

This PUBLIC BILL originated in the HOUSE OF REPRESENTATIVES, and, having this day passed as now printed, is transmitted to the LEGISLATIVE COUNCIL for its concurrence.

House of Representatives,
12th August, 1913.

[AS AMENDED BY THE LEGISLATIVE COUNCIL.]

Hon. Mr. Allen.

STATE ADVANCES.

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A BILL INTITULED

Title.

AN ACT to consolidate certain Enactments of the General Assembly relating to Advances by the State Advances Office.

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

Short Title.

1909, No. 31, sec. 1.

1. (1.) This Act may be cited as the State Advances Act, 1913.

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

PART I.—Administration. (Sections 3 to 31.)

PART II.—Advances to Settlers. (Sections 32 to 54.)

PART III.—Advances to Workers. (Sections 55 to 61.)

PART IV.—Miscellaneous Provisions. (Sections 62 to 74.)

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

“ Board ” means the State Advances Board constituted under this Act :

New.

“ Commissioner ” means the Commissioner appointed under the Public Service Act, 1912.

“ Minister ” means the Minister of Finance :

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

Interpretation.

Ibid., sec. 2.

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PART I.

ADMINISTRATION.

Office.

3. (1.) For the purpose of carrying out the objects of this Act there is hereby established an office, to be called the State 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~~ *Commissioner*, and shall hold office during pleasure.
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- (2.) The Superintendent is hereby constituted a corporation sole, under the style of the State Advances Superintendent, with perpetual succession and a seal of office.
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4. (1.) The ~~Governor in Council~~ *Commissioner* may from time to time appoint some person to act as Deputy of the Superintendent.
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- (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.
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- (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 authorizing the Deputy so to do.
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5. The ~~Commissioner under the Public Service Act, 1912,~~ shall from time to time appoint such officers and clerks (hereinafter called the staff) as may be necessary for the business of the Advances Office.
6. The staff shall hold their offices during pleasure, and shall be subject to the orders, direction, and control of the Superintendent.
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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 Public Service of New Zealand.
8. The fidelity of the Superintendent and of every member of the staff shall be guaranteed under Part III of the Civil Service Act, 1908, as if the said Superintendent and staff were officers of the Civil Service within the meaning of the said Act.
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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.
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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 a Justice of the Peace, or solicitor, or one member of the Board, who shall subscribe his name as witness.
- 45
- (2.) All documents to be signed by the Superintendent shall be signed in his personal name with the addition of his corporate style.
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

State Advances
Office established.
1909, No. 31, sec. 3.

Superintendent
constituted.

Deputy of
Superintendent.
Ibid., sec. 4.

General powers of
Deputy.

Deputy's authority
to act not to be
questioned.

Power to appoint
staff.
Ibid., sec. 5.

Staff to hold office
during pleasure.
Ibid., sec. 6.

To be subject to
Public Service Acts.
Ibid., sec. 7.

Fidelity guaranteed.
Ibid., sec. 8.

Description of
Superintendent.
Ibid., sec. 9.

Execution and
signature of deeds
and documents.
Ibid., sec. 10.
1911, No. 13, sec. 2.

Power of
Superintendent to
sue and be sued.
1909, No. 31, sec. 11

dismissed by reason only that the cause of action relates to the Advances Office or the Board and not to the Superintendent himself.

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 5

Board.

Constitution of State Advances Board.
1909, No 31, sec. 12

12. For the purpose of better carrying out the objects of this Act there is hereby constituted a Board, under the style of the State Advances Board, consisting of five members,—namely, the Superintendent, the Under-Secretary of Crown Lands, the Valuer-General, and such two other persons being officers of the Public Service as the Governor in Council from time to time appoints as members. 10

Substitute members of Board.
Ibid., sec. 13.

13. (1.) In the absence of any member of the Board who is the permanent head of a Department of the Public Service, his deputy, or if there is no deputy, then ~~the Chief-Clerk of his Department~~ such officer of the Department as the permanent head may appoint in that behalf 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. 15

(2.) 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

Chairman.
Ibid., sec. 14.

14. (1.) The members of the Board shall at their first meeting, and thereafter from time to time, elect one of their number to be chairman.

(2.) In the absence of the chairman from any meeting of the Board the members present shall appoint one of their number to be chairman of that meeting. 25

Quorum.

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

Postponement of certain sections.

(4.) The Chairman shall have a deliberative and also a casting vote. 30
15. Sections *twelve* to *fourteen* hereof shall come into operation on the second day of February, nineteen hundred and *fourteen*, and until that date sections twelve to fourteen of the New Zealand State-guaranteed Advances Act, 1909, shall continue in force notwithstanding the repeal of that Act. 35

Minute-books of proceedings to be kept.
Ibid., sec. 15.

16. (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 details of the business transacted thereat.

Board may make by-laws.

(2.) The Board may from time to time make by-laws regulating the general conduct of its business and proceedings. 40

Board to co-operate with Superintendent.

