are hereby transferred to and vested in the Superintendent under this Act, without the necessity of any instrument of transfer, assignment, or other assurance. 10
- (c.) The transfer hereby effected shall not require registration under any Act relating to the registration of deeds or instruments, but shall operate for all purposes as fully and effectively as if the Superintendent under this Act were the Superintendent named in or entitled under the mortgage, security, or instrument so transferred. 20
- (d.) All regulations, Orders in Council, warrants, forms, and instruments made under those Acts and in force on the coming into operation of this Act shall be deemed to have been made under this Act, and shall apply to this Act accordingly. 25
- (e.) All mortgages made under those Acts, and all moneys due or payable thereunder, shall be deemed to have been made and to be due or payable under this Act; and all the provisions of this Act shall, *mutatis mutandis*, apply thereto accordingly: 30
- Provided that, notwithstanding the repeal of any special enactment relating to fixed loans, such provisions shall continue to apply to all such loans outstanding on the coming into operation of this Act. 35
- (f.) All applications for advances or otherwise made to the Superintendent or the Board under those Acts, and pending or in progress on the coming into operation of this Act, may be proceeded with and completed under this Act. 40

Act not to affect securities under prior Acts.

88. Nothing in this Act shall operate or be construed to in any way affect the position or security of the holders of any debentures, stock, or other securities issued or created by the Government in respect of moneys raised for the purposes of the Government Advances Act or any prior Act passed for like purposes. 45

SCHEDULES.

Schedules.

FIRST SCHEDULE.

Section 40.

TABLE OF PRESCRIBED HALF-YEARLY INSTALMENTS FOR EVERY ONE HUNDRED POUNDS OF THE LOAN.

Half-year.	Prescribed Half-yearly Instalment.	Apportioned thus :		Balance of Principal owing.
		On Account of Interest at Five per Cent.	On Account of Principal.	
	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1st	3 0 0	2 10 0	0 10 0	99 10 0
2nd	3 0 0	2 9 9	0 10 3	98 19 9
3rd	3 0 0	2 9 6	0 10 6	98 9 3
4th	3 0 0	2 9 3	0 10 9	97 18 6
5th	3 0 0	2 9 0	0 11 0	97 7 6
6th	3 0 0	2 8 8	0 11 4	96 16 2
7th	3 0 0	2 8 5	0 11 7	96 4 7
8th	3 0 0	2 8 1	0 11 11	95 12 8
9th	3 0 0	2 7 10	0 12 2	95 0 6
10th	3 0 0	2 7 6	0 12 6	94 8 0
11th	3 0 0	2 7 2	0 12 10	93 15 2
12th	3 0 0	2 6 11	0 13 1	93 2 1
13th	3 0 0	2 6 7	0 13 5	92 8 8
14th	3 0 0	2 6 3	0 13 9	91 14 11
15th	3 0 0	2 5 10	0 14 2	91 0 9
16th	3 0 0	2 5 6	0 14 6	90 6 3
17th	3 0 0	2 5 2	0 14 10	89 11 5
18th	3 0 0	2 4 9	0 15 3	88 16 2
19th	3 0 0	2 4 5	0 15 7	88 0 7
20th	3 0 0	2 4 0	0 16 0	87 4 7
21st	3 0 0	2 3 7	0 16 5	86 8 2
22nd	3 0 0	2 3 2	0 16 10	85 11 4
23rd	3 0 0	2 2 9	0 17 3	84 14 1
24th	3 0 0	2 2 4	0 17 8	83 16 5
25th	3 0 0	2 1 11	0 18 1	82 18 4
26th	3 0 0	2 1 6	0 18 6	81 19 10
27th	3 0 0	2 1 0	0 19 0	81 0 10
28th	3 0 0	2 0 6	0 19 6	80 1 4
29th	3 0 0	2 0 0	1 0 0	79 1 4
30th	3 0 0	1 19 6	1 0 6	78 0 10
31st	3 0 0	1 19 0	1 1 0	76 19 10
32nd	3 0 0	1 18 6	1 1 6	75 18 4
33rd	3 0 0	1 18 0	1 2 0	74 16 4
34th	3 0 0	1 17 5	1 2 7	73 13 9
35th	3 0 0	1 16 10	1 3 2	72 10 7
36th	3 0 0	1 16 3	1 3 9	71 6 10
37th	3 0 0	1 15 8	1 4 4	70 2 6
38th	3 0 0	1 15 1	1 4 11	68 17 7
39th	3 0 0	1 14 5	1 5 7	67 12 0
40th	3 0 0	1 13 10	1 6 2	66 5 10
41st	3 0 0	1 13 2	1 6 10	64 19 0
42nd	3 0 0	1 12 6	1 7 6	63 11 6
43rd	3 0 0	1 11 9	1 8 3	62 3 3
44th	3 0 0	1 11 1	1 8 11	60 14 4

