

Supplementary Order Paper

HOUSE OF REPRESENTATIVES

Friday, the 22nd Day of September 1961

STATE ADVANCES CORPORATION AMENDMENT BILL

AMENDMENT proposed by His Excellency the Governor-General:

New Clause

To insert, after *clause 4*, the following clause:

4A. Power to waive or reduce contribution to General Reserve Fund—(1) Section 32 of the principal Act is hereby amended by adding the following subsection:

“(4) Notwithstanding the provisions of subsection (1) of this section, where any mortgagor who has repaid (whether before or after the date of the commencement of this subsection) a loan made to him by the Corporation makes application to it after that date for a further loan and, when the application is received by the Corporation, less than five years have elapsed since the completion of the repayment of the previous loan, whether the further loan is to be secured by a mortgage of the same land or other land, the Board may, if it thinks fit, decide—

“(a) That the mortgagor shall not be required to contribute to the General Reserve Fund in respect of the further loan if the amount of that loan does not exceed the sum owing under the previous loan at the time when the repayment of that loan was completed; or

“(b) That the mortgagor shall be required to pay to the credit of the General Reserve Fund in respect of the further loan an amount equal to two per cent of the amount by which the further loan exceeds the sum owing under the previous loan at the time when the repayment of that loan was completed, instead of an amount calculated in accordance with the provisions of subsection (1) of this section.”

(2) Section 32 of the principal Act is hereby further amended by inserting in subsection (3), after the word “made”, the words “or waived”.

EXPLANATORY NOTE

SECTION 32 (1) of the principal Act provides that every mortgagor who receives from the Corporation a loan secured by a mortgage of land is required to pay to the credit of the Corporation's General Reserve Fund an amount equal to 2 per cent of the loan.

The effect of the amendment made by the proposed new clause is that the Board of Management of the Corporation may, in certain circumstances, waive this contribution or reduce the amount of it where the mortgagor has already repaid a loan made to him by the Corporation.