(3.) 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.

(4.) A resolution of the Board shall bind the Superintendent. 45

Business.

Cases in which money may be advanced.
Ibid., sec. 16

17. (1.) The business of the Advances Office is the advancing of money—

(a.) To settlers as loans on mortgage under Part II of this Act ;

(b.) To workers as loans on mortgage under Part III of this Act ; 50
and

(c.) To local authorities as loans under the Local Bodies' Loans Act, 1913.

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

- (a.) The Advances to Settlers Branch;
 (b.) The Advances to Workers Branch; and
 (c.) The Advances to Local Authorities Branch.

Funds.

18. (1.) For the purposes of the Advances Office the Minister, on being authorized by the Governor in Council so to do, may from time to time raise on the security of and charged upon the public revenues of New Zealand such sums of money as he thinks fit not exceeding in any one financial year the amounts hereinafter specified.

Power to borrow money.
 1910, No. 13 secs. 2 to 7.

(2.) The maximum amount that may be raised in any one financial year for the business of the several branches of the Advances Office shall be as follows:—

For the Advances to Settlers Branch—One million five hundred thousand pounds;

For the Advances to Workers Branch—Seven hundred and fifty thousand pounds; and

For the Advances to Local Authorities Branch—One million pounds.

(3.) The sums so raised shall bear interest at such rate (not exceeding five per centum per annum) as the Minister prescribes.

(4.) This Act shall be deemed to be an authorizing Act within the meaning of the New Zealand Loans Act, 1908, and all moneys raised under this section shall be raised under and subject to the provisions of that Act accordingly.

(5.) All moneys raised in pursuance of this section shall, as and when raised, be paid into the Advances Account hereinafter referred to.

State Advances Account.

19. All sums raised in pursuance of the provisions of section *eighteen* hereof, 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 State Advances Account (in this Act referred to as the Advances Account).

State Advances Account.
 1909, No. 31, sec. 22.

20. (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.
 Ibid., sec. 24.

(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 New Zealand State-guaranteed Advances Act, 1909, or the Government Advances to Settlers Act, 1908, or any prior Act passed for like purposes:

(c.) All moneys required for sinking funds:

(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.

How account to be operated on.
1909, No. 31, sec. 25.

All moneys to be property of Crown.
Ibid., sec. 26.

Temporary investment of moneys.
Ibid., sec. 27.

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

22. (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.

(2.) All such moneys are hereby declared to be public moneys within the meaning of the Public Revenues Act, 1910.

23. (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.

(2.) The debentures or other securities issued by the Superintendent under the New Zealand State-guaranteed Advances Act, 1909, shall for all purposes be deemed to be Government securities.

Reserve Funds.

Reserve fund for Advances to Settlers Branch.
Ibid., sec. 28.

24. (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.

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

Reserve fund for Advances to Workers Branch.
Ibid., sec. 29.

25. (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.

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

Sinking Funds.

Sinking funds.

26. (1.) All loans raised under section *eighteen* hereof shall be deemed to be portions of the public debt of New Zealand, and the provisions of the Public Debt Extinction Act, 1910, shall apply thereto accordingly:

Provided that the Superintendent shall in each year repay into the Consolidated Fund, out of the moneys available for advances by the several branches of the Advances Office, a sum equal to the amount paid by the Minister pursuant to section eleven of the Public Debt Extinction Act, 1910, in respect of loans raised under this Act.

(2.) Except as hereinafter provided, no payments shall hereafter be made to the Public Trustee in respect of the several sinking funds

established under section thirty of the New Zealand State-guaranteed Advances Act, 1909.

(3.) With respect to the sinking funds in connection with the several branches mentioned in section *seventeen* hereof the following provisions shall, except as otherwise provided in subsections *four* and *five* hereof, apply :—

10 (a.) The capital-moneys belonging to the said funds respectively, or any part thereof, shall, as and when the Minister directs, be paid by the Public Trustee to the Superintendent, who shall pay the same into a special account in the Advances Office, to be called the Advances Office Sinking Fund Account.

15 (b.) The interest in respect of the said capital-moneys in the hands of the Public Trustee on the thirty-first day of March in each year shall from time to time, as required by the Superintendent, be paid by the Public Trustee to the Superintendent to the credit of the Advances Office Sinking Fund Account.

20 (c.) The Superintendent shall in each year pay out of the Advances Account into the Advances Office Sinking Fund Account a sum equal to one per centum of the total capital-moneys raised for the purposes of the said branches prior to the commencement of this Act, and for the time being outstanding.

25 (d.) All moneys for the time being in the Advances Office Sinking Fund Account shall be invested by the Superintendent in the manner prescribed by section thirteen of the Public Debt Extinction Act, 1910, and shall be applied towards the repayment of the loans raised for the purposes of the several branches of the Advances Office.

