



MONTSERRAT

## CHAPTER 18.12

# GOVERNMENT HOUSING LOANS ACT

Revised Edition

showing the law as at 1 January 2013

This is a revised edition of the law, prepared by the Law Revision Commissioner under the authority of the Revised Edition of the Laws Act.

This edition contains a consolidation of the following laws—

### GOVERNMENT HOUSING LOANS ACT

Act 24 of 1965 .. in force 29 December 1965

Amended by Acts: 14 of 1972 .. in force 29 December 1965

9 of 2011 .. in force 27 September 2011 (S.R.O. 40/2011)

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### GOVERNMENT HOUSING LOANS REGULATIONS

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**CHAPTER 18.12**

**GOVERNMENT HOUSING LOANS ACT**

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SCHEDULE: Government Housing Loans Regulations

## CHAPTER 18.12

### GOVERNMENT HOUSING LOANS ACT

*(Acts 24 of 1965, 18 of 1967, 14 of 1972 and 9 of 2011)*

AN ACT TO PROVIDE FOR THE MAKING OF LOANS TO CERTAIN PERSONS IN THE EMPLOY OF GOVERNMENT AND OF CERTAIN ORGANISATIONS TO ASSIST THEM IN ACQUIRING, PROVIDING OR IMPROVING HOUSING ACCOMMODATION FOR THEMSELVES AND THEIR FAMILIES AND IN DISCHARGING ENCUMBRANCES AND CHARGES.

#### Commencement

*[29 December 1965]*

#### PART 1

#### PRELIMINