

## PART II.—THE GRANTING OF LOANS.

*Loans to Co-operative Rural Intermediate Credit Associations.*

22. Every application for the consent of the Board to the registration of any association shall be delivered to the Supervisor for the district in which the association is to be formed, together with—(a) two copies complete in every respect of its proposed memorandum of association: (b) such information as to the financial standing and farming experience of the proposed members of the association as the Supervisor may require.

23. The Supervisor shall investigate the particulars furnished to him by the proposed association, and shall forward the application, together with a full report thereon, to the Board.

24. The consent of the Board to the registration of any association shall be set forth in the declaration of the Supervisor under subsection (2) of section 42 of the Act.

25. Every association shall forthwith after its statutory meeting deliver to the Board, through the Supervisor, a list (in duplicate) of the names, addresses, and occupations of the directors of the association, and of the secretary and treasurer or secretary-treasurer thereof, together with a statement of the proposed remuneration of any such officer; and shall forthwith upon the appointment of any new director or officer of the association notify the Board thereof in the like manner.

26. The Board may require an association to find sureties to the satisfaction of the Board for the fidelity of the treasurer, the secretary-treasurer, or any other officer of the association.

27. Every association shall forthwith after the preparation and audit of its annual accounts and balance-sheet forward two copies thereof to the Board, through the Supervisor.

28. (1) If it appears to the Commissioner that any association, or any director thereof, has committed a breach of, or failed or neglected to comply with, any provisions contained in the Act or these or any other regulations thereunder, or in its own regulations, he may by notice in writing call upon such association or director to make good such breach, failure, or neglect.

(2) Every director who refuses or neglects to comply with the terms of such notice within fourteen days, or such longer period as the Board may approve, commits an offence, and shall be liable upon conviction to a fine of £5.

29. The Supervisor may from time to time appoint in writing any person to exercise his rights as director of an association, and the production of any such appointment signed by the Supervisor shall be conclusive evidence of the right of the appointee to exercise such rights.

30. Subsection (1) of section 24, section 37, subsections (1) and (3) of section 57, and sections 74, 75, 76, 77, 78, 79, 80, 81, 95, 96, 99, 130, 131, 148, and 186 of the Companies Act, 1908, and the regulations contained in Table A of the Second Schedule to that Act, are hereby excluded and shall not apply to any association.

31. Until the Board shall promulgate model regulations and by-laws under section 47 of the Act, the regulations set out in the Sixth Schedule hereto shall be deemed to have been so promulgated.

32. (1) If the directors of an association shall desire to grant an application by a member for a loan, a copy of the application, and of any valuation or report relating thereto, shall forthwith be forwarded by the secretary of such association to the Supervisor, with a request, in the form required by the Board, either generally or specifically, for an advance from the Board to the association of a sum sufficient to enable the association to grant the advance to its member.

(2) The Supervisor shall scrutinize every such application and supporting documents, and shall with all reasonable speed forward them to the Board, together with his report thereon.

(3) The Board shall consider every such application, and may either approve or disapprove the same, or approve the same subject to modifications or conditions; and shall notify the association of its decision, through the Supervisor.