30 (4.) The *last preceding* subsection shall not apply to such part of the sinking fund for the Advances to Local Authorities Branch as is in respect of loans raised for the purposes of the said branch and appropriated as follows :—

35 (a.) Under section seventy-seven of the New Zealand State-guaranteed Advances Act, 1909 (relating to opening up land for settlement);

(b.) Under section eighty-four of the last-mentioned Act (relating to Hauraki Plains Settlement); and

40 (c.) Under section five of the Rangitaiki Land Drainage Act, 1910.

(5.) With respect to the loans so appropriated, the following provisions shall apply :—

45 (a.) The Audit Office shall certify as to the amount thereof, and the amount so certified shall be deemed to form part of the public debt of New Zealand, and the provisions of the Public Debt Extinction Act, 1910, shall apply thereto accordingly;

50 (b.) Such part of the capital-moneys belonging to the sinking fund for the Advances to Local Authorities Branch as is in respect of loans appropriated as aforesaid, together with the interest accrued therefrom as on the passing of this

Act, shall continue in the hands of the Public Trustee, and the interest hereafter accruing shall from time to time be paid by the Public Trustee into the Consolidated Fund.

(6.) With respect to the loans heretofore raised for the purposes of the Guaranteed Mining Advances Branch, the Land for Settlements Branch, and the Native Land Settlement Branch respectively, the following provisions shall apply:— 5

(a.) All such loans that have been raised from any Department of the Public Service shall be deemed to form part of the public debt of New Zealand, and the provisions of the Public Debt Extinction Act, 1910, shall apply thereto accordingly. 10

(b.) All such loans that have not been so raised shall be deemed not to form part of the public debt, and periodical payments into a sinking fund in respect thereof shall continue to be made in the same manner as if this Act had not been passed: Provided that such payments shall hereafter be made out of the moneys from time to time available for the purposes of the said branches respectively, and not out of the Advances Account. 15 20

(c.) Except as provided in the *next succeeding* paragraph, the capital-moneys belonging to the sinking funds for all the loans raised as aforesaid for the purposes of the said branches and the interest from time to time accruing thereon shall continue in the hands of the Public Trustee as if this Act had not been passed. 25

(d.) The interest hereafter accruing from such of the said capital-moneys as are in respect of loans forming part of the public debt shall from time to time be paid by the Public Trustee into the Consolidated Fund. 30

Other Accounts.

Separate accounts, including a branch account, to be kept. 1909, No. 31, sec. 31.

27. 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— 35

(a.) The capital funds:

(b.) The advances made:

(c.) The interest received:

(d.) Such other particulars as are prescribed or as the Superintendent thinks necessary in order to show the full financial position. 40

28. The accounts of each branch shall be so kept as to show the funds, assets, and liabilities of that branch.

Accounts of each branch to be kept separately. Ibid., sec. 32.

Separate register of advances made in each branch. Ibid., sec. 33.

Adjustment of charges between branches. Ibid., sec. 34.

29. (1.) The Superintendent shall also cause to be kept in the office a separate register of all advances made in each of the branches. 45

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

30. The salaries, expenses, and administration outgoings of the Advances Office shall be apportioned among the respective branches in such shares as the Superintendent thinks proper, having regard to the scope of the business. 50

31. 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.
1909, No. 31, sec. 35.

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PART II.

ADVANCES TO SETTLERS.

Limitations.

32. (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 :—

Classes of land on which money may be advanced.
Ibid., sec. 39.

- 15 (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
- (b.) Crown land held on perpetual lease under the Land Act, 1885 ; or
- 20 (c.) Crown land held under Part III or IV of the Land Act, 1892, or of the Land Act, 1908 ; or
- (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
- (e.) Crown land held on agricultural lease under the Mining Act, 1891 ; or
- 25 (f.) Crown land held on lease (not being for mining purposes) under the Westland and Nelson Coalfields Administration Act, 1877 ; or
- (g.) Native land held on lease under the West Coast Settlement Reserves Act, 1881, or under the West Coast Settlement Reserves Act, 1892 ; or
- 30 (h.) Land held on lease under the Westland and Nelson Native Reserves Act, 1887 ; or
- (i.) Land held under the Thermal Springs Districts Act, 1881, or the Thermal Springs Districts Act, 1908 ; or
- 35 (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
- 40
- 45 (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 5
- (m.) Land held under lease from a Maori Land Board under the Maori Land Settlement Act, 1905 :
 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 10
- (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 15
- (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 20
- (r.) Land held under lease granted by a Borough Council under section one hundred and thirty-six of the Municipal Corporations Act, 1908, or section one hundred and ninety-two of the Municipal Corporations Act, 1900, in any case where the lease is— 30
- (i.) For any term not less than sixty-six years ; or
- (ii.) For any term not exceeding twenty-one years, with right of renewal for further terms not exceeding twenty-one years, and with provision for payment of valuation for improvements ; or 35
- (iii.) For any term not exceeding twenty-one years, with right of renewal, and with provision, in case the lessee does not become entitled to a new lease for a further term or terms, 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 40
- (s.) 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. 45

(2.) The class of land in each instance shall be determined by the Board.