FIRST SCHEDULE—*continued.*TABLE OF PRESCRIBED HALF-YEARLY INSTALMENTS FOR EVERY ONE HUNDRED POUNDS OF THE LOAN—*continued.*

Half-year.	Prescribed Half-yearly Instalment.	Apportioned thus:		Balance of Principal owing.
		On Account of Interest at Five per Cent.	On Account of Principal.	
45th	£ s. d. 3 0 0	£ s. d. 1 10 4	£ s. d. 1 9 8	£ s. d. 59 4 8
46th	3 0 0	1 9 7	1 10 5	57 14 3
47th	3 0 0	1 8 10	1 11 2	56 3 1
48th	3 0 0	1 8 1	1 11 11	54 11 2
49th	3 0 0	1 7 3	1 12 9	52 18 5
50th	3 0 0	1 6 6	1 13 6	51 4 11
51st	3 0 0	1 5 8	1 14 4	49 10 7
52nd	3 0 0	1 4 9	1 15 3	47 15 4
53rd	3 0 0	1 3 11	1 16 1	45 19 3
54th	3 0 0	1 3 0	1 17 0	44 2 3
55th	3 0 0	1 2 1	1 17 11	42 4 4
56th	3 0 0	1 1 1	1 18 11	40 5 5
57th	3 0 0	1 0 2	1 19 10	38 5 7
58th	3 0 0	0 19 2	2 0 10	36 4 9
59th	3 0 0	0 18 1	2 1 11	34 2 10
60th	3 0 0	0 17 1	2 2 11	31 19 11
61st	3 0 0	0 16 0	2 4 0	29 15 11
62nd	3 0 0	0 14 11	2 5 1	27 10 10
63rd	3 0 0	0 13 9	2 6 3	25 4 7
64th	3 0 0	0 12 7	2 7 5	22 17 2
65th	3 0 0	0 11 5	2 8 7	20 8 7
66th	3 0 0	0 10 3	2 9 9	17 18 10
67th	3 0 0	0 9 0	2 11 0	15 7 10
68th	3 0 0	0 7 8	2 12 4	12 15 6
69th	3 0 0	0 6 5	2 13 7	10 1 11
70th	3 0 0	0 5 1	2 14 11	7 7 0
71st	3 0 0	0 3 8	2 16 4	4 10 8
72nd	3 0 0	0 2 4	2 17 8	1 13 0
73rd	1 13 10	0 0 10	1 13 0	..

Section 40.

SECOND SCHEDULE.

PART I.

Under the New Zealand State-guaranteed Advances Act, 1909.

MORTGAGE DOCKET.

To be registered as a memorandum of mortgage under the provisions of the Land Transfer Act, 1908.

Mortgagor: [A. B., of Wellington, farmer.]

Estate: [Freehold in fee-simple or leasehold, as the case may be.]

Land: [Area and particulars.]

Reference to title in Register of the District Land Registrar:

Mortgagee: The New Zealand State-guaranteed Advances Office Superintendent.

Principal sum:

Date of advance:

Due date and amount of first prescribed half-yearly instalment:

And for the better securing to the Superintendent, as mortgagee, the payment in manner prescribed by the above-mentioned Act of the said principal sum, interest, and

other moneys, I hereby mortgage to the Superintendent all my estate and interest in the said land above described.

As witness my hand as mortgagor, this day of , 19 .

A. B.,

Signed by the said A. B., as mortgagor, in the Mortgage.
presence of—

C. D.,

[*Occupation and address*].

[*Memorandum of leasehold interests, if any.*]

PART II.

Under the New Zealand State-guaranteed Advances Act, 1909.

MORTGAGE DOCKET.

To be registered as a deed of conveyance of land by way of mortgage under the provisions of the Deeds Registration Act, 1908.

Mortgagor : [A. B., of Wellington, farmer.]

Land : [*Area and particulars.*]

Mortgagee : The New Zealand State-guaranteed Advances Office Superintendent.

Principal sum :

Date of advance :

Due date and amount of first prescribed half-yearly instalment :

And for the purpose of securing to the Superintendent the payment of the aforesaid principal sum of , with interest and other moneys, in accordance with the provisions of this deed and of the New Zealand State-guaranteed Advances Act, 1909, the above-named A. B. hereby conveys and assures to the Superintendent, by way of mortgage, the land above described, with all appurtenances thereto belonging.

