

Regulations regarding Advances under Section 2 of the Discharged Soldiers Settlement Amendment Act, 1917

LIVERPOOL, Governor-General.

ORDER IN COUNCIL.

At the Government House at Wellington, this eighth day of April, 1918.

Present :

HIS EXCELLENCY THE GOVERNOR-GENERAL IN COUNCIL.

IN pursuance and exercise of the powers conferred upon him by the Discharged Soldiers Settlement Act, 1915, His Excellency the Governor-General of the Dominion of New Zealand, acting by and with the advice of the Executive Council of the said Dominion, doth hereby make the following regulations for the purpose of regulating advances under section 2 of the Discharged Soldiers Settlement Amendment Act, 1917.

REGULATIONS.

1. ADVANCES for any of the purposes named in paragraphs (a), (b), or (d) of subsection (1) of section 2 of the Discharged Soldiers Settlement Amendment Act, 1917, may, on the recommendation of the Land Board, be made by the Minister of Lands. With respect to every application for such advance the following provisions shall apply :—

(a.) Every application for an advance shall be made, in form No. 1 in the Schedule hereto or to the like effect, to the Land Board for the land district within which the land affected is situated, and shall be accompanied by the prescribed valuation fee. The Land Board shall, before making its recommendation, require the applicant to appear personally before it, or before such person or persons as it may appoint.

(b.) Valuation fees shall be payable in accordance with the following scale :—

On an application for a loan not exceeding £100	£	s.	d.
Exceeding £100 but not exceeding £250	1	1	0
Exceeding £250 but not exceeding £500	1	11	6
Exceeding £500 but not exceeding £2,500	2	2	0

(c.) No application for an advance for any of the purposes mentioned in the said paragraphs (a) or (b) shall be considered unless accompanied by an option to purchase the fee-simple or lease or license, as the case may be, given by the owner or the lessee to the applicant. Such option shall be in the form No. 2 in the Schedule hereto or to the like effect.

(d.) The amount of advance to any one person shall in no case exceed the sum of £2,500; provided that in the case of applications for an advance to purchase a dwelling and appurtenances on other than rural land the amount of advance shall not exceed the sum of £1,000. Where two or more discharged soldiers hold or propose to acquire any land, whether freehold or leasehold, as tenants in common in equal shares, advances may be made to them jointly to the aggregate amount that they would have been entitled to obtain individually.

(e.) All advances shall be secured by first mortgage over the land or the applicant's interest in the lease or license thereof, in the form No. 3 in the Schedule hereto or to the like effect, except in such cases as another form is specifically provided for; and the Minister may as collateral security require that a mortgage of stock be executed over stock of the applicant depasturing on the land, and a bill of sale be given over such chattels belonging to the applicant as he may decide.

(f.) Save as herein otherwise specially provided, all moneys advanced under this clause, together with interest thereon at the rate of 5 per cent. per annum, shall be repayable by half-yearly instalments over a period of 36½ years. Every half-yearly instalment shall consist partly of interest and partly of principal, and shall be calculated according to Table A of the Second Schedule to the State Advances Act, 1913. All moneys received in payment of such half-yearly instalments shall be applied towards payment of interest and principal in the proportions set out respecting the appropriate payments in the said Table A. In such cases as the Minister may approve, advances may be made on flat mortgage for any period not exceeding ten years. Advances made on flat mortgage shall be secured by first mortgage in the form of mortgage set out in the First Schedule to the regulations made under the provisions of the Discharged Soldiers Settlement Act, 1915, by Order in Council on the 7th March, 1916, and gazetted on the 16th March, 1916, or to the like effect.

(g.) In the case of any advance made in respect of leasehold land the following provisions shall apply :—

(i.) 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.

(ii.) The term of the mortgage (which shall in no case exceed 36½ years) shall, unless the lessee receives in lieu of his lease a title in fee-simple, expire on the due date of the prescribed half-yearly instalment next preceding the date of the expiration of the lease (which term shall be deemed to include any lease issued in lieu thereof whether by way of renewal or otherwise), and such instalment shall include the balance of principal then owing under the mortgage.

(iii.) No surrender of any lease on the security of which money has been advanced shall, so long as any portion of the moneys advanced remains unpaid, be accepted, nor shall any such lease be declared forfeited by a Land Board without the consent of the Minister.

(iv.) For the purposes of section 74 of the Land Act, 1908, any moneys owing by a lessee on account of an advance made pursuant to these regulations, together with interest due thereon, if any, shall be deemed to be moneys due in respect of the land, and such moneys shall constitute a first charge on moneys received by the Receiver of Land Revenue pursuant to that section.

(v.) The terms "lease" and "lessee" include license and licensee.

(h.) In the case of applications for an advance to purchase a dwelling and appurtenances on other than rural land, the provisions of clause 3 (b) shall apply in lieu of clause 1 (f) hereof.

2. The provisions of the regulations for the purpose of regulating advances under section 6 of the Discharged Soldiers Settlement Act, 1915, made by Order in Council dated the 7th March, 1916, and published in the *New Zealand Gazette* of the 16th March, 1916, together with all amendments thereof, shall extend and apply to advances for any of the purposes mentioned in paragraphs (c) or (e) of subsection (1) of section 2 of the Discharged Soldiers Settlement Amendment Act, 1917, except for the purpose of the erection of a dwelling with the necessary appurtenances on other than rural land, and at the discretion of the Minister the said regulations shall, in lieu of Regulation (1) hereof, apply to advances for any of the purposes named in paragraphs (a), (b), or (d) of subsection (1) of section 2 of the Discharged Soldiers Settlement Amendment Act, 1917, provided that in any such case the term of the loan shall not exceed ten years.

3. Advances under paragraph (c) of subsection (1) of section 2 of the Discharged Soldiers Settlement Amendment Act, 1917, for the purpose of the erection of a dwellinghouse on other than rural land may, on the recommendation of the Land Board, be made by the Minister subject to the following provisions :—

(a.) The amount of the advance shall in no case exceed the sum of £750.

(b.) Unless otherwise determined by the Minister as hereinafter provided, all moneys advanced, together with interest thereon at the rate of £5 per centum per annum, shall be secured by first mortgage over the land in the form No. 3 in the Schedule to these regulations or to the like effect, and shall be repayable by half-yearly instalments over a period of 25½ years. Every half-yearly instalment shall consist partly of interest and partly of principal, and shall be calculated at the rate of £7 per centum per annum on the amount of the advance. All moneys received in payment of such half-yearly instalments shall be applied towards payment of interest and principal in the proportions set out respecting the appropriate payment in the Second Schedule to the Workers' Dwellings Act, 1910.

(c.) The amount of any loan may, in the discretion of the Minister, be advanced by progress-payments to an amount not exceeding the value of the work from time to time completed.

(d.) Every application for an advance shall be made, in form No. 4 in the Schedule hereto or to the like effect, to the Land Board for the district within which the land affected is situated, and shall be accompanied by the valuation fee calculated in accordance with clause 1 (b) of these regulations. The Land Board shall, before making its recommendation, require the applicant to appear personally before it, or before such person or persons as it may appoint.