33. (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. 50

(2.) Every such application shall be in the prescribed form.

(3.) No advance shall be granted for a sum of less than twenty-five pounds or more than two thousand pounds. Amount of advance.

(4.) Not more than two 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.

34. (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. Conditions subject to which advances to be made.
1909, No. 31, sec. 41.

(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.

(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.

(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.

(5.) The security shall consist of some one or more of the several classes of land mentioned in section *thirty-two* 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. (1.) The amount of any loan under this Part of this Act may, at the discretion of the Board, be advanced by progress payments corresponding in amount to the value of the improvements from time to time effected by the mortgagor. Advances to settlers may be by way of instalments.
1919, No. 13, sec. 14.

(2.) The value of the improvements so effected shall from time to time be ascertained and certified to by the Valuer-General, or by some person authorized by him in that behalf, and any certificate given under this section shall be final.

Provisions as to Mortgages.

36. With respect to every mortgage under this Part of this Act the following provisions shall apply:— Provisions relating to mortgages.
1909, No. 31, sec. 42

(a.) The Superintendent shall be the sole mortgagee in his corporate style and capacity.

(b.) The loan, with interest thereon at the rate of five per centum per annum, shall be repaid to the Superintendent by half-yearly instalments, all such instalments being of equal amount (except the last, in cases where the term of the loan is thirty-six and one-half years). The first half-yearly instalment shall be payable six months after the date of the loan:

Provided that the Superintendent may, with the consent of the mortgagor, at any time and from time to time, alter the due date of the payment of the half-yearly instalments.

(c.) Every such half-yearly instalment shall consist partly of principal and partly of interest.

(d.) All such half-yearly instalments shall be calculated and paid according to such one of the tables in the *Second* Schedule

hereto as is appropriate. The said tables set forth as to every one hundred pounds of the loan all the half-yearly instalments, and show 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. 5

(e.) 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. 10

(f.) All such last-mentioned payments shall be disposed of as hereinafter provided.

(g.) The forms of mortgage in Parts I and II of the *Third* 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. 15

Special provision relating to rate of interest.

37. In any case where the moneys raised by the Minister for the purposes of this Act are raised at a rate of interest exceeding four and a half per centum per annum, the provisions of the *last preceding* section may be modified by Order in Council in such manner that the advances made by the Superintendent out of such moneys shall bear a rate of interest amounting to one-half per centum in excess of the rate at which the said moneys were raised. 20

Classification of securities.
1910, No. 13, sec. 13.

38. (1.) The Board shall decide the class to which any particular security belongs, and the decision of the Board shall in all such cases be final and conclusive. 25

Term of loan.
Ibid., sec. 11.

(2.) Where the security offered for a loan under this Part of this Act has been classified as a first-class security, the term of the loan shall be thirty-six and one-half years. 30

(3.) Where the security offered as aforesaid has been classified as a second-class security the term of the loan shall be thirty years.

(4.) Where the security offered as aforesaid has been classified as a third-class security the term of the loan shall be twenty years. 35

Provisions applying to mortgages of leasehold lands.
1909, No. 31, sec. 43

39. 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 mortgage shall be deemed not only to cover the mortgagor's interest in the lease, but to extend to and include his interest in any further lease issued to him in lieu of such first-mentioned lease, whether by way of renewal or otherwise. 40

(b.) The term of the mortgage (in no case exceeding the aforesaid term of thirty-six and one-half years, thirty years, or twenty years, as the case may be) 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. 45

(c.) Subject to the aforesaid modification, principal and interest shall be payable by the prescribed half-yearly instalments. 50

(d.) It shall not be lawful for the mortgagor to surrender his lease without the consent in writing of the Superintendent.

(e.) 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.

(f.) All such sums when received by the Superintendent shall be treated as moneys arising from the lawful exercise of the power of sale.

10 40. (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.

Mortgage docket to be executed subject to provisions of Act. 1909, No. 31, sec. 44.

(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 *Fourth* Schedule hereto :

Covenants, &c., implied therein.

15 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.

20 (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 *Fourth* Schedule.

(4.) In every mortgage docket of agricultural land there shall be similarly implied as an additional covenant the covenant contained

25 in Part III of the said *Fourth* 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.

(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.

(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.

(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.

Rebate of Interest.

50 41. 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 :—

Rebate of interest when instalments paid punctually. Ibid., sec. 45.

(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.

- (b.) Such rebate may be deducted and retained by the mortgagor from the full nominal amount of the instalment when making the payment. 5

Notice of due date of instalment to be given.
1909, No. 31, sec. 46.

42. 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, and the date on which the right to the rebate will lapse: 10

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. 15

Mode of Disposal of Moneys paid in Advance.