In witness whereof the said A. B. has hereunto subscribed his name, this day of , 19 .

A. B.,

Signed by the above-named A. B. in the Mortgage.
presence of—

C. D.,

[*Occupation and address*].

THIRD SCHEDULE.

Section 42.

PART I.

COVENANTS to be implied in every mortgage docket on the part of the person executing the docket, his executors, administrators, and assigns, as mortgagor, in favour of the Superintendent, his successors and assigns, as mortgagee.

Firstly, that the mortgagor will pay the principal sum mentioned in the mortgage docket, with interest thereon, in accordance with the provisions of the New Zealand State-guaranteed Advances Act, 1909, and will, six months after the date of the advance as mentioned in the mortgage docket, pay the first half-yearly instalment prescribed by that Act in respect of such principal and interest.

Secondly, that the mortgagor will forthwith insure and, so long as any money remains owing on this security, will keep insured all buildings and erections for the time being situate on the said land against loss or damage by fire, in the name of the Superintendent, in their full insurable value, in the State Fire Insurance Office or other reputable insurance office to be from time to time approved by him, and will duly and punctually pay all premiums and sums of money necessary for the purpose of keeping every such insurance on foot ; and will, not later than the forenoon of the day on which any premium falls due, deliver the receipt therefor to the Superintendent, who shall also be entitled to the exclusive custody of all policies of insurance.

Thirdly, that the mortgagor will from time to time, so long as any money remains owing on this security, well and substantially repair, and keep in good and substantial repair and condition, all buildings or other improvements erected and made upon the

said land ; and that the Superintendent may at all times be at liberty, by himself, his agents or servants, to enter upon the said land to view and inspect the said buildings and improvements.

Fourthly, that if the mortgagor fails or neglects to insure or keep insured the said buildings and erections as aforesaid, or to deliver any premium receipt as aforesaid, or to repair the said buildings and improvements, or to keep them in good and substantial repair and condition as aforesaid, then and in any such case, and as often as the same shall happen, it shall be lawful for but not obligatory on the Superintendent, at the costs and expense in all things of the mortgagor, to insure the said buildings, or any of them, in such sum as aforesaid, or in any less sum, or to pay such premium, or to repair the said buildings and improvements and keep them in good and substantial repair and condition.

Fifthly, that, in the event of the said buildings and erections or any of them being destroyed or damaged by fire, all moneys received by the Superintendent under any insurance in respect of such destruction or damage shall be applied, at his sole option, either in or towards rebuilding or repairing the buildings and erections so destroyed or damaged, or in or towards payment of the principal, interest, and other moneys for the time being covered by this security, notwithstanding that the same or any of them may not have accrued due under the terms of these presents.

Sixthly, that all moneys expended by the Superintendent in and about effecting or keeping on foot any insurance as aforesaid, or in repairing or keeping in repair any of the said buildings and improvements as aforesaid, or in attempting to exercise or enforce any power, right, or remedy herein contained or implied in favour of the Superintendent, shall be payable to him by the mortgagor on demand, and until paid shall be charged on the said land, together with interest at the rate of five per centum per annum computed from the date or dates of such moneys being expended.

Seventhly, that the power of sale and incidental powers in that behalf conferred upon mortgagees by the Land Transfer Act, 1908, shall be implied herein, with this modification : that they may be exercised without any notice or demand whatsoever if and whenever the mortgagor makes default for fourteen days in the full and punctual payment of any of the said prescribed half-yearly instalments or any part thereof, or of any other moneys hereby secured, in accordance with the respective covenants for payment thereof herein contained, or if and whenever the mortgagor makes default in the faithful observance and performance of any other covenant or condition on his part herein contained or implied.

Eighthly, that if and whenever the mortgagor makes any such default as in the last preceding covenant mentioned, it shall be lawful for the Superintendent to call up and compel payment of all principal, interest, and other moneys for the time being owing under this security, notwithstanding that the time or times hereinbefore appointed for the payment thereof respectively may not have arrived.

Ninthly, that the covenants, powers, and provisions implied in mortgages by the Land Transfer Act, 1908, are modified or negated in so far as they are inconsistent with or repugnant to these presents : And it is hereby declared that this mortgage is subject to all the provisions of the New Zealand State-guaranteed Advances Act, 1909, relating to mortgages under that Act, and that all moneys expended by the Superintendent under this covenant shall be deemed to be moneys expended by him in exercise of a power, right, or remedy within the meaning of the foregoing covenant marked "Sixthly."

