



**THE TRUSTEE SAVINGS BANKS (HOUSING BONDS) NOTICE
1976**

PURSUANT to section 36C of the Trustee Savings Banks Act 1948, the Minister of Finance hereby gives the following notice.

NOTICE

1. Title and commencement—(1) This notice may be cited as the Trustee Savings Banks (Housing Bonds) Notice 1976.

(2) This notice shall be deemed to have come into force on the 1st day of September 1976.

2. Interpretation—In this notice, unless the context otherwise requires,—

“Board” has the same meaning as in the Trustee Savings Banks Act 1948;

“Insurance company” means a company within the meaning of the Life Insurance Act 1908; and includes any department, division, or office of any such company;

“Superannuation fund” means any superannuation fund or scheme that is a financial institution for the purposes of the Reserve Bank of New Zealand Act 1964.

3. Housing bonds—The Board may receive deposits and issue bonds, to be known as housing bonds, in respect thereof, subject to the provisions of this notice.

4. Term of investment—The term of investment for deposits received shall be 5 years from the 1st day of the month next following the date of initial lodgement.

5. Interest—(1) The Board may pay interest of not more than 9 percent per annum on the face value of the bond.

(2) Interest shall accrue from the date of initial lodgement, shall be calculated on a daily basis up to the 1st day of the month next following the date of initial lodgement, and shall then be calculated 6-monthly thereafter.

(3) Interest shall be paid to the registered holder of the bond at 6-monthly intervals calculated from the first day of the month next following the date of initial lodgement, and the first interest payment shall include interest for the period from the date of initial lodgement up to the 1st day of the month next following that date.

6. Subscription—(1) Housing bonds shall be issued at par and may be purchased by—

- (a) Any individual of the age of 7 years and upwards who is not subject to any legal disability other than that of infancy:
- (b) Two or more such individuals in their own names either jointly or severally:
- (c) Any corporation sole or body of persons whether corporate or unincorporate.

(2) Each investment in housing bonds shall be an amount of not less than \$200 and shall be in multiples of \$10.

(3) The maximum amount which may be invested by a depositor with any one trustee savings bank in any one year calculated from the date of the initial deposit shall be \$25,000:

Provided that this subclause shall not apply to any insurance company or superannuation fund.

7. Repayment—(1) Housing bonds shall on maturity be repaid at par to the registered holder.

(2) Housing bonds may be redeemed at par before maturity by the personal representatives of a sole original holder on the death of that original holder on giving 30 days' notice prior to redemption.

(3) Subject to subclause (2) of this clause, housing bonds may be redeemed before maturity by any holder, other than an insurance company or superannuation fund, subject to the following conditions:

- (a) A bond shall not be redeemed within 30 days after the date of its issue:
- (b) The Board may require up to 30 days' notice prior to redemption:
- (c) A bond may be redeemed only by the original holder.

(4) Where a housing bond is redeemed before maturity pursuant to subclause (3) of this clause the minimum penalty shall be an amount calculated at the rate of 2 percent per annum of the face value of the bond for each complete month from the date of redemption to the date of maturity:

Provided that the yield to redemption shall be not less than 3 percent per annum.

(5) On redemption of any bond, whether on or before maturity, the registered holder shall surrender to the Registrar any certificate of title issued in respect of that bond.

8. Registration—(1) Each housing bond issued to an insurance company or superannuation fund shall be registered and shall be transferable.

(2) Housing bonds issued to any purchaser other than an insurance company or superannuation fund shall be registered but shall be transferable only if the purchaser so requests.

(3) Registration of the bonds shall, at the option of the Board, be carried out either by the issuing bank or the Reserve Bank of New Zealand:

Provided that the register of transferable bonds shall be held at the Reserve Bank of New Zealand pursuant to an agreement between the issuing bank and the Reserve Bank of New Zealand.

(4) The Board may appoint the Reserve Bank of New Zealand as the agent of the issuing bank to make payments of interest on the bonds and payments on redemption or repayment of the bonds on terms to be agreed between the Board and the Reserve Bank of New Zealand.

(5) The provisions of section 9 of the Reserve Bank of New Zealand Act 1964 shall, so far as they are applicable and with the necessary modifications, apply in respect of any register of housing bonds held at the Reserve Bank of New Zealand and in respect of any payments of interest on the bonds and any payments in redemption or repayment of the bonds made by the Reserve Bank of New Zealand as the agent of the issuing bank.

(6) Part I of the Trustee Savings Banks Regulations 1949 shall, so far as they are applicable and with the necessary modifications, apply in respect of any register held at a trustee savings bank.

9. Transfer of bonds—Every housing bond that is transferable may be transferred by lodging a memorandum of transfer at the Reserve Bank of New Zealand and by complying with such conditions as may be specified by the Reserve Bank of New Zealand.

10. Commission—The issuing bank may pay a commission, procurator fee, or brokerage, to any person obtaining subscriptions for the issue of housing bonds.

11. Government guarantee of deposits—The provisions of section 30 of the Trustee Savings Banks Act 1948 are hereby extended to apply to deposits received in respect of housing bonds.

12. Cash requirements—It is hereby declared that housing bonds for the time being outstanding shall be deemed to be amounts standing to the credit of depositors for the purposes of section 24 (3) of the Trustee Savings Banks Act 1948.

Dated at Wellington this 28th day of September 1976.

R. D. MULDOON,
Minister of Finance.

EXPLANATORY NOTE

This note is not part of the notice, but is intended to indicate its general effect.

This notice sets out the terms and conditions under which housing bonds may be issued by trustee savings banks.

Issued under the authority of the Regulations Act 1936.

Date of notification in *Gazette*: 30 September 1976.

This notice is administered in the Reserve Bank of New Zealand.