Mode of disposal of moneys paid in advance.
Ibid., sec. 47.

43. (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, 20 in mode B, as hereinafter set forth.

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:—

(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. 25

(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 in the periodical continuity of the payments to be made by the mortgagor. 30

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

(3.) With respect to mode B, and the moneys to be disposed of thereunder, the following provisions shall apply:— 35

(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 of the payments to be made by the mortgagor. 40

(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 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. 45 50

Readjustment of Loans.

44. (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 :—

All loans may be readjusted when part repaid.
1909, No. 31, sec. 48.
1910, No. 13, sec. 15.

5 (a.) On the due date of any instalment 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
10 unpaid as a fresh loan duly granted for a fresh term :

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.

15 (b.) Such readjustment shall be effected by memorandum of readjustment, which shall be executed by the Superintendent (but not necessarily under seal).

20 (c.) The memorandum of readjustment shall be in the form in the *Fifth* 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 prescribed instalment.

25 (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.

30 (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.

35 (2.) The provisions of this section shall, *mutatis mutandis*, extend and apply to fixed loans granted under any former Act authorizing such loans any part of which (not less than one hundred pounds) is outstanding on the coming into operation of this Act.

Mode and effect thereof.

Further Advances.

40 45. 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 :—

Power to make further advances.
1909, No. 31, sec. 49.

(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.

45 (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.

50 (c.) The memorandum of further advance shall be in the form in the *Sixth* 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 :
- (iii.) The total amount of such principal and further advance (such total amount being hereinafter referred to as the fresh loan) : 5
- (iv.) The date on which the fresh loan is deemed to be granted :
- (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. 10 15
- (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. 20

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

Provisions with respect to other than freehold securities. 1909, No. 31, sec. 50. 1910, No. 13, sec. 16.

46. In every case where the security of a loan consists of land of any of the classes (b) to (r) (s) mentioned in section *thirty-two* hereof the following provisions shall apply, anything in this or any other Act to the contrary notwithstanding :— 25

- (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 surrender thereof, or to cancel the mortgagor's right to compensation for or valuation of improvements without giving to the Superintendent at least three months' previous notice in writing of intention so to do. 30 35
- (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 otherwise than by forfeiture, cancellation, or surrender), and such money shall be payable to the Superintendent accordingly : 40 45

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. 50

(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 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.

(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 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:

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.

(h.) The provisions of this section apply to mortgages now current or hereafter granted.

(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.

47. (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.

(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

Special provisions as to deferred-payment and village-settlement lands. 1909, No. 31, sec 51.

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.

(3.) All such deferred payments and advances may be paid out of moneys advanced on mortgages granted under this Act. 5

Power to lease in Cases of Default.

Power to lease in lieu of selling.
1909, No. 31, sec. 52.
1910, No. 13, sec. 17.

48. (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. 10

(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. 15

(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; 20

(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.

25

Scale of valuation fees.
1909, No. 31, sec. 53.

49. (1.) Valuation fees shall be payable by the proposed borrower under this Part of this Act in any event, and according to the scale for the time being prescribed by regulations made under section *seventy* hereof.

Scale of costs.

(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 for the time being prescribed by regulations made under section *seventy* hereof. 30

General.

Board to determine quality of land.
Ibid., sec. 54.

50. 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. 35

Mortgage of land for whole or part of purchase-money may be accepted.
Ibid., sec. 55.

51. 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. 40

Repayments may be made through Postmasters.
Ibid., sec. 56.

52. 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 authorize, and the amount of such lodgments shall be transferred by the Postmaster-General to the credit of the Advances Account as often as the Superintendent and the Postmaster-General may arrange. 45

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53. 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
5 grant of the lease, and without the recommendation of the Land Board or the approval of the Minister of Lands, and advances may be made under this Part of this Act on the security of any such lease accordingly.

Mortgage of leases under Land for Settlements Act. 1909, No. 31, sec. 57.

54. Nothing in section eighty-seven of the Land Act, 1908,
10 shall apply so as to prevent any lessee or licensee of land subject to that 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.

Mortgage of leases under Land Act. Ibid., sec. 58.

PART III.

ADVANCES TO WORKERS.

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

Advances to be made in branch. Ibid., sec. 59.

56. In this Part of this Act, if not inconsistent with the context,—

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“Family” includes the parents or other dependants of the worker ;

Interpretation. Ibid., sec. 60. 1910, No. 13, secs. 18 19 (2).

25

“Worker” means a person employed in manual or clerical work, and who at the time of his application as herein-after 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 land which he offers as security for the loan for which application is made ;

“Dwellinghouse” includes all necessary outbuildings in connection with a dwellinghouse ; and

30

“To erect a dwellinghouse” includes adding to a dwellinghouse already erected.

57. (1.) A worker who desires to erect or acquire 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
35 for a loan for that purpose.