PART II.

Additional Covenant to be implied in every Mortgage Docket of Leasehold Land.

That the mortgagor will at all times punctually pay the rent reserved by and faithfully perform and observe all the covenants and conditions contained in the lease mentioned in the mortgage docket ; and that, if he fails or neglects to do so, it shall be lawful for but not obligatory on the Superintendent so to do at the cost and expense in all things of the mortgagor.

PART III.

Additional Covenant to be implied in every Mortgage Docket of Agricultural Land.

That the mortgagor will at all times cultivate and manage the mortgaged land in a skilful and proper manner and according to the rules of good husbandry.

FOURTH SCHEDULE.

Section 46.

Under the New Zealand State-guaranteed Advances Act, 1909.

MEMORANDUM OF READJUSTMENT OF LOAN.

PURSUANT to the provisions of the above-mentioned Act, the original loan of secured by the within mortgage, registered as number , is hereby readjusted as follows :—

Amount of fresh loan :

Date on which fresh loan is deemed to be granted :

Due date and amount of first prescribed half-yearly instalment :

In witness whereof this memorandum of readjustment has been executed by the Superintendent, this day of , 19 .

The New Zealand State-guaranteed Advances Office Superintendent.
Signed by the said Superintendent in the presence of—

[Occupation and address.]

FIFTH SCHEDULE.

Section 47.

Under the New Zealand State-guaranteed Advances Act, 1909.

MEMORANDUM OF FURTHER ADVANCE.

PURSUANT to the provisions of the above-mentioned Act, the further advance of £ is hereby granted in respect of the within mortgage, registered as number and the mortgage is hereby readjusted as follows :—

	£	s.	d.
Amount of further advance			
Amount of outstanding principal owing under the mortgage			
Total amount of fresh loan			

Date on which the fresh loan is deemed to be granted :

Due date and amount of first prescribed half-yearly instalment :

In witness whereof this memorandum of further advance has been executed by A. B. [Full name, occupation, and address] as mortgagor, and by the Superintendent as mortgagee, this day of , 19 .

Signed by the said A. B., as mortgagor, in the presence of—

A. B.,
Mortgagor.

E. F.,
[Occupation and address].

The New Zealand State-guaranteed Advances Office Superintendent.
Signed by the Superintendent as mortgagor, and sealed with his seal, in the presence of—

G. H.,
[Occupation and address.]

SIXTH SCHEDULE

Section 51.

SCALE OF VALUATION FEES TO BE PAID BY APPLICANT IN ANY EVENT, AND TO ACCOMPANY THE APPLICATION.

	£	s.	d.
On application for loan not exceeding £100 .. .		0	10 6
For loan exceeding £100 and not exceeding £250 .. .		1	1 0
For loan exceeding £250 and not exceeding £500 .. .		1	11 6
For loan exceeding £500 and not exceeding £3,000 .. .		2	2 0

Section 51.

SEVENTH SCHEDULE.

SCALE OF COSTS AND FEES IN RESPECT OF MORTGAGE (TO BE DEDUCTED FROM THE ADVANCE).

Mortgages under the Land Transfer Act, 1908.

Law-costs of perusing title, preparing, completing, and registering mortgage, including cash disbursements (to be deducted from the advance)	£	s.	d.
	0	5	0

Mortgages under the Deeds Registration Act, 1908.

Law-costs of perusing title, preparing, completing, and registering mortgage :—	£	s.	d.
If the advance does not exceed £150	0	18	
Exceeding £150 but not exceeding £250	1	0	6
Exceeding £250 but not exceeding £500	1	5	0
Exceeding £500 but not exceeding £750	1	13	0
Exceeding £750 but not exceeding £1,000	2	3	0
Exceeding £1,000 but not exceeding £1,500	2	13	0
Exceeding £1,500 but not exceeding £2,000	3	13	0
Exceeding £2,000 but not exceeding £3,000	4	13	0

In addition to the above, all cash disbursements, and also the following fees :—

Fee chargeable by solicitor not residing in registration centre for employing agent to register mortgage ..	0	5	0
Solicitor's charge for obtaining Land Board's consent to mortgage of leasehold land—			
If advance does not exceed £250	0	2	0
Exceeding £250	0	5	0
Fee for partial or total discharge of mortgage	0	5	0
Fee for execution of consent by Superintendent to any document	0	5	0
Fee for production of title-deeds by the Superintendent ..	0	5	0

The costs, charges, and fees shall in each case be deducted from the advance.