

advance and readvance moneys on current account so that the total indebtedness, exclusive of interest, of the person to whom such advance is made shall not at any time exceed the amount so authorized.

21. (1.) Advances made hereunder on current account for the purposes of erecting buildings, or effecting permanent improvements, may, to such extent as the Minister may approve, be discharged from a flat mortgage securing such advances, and the amount so discharged shall thereupon be secured by a mortgage over the land or the mortgagor's interest in the lease or license thereof in the Form No. 10 in the First Schedule hereto or to the like effect:

Provided that no adjustment shall be made to the prejudice of the position held by the security to the Crown, and provided further that in the event of any adjustment being made respecting a security by a flat mortgage next following a security for advances under the provisions of section 2 of the Discharged Soldiers Settlement Amendment Act, 1917, the security for such adjustment may be given by memorandum of increase, increasing the debt secured under the mortgage given as security under the said section 2.

(2.) All moneys so secured by such mortgage, together with interest thereon at the rate of five per centum per annum, shall be repayable by half-yearly instalments over such prescribed period, not exceeding thirty-six years and a half, as the Minister may determine. Every instalment shall consist partly of interest and partly of principal, and shall be calculated and apportioned in accordance with such table in the Second, Third, Fourth, Fifth, or Sixth Schedule hereto as is appropriate to the period so fixed.

22. In any case where upon the acquisition of any land for the settlement of discharged soldiers the Minister has considered it expedient that farming operations on such land should be carried on by the Commissioner of Crown Lands until such time as is deemed opportune for placing the persons to whom the subdivisions may have been allotted in possession of such allotments, and if the Minister is satisfied that the amount that may be advanced to any such person hereunder is inadequate having regard to the liabilities which it may be arranged that such person shall accept as mortgagor, he may, notwithstanding anything to the contrary in these regulations, make advances to any such person in the manner following:—

(a.) On current account mortgage up to an amount not exceeding the amount of the liabilities accepted by the mortgagor with respect to stock and chattels.

(b.) On mortgage up to an amount equal to the value of the improvements effected by the mortgagor. Repayment under such mortgage shall be by half-yearly instalments of principal and interest at the rate of five per centum per annum extending over a period not exceeding thirty-six years and a half:

Provided that in no case shall the amounts advanced under either paragraph (a) or (b), or both paragraphs, exceed such amount or amounts as the Minister, having regard to the special circumstances of each case and to the liabilities to be accepted by the mortgagor, decides to be adequate.

23. For the purpose of assisting settlers with respect to any of the matters for which advances may be made as aforesaid, the Minister may purchase such materials or articles as may be required, and may dispose of the same to settlers on such terms as he thinks proper. Where any such materials or articles are not paid for by the settler, their value as determined by the Minister shall be deemed to be an advance within the meaning of these regulations.

24. With respect to advances under paragraph (a), (b), or (d) of section 2 of the Discharged Soldiers Settlement Amendment Act, 1917, the following provisions shall apply:—

(a.) Every application for such an advance shall be made, in the form No. 8 in the First 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:—

	£	s.	d.
On an application for a loan not exceeding £100	..	0	10
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

Provided that in the case of an applicant who has previously applied for an advance, and whose application has been refused, the Commissioner of Crown Lands may, with approval of the Minister, reduce or dispense with the payment of valuation fees on any subsequent application lodged by the said applicant for an advance under these regulations.

(c.) An application for an advance for any of the purposes mentioned in paragraph (a) or (b) of the said section 2 shall not be considered unless it is accompanied by an option to purchase the fee-simple or to acquire the 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. 9 in the First Schedule hereto or to the like effect.

(d.) The amount of advance to any person for the purchase of a dwelling and appurtenances on other than rural land shall not exceed the sum of £1,000, and for any other purpose shall not exceed the sum of £2,500:

Provided that in any case where advances are authorized under the provisions of clause 20 hereof the maximum advance here prescribed in the case of rural land may be increased by the amount of such advances, but in no case shall the total amount advanced to one person hereunder exceed £2,750.

(e.) In such cases as the Minister may approve, an advance may be made to any person hereafter assisted to acquire land under section 2 of the Discharged Soldiers Settlement Amendment Act, 1917, for the purpose of enabling such person to pay any stamp duty payable on any transfer, conveyance, or assignment of such land to himself.

Notwithstanding anything to the contrary in sub-clause (d) hereof, the maximum amounts fixed for advances therein may be increased by such amount as may be advanced under this paragraph.

(f.) Except as provided in paragraph (h) hereof, all advances shall be secured by mortgage over the land or the applicant's interest in the lease or license in the form No. 10 in the First Schedule hereto or to the like effect; and the Minister may, as collateral security, require that a bill of sale be given over such stock and other chattels belonging to the applicant as he may decide.

(g.) Except as provided in paragraph (h) or paragraph (i) hereof, 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 thirty-six years and a half. Every half-yearly instalment shall consist partly of interest and partly of principal, and shall be calculated and apportioned according to the table in the Sixth Schedule hereto.

(h.) In such cases as the Minister may approve, advances under this clause may be made on flat mortgage for any period not exceeding ten years. Advances made on flat mortgage shall bear interest at the rate of 5 per centum per annum and shall be secured by mortgage in the form No. 6 in the First Schedule hereto, with the necessary modifications.

(i.) In the case of applications for an advance to purchase a dwelling and appurtenances on other than rural land, the provisions of paragraph (b) of the next succeeding clause shall apply in lieu of the provisions of paragraph (g) of this clause.

(j.) In the case of any advance made in respect of leasehold land the following additional 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 shall, unless the lessee receives in lieu of his lease a title in fee-simple, expire on the 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 instalments 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 82 of the Land Act, 1924, 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.

25. With respect to a mortgage given in pursuance of the provisions of section 9 of the Discharged Soldiers Settlement