Loan on worker's home. 1909, No. 31, sec. 61 1910, No. 13, sec. 19 (1). 1911, No. 13, sec. 4

(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 or acquiring a home for himself and
40 his family.

(3.) Not more than four hundred and fifty pounds shall be granted to any one borrower ; and no advance shall be granted 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
45 the case of leasehold land.

58. (1.) The amount of the loan may, at the discretion of the Board, be advanced by progress payments corresponding in amount to the progress from time to time made in the erection of the building.

Progress payments.

(2.) 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.

Further advance
may be granted to
worker.
1910, No. 13, sec. 20.

59. Where an advance has been made under this Part of this Act the Superintendent may grant a further advance thereunder: 5

Provided that nothing in this section shall authorize the granting of an advance which, together with any amount outstanding in respect of an advance already made, would exceed the sum of four hundred and fifty pounds, or would otherwise not be in conformity with the provisions of subsection *three* of section *fifty-seven* hereof. 10

Provisions relating
to mortgages.
1909, No. 31, sec. 62

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. 15

Regulations.
Ibid., sec. 63.

61. In addition to the powers conferred on the Governor by section *seventy* hereof of making regulations, he may from time to time make regulations for the purposes of the Advances to Workers Branch,— 20

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

(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: 25

(c.) Prescribing the valuation and inspection fees.

PART IV.

MISCELLANEOUS PROVISIONS.

Audit, &c.

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Powers of Minister of
Finance.
Ibid., sec. 96.

62. (1.) 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.

Superintendent to
furnish monthly
returns to Minister.

(2.) The Superintendent shall, as early as practicable in each month, submit to the Minister a return showing in respect of each of the branches of the Advances Office,— 35

(a.) The total outstanding amounts to which the branch is committed as at the close of the preceding month;

(b.) The funds available for the purpose of meeting such commitments, and of granting further advances; and 40

(c.) The total amount of the loans granted during the said month.

Powers of Audit
Office.
Ibid., sec. 97.

63. 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, 1910. 45

64. (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—

Annual statement to Parliament. 1909, No. 31, sec. 98.

- (a.) The financial position of the branch ;
- 5 (b.) The financial result of the year's operations
- (c.) The cost of management during the year ; and
- (d.) The gross profits made 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.

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

Recovery of Instalments, &c., due under Mortgage.

65. 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.

Unpaid instalments, &c., may be sued for. Ibid., sec. 99.

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

Procedure for recovery. Ibid., sec. 100.

(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.

(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.

Penalties.

67. 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.

Penalty if officer takes fee or reward. Ibid., sec. 101.

68. Every person who,—

- (a.) Having any pecuniary interest in any land tendered as security for a loan under this Act ; or
 - 45 (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
- 50 dismissed from his office.

Penalty for acting when interested. Ibid., sec. 102.

Penalty for bribing
officer.
1909, No. 31, sec. 103.

69. 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.

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Regulations, &c.

Regulations.
Ibid., sec. 104.

70. 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:—

- (a.) The conduct of the business of the Advances Office ; 10
- (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 ;
- (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 ; 15
- (d.) The receipt and payment of moneys under this Act ;
- (e.) Determining what moneys under this Act shall be invested, and in what securities ; 20
- (f.) The safe custody of securities ;
- (g.) The principle and method to be adopted in valuing lands for the purposes of this Act ;
- (h.) Prescribing what accounts, registers, and books shall be kept, and in what form ; 25
- (i.) Fixing the scale of costs and fees for the preparation, completion, and discharge of mortgages, and the valuation of securities ;
- (j.) Specifying the rules of good husbandry ; 30
- (k.) For anything which by this Act is expressed to be prescribed ; and generally
- (l.) For any object or purpose deemed necessary for the efficient administration of this Act.

Forms in Schedules
may be altered.
Ibid., sec. 105.

71. The Governor in Council may from time to time alter any 35 of the forms in the Schedules hereto.

Bankruptcy Act not
to apply.
Ibid., sec. 106.

72. 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. 40

Repeals.
Ibid., sec. 107.

73. The enactments mentioned in the *First* Schedule hereto are hereby repealed ; and with respect to those enactments, and generally for the purposes of this Act, the following provisions shall apply:—

- (a.) All references in any of those enactments, or in any other Act, or in any instrument of any description to the Superintendent and the Board respectively, or to the Advances Office or the Advances Account under those enactments shall be deemed to be references to the Superintendent and Board respectively, or to the Advances Office or the Advances Account under this Act. 45

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5 (b.) All regulations, Orders in Council, warrants, forms, appointments, and instruments made under those enactments, 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.

10 (c.) All mortgages made under those enactments, 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:

Provided that, notwithstanding the repeal of any Savings. 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.

15 (d.) All applications for advances or otherwise made to the Superintendent or the Board under those enactments, and pending or in progress on the coming into operation of this Act, may be proceeded with and completed under this Act.

20 74. 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 to Settlers Act, 1908, or the New Zealand State-guaranteed
25 Advances Act, 1909, or any other Act passed for like purposes.

Act not to affect securities under prior Acts. 1910, No. 31, sec 108.

Schedules.

SCHEDULES.

FIRST SCHEDULE.

ENACTMENTS REPEALED.

- 1909, No. 31.—The New Zealand State-guaranteed Advances Act, 1909 (except Parts IV, V, VI, and VII).
 1910, No. 13.—The New Zealand State-guaranteed Advances Amendment Act, 1910 (except sections 21, 22, and 23).
 1911, No. 13.—The New Zealand State-guaranteed Advances Amendment Act, 1911.

SECOND SCHEDULE.

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

Table A.—Term, 36½ Years ; Interest, 5 per Centum.

Half-year.	Half-yearly Instalment.	Apportioned thus:			Balance of Principal owing.
		On Account of Interest at 5 per Centum.	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	

Table A.—Term, 36½ Years; Interest, 5 per Centum.—continued.

Half-year.	Half-yearly Instalment.	Apportioned thus:						Balance of Principal owing.
		On Account of Interest at 5 per Centum.			On Account of Principal.			
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.		
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				
45th	3 0 0	1 10 4	1 9 8	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	13 10	0 0 10	1 13 0	..				

Table B.—Term, 30 Years; Interest, 5 per Centum.

Half-year.	Half-yearly Instalment.	Apportioned thus:		Balance of Principal owing.
		On Account of Interest at 5 per Centum.	On Account of Principal.	
	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1st	3 4 8	2 10 0	0 14 8	99 5 4
2nd	3 4 8	2 9 7	0 15 1	98 10 3
3rd	3 4 8	2 9 2	0 15 6	97 14 9
4th	3 4 8	2 8 10	0 15 10	96 18 11
5th	3 4 8	2 8 5	0 16 3	96 2 8
6th	3 4 8	2 8 0	0 16 8	95 6 0
7th	3 4 8	2 7 7	0 17 1	94 8 11
8th	3 4 8	2 7 2	0 17 6	93 11 5
9th	3 4 8	2 6 9	0 17 11	92 13 6
10th	3 4 8	2 6 4	0 18 4	91 15 2
11th	3 4 8	2 5 10	0 18 10	90 16 4
12th	3 4 8	2 5 4	0 19 4	89 17 0
13th	3 4 8	2 4 11	0 19 9	88 17 3
14th	3 4 8	2 4 5	1 0 3	87 17 0
15th	3 4 8	2 3 11	1 0 9	86 16 3
16th	3 4 8	2 3 4	1 1 4	85 14 11
17th	3 4 8	2 2 10	1 1 10	84 13 1
18th	3 4 8	2 2 3	1 2 5	83 10 8
19th	3 4 8	2 1 9	1 2 11	82 7 9
20th	3 4 8	2 1 2	1 3 6	81 4 3
21st	3 4 8	2 0 7	1 4 1	80 0 2
22nd	3 4 8	2 0 0	1 4 8	78 15 6
23rd	3 4 8	1 19 4	1 5 4	77 10 2
24th	3 4 8	1 18 9	1 5 11	76 4 3
25th	3 4 8	1 18 1	1 6 7	74 17 8
26th	3 4 8	1 17 5	1 7 3	73 10 5
27th	3 4 8	1 16 9	1 7 11	72 2 6
28th	3 4 8	1 16 0	1 8 8	70 13 10
29th	3 4 8	1 15 4	1 9 4	69 4 6
30th	3 4 8	1 14 7	1 10 1	67 14 5
31st	3 4 8	1 13 10	1 10 10	66 3 7
32nd	3 4 8	1 13 1	1 11 7	64 12 0
33rd	3 4 8	1 12 3	1 12 5	62 19 7
34th	3 4 8	1 11 5	1 13 3	61 6 4
35th	3 4 8	1 10 7	1 14 1	59 12 3
36th	3 4 8	1 9 9	1 14 11	57 17 4
37th	3 4 8	1 8 11	1 15 9	56 1 7
38th	3 4 8	1 8 0	1 16 8	54 4 11
39th	3 4 8	1 7 1	1 17 7	52 7 4
40th	3 4 8	1 6 2	1 18 6	50 8 10
41st	3 4 8	1 5 2	1 19 6	48 9 4
42nd	3 4 8	1 4 2	2 0 6	46 8 10
43rd	3 4 8	1 3 2	2 1 6	44 7 4
44th	3 4 8	1 2 2	2 2 6	42 4 10
45th	3 4 8	1 1 1	2 3 7	40 1 3
46th	3 4 8	1 0 0	2 4 8	37 16 7
47th	3 4 8	0 18 10	2 5 10	35 10 9
48th	3 4 8	0 17 9	2 6 11	33 3 10
49th	3 4 8	0 16 7	2 8 1	30 15 9
50th	3 4 8	0 15 4	2 9 4	28 6 5
51st	3 4 8	0 14 1	2 10 7	25 15 10
52nd	3 4 8	0 12 10	2 11 10	23 4 0
53rd	3 4 8	0 11 7	2 13 1	20 10 11
54th	3 4 8	0 10 3	2 14 5	17 16 6
55th	3 4 8	0 8 10	2 15 10	15 0 8
56th	3 4 8	0 7 6	2 17 2	12 3 6
57th	3 4 8	0 6 0	2 18 8	9 4 10
58th	3 4 8	0 4 7	3 0 1	6 4 9
59th	3 4 8	0 3 1	3 1 7	3 3 2
60th	3 4 8	0 1 6	3 3 2	..

Table C.—Term, 20 Years ; Interest, 5 per Centum.

Half-year.	Half-yearly Instalment.	Apportioned thus :			Balance of Principal owing.
		On Account of Interest at 5 per Centum.	On Account of Principal.		
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	
1st	3 19 8	2 10 0	1 9 8	98 10 4	
2nd	3 19 8	2 9 3	1 10 5	96 19 11	
3rd	3 19 8	2 8 6	1 11 2	95 8 9	
4th	3 19 8	2 7 9	1 11 11	93 16 10	
5th	3 19 8	2 6 11	1 12 9	92 4 1	
6th	3 19 8	2 6 1	1 13 7	90 10 6	
7th	3 19 8	2 5 3	1 14 5	88 16 1	
8th	3 19 8	2 4 5	1 15 3	87 0 10	
9th	3 19 8	2 3 6	1 16 2	85 4 8	
10th	3 19 8	2 2 7	1 17 1	83 7 7	
11th	3 19 8	2 1 8	1 18 0	81 9 7	
12th	3 19 8	2 0 9	1 18 11	79 10 8	
13th	3 19 8	1 19 9	1 19 11	77 10 9	
14th	3 19 8	1 18 9	2 0 11	75 9 10	
15th	3 19 8	1 17 9	2 1 11	73 7 11	
16th	3 19 8	1 16 8	2 3 0	71 4 11	
17th	3 19 8	1 15 7	2 4 1	69 0 10	
18th	3 19 8	1 14 6	2 5 2	66 15 8	
19th	3 19 8	1 13 5	2 6 3	64 9 5	
20th	3 19 8	1 12 3	2 7 5	62 2 0	
21st	3 19 8	1 11 1	2 8 7	59 13 5	
22nd	3 19 8	1 9 10	2 9 10	57 3 7	
23rd	3 19 8	1 8 7	2 11 1	54 12 6	
24th	3 19 8	1 7 4	2 12 4	52 0 2	
25th	3 19 8	1 6 0	2 13 8	49 6 6	
26th	3 19 8	1 4 8	2 15 0	46 11 6	
27th	3 19 8	1 3 3	2 16 5	43 15 1	
28th	3 19 8	1 1 10	2 17 10	40 17 3	
29th	3 19 8	1 0 5	2 19 3	37 18 0	
30th	3 19 8	0 18 11	3 0 9	34 17 3	
31st	3 19 8	0 17 5	3 2 3	31 15 0	
32nd	3 19 8	0 15 11	3 3 9	28 11 3	
33rd	3 19 8	0 14 3	3 5 5	25 5 10	
34th	3 19 8	0 12 8	3 7 0	21 18 10	
35th	3 19 8	0 11 0	3 8 8	18 10 2	
36th	3 19 8	0 9 3	3 10 5	14 19 9	
37th	3 19 8	0 7 6	3 12 2	11 7 7	
38th	3 19 8	0 5 8	3 14 0	7 13 7	
39th	3 19 8	0 3 10	3 15 10	3 17 9	
40th	3 19 8	0 1 11	3 17 9	..	

THIRD SCHEDULE.

PART I.

Under the State Advances Act, 1913.

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 State Advances 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.,

Mortgagor.

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

C.D.,

[Occupation and address].

[Memorandum of leasehold interests, if any.]

PART II.

Under the State Advances Act, 1913.

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 State Advances 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 State Advances Act, 1913, 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.,
Mortgagor.

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

C. D.,

[Occupation and address].

FOURTH SCHEDULE.

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 State Advances Act, 1913, 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 negatived 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 State Advances Act, 1913, 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.

FIFTH SCHEDULE.

Under the State Advances Act, 1913.

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 State Advances Superintendent.

Signed by the said Superintendent
in the presence of—

[Occupation and address.] _____

SIXTH SCHEDULE.

Under the State Advances Act, 1913.

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:—

Amount of further advance	£	s	d.
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 _____.

A. B.,
Mortgagor.

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

E. F.,

[Occupation and address.] _____

C. D.,

The State Advances Superintendent.

Signed by the Superintendent as mort-
gagee, and sealed with his seal, in
the presence of—

G. H.,

[Occupation and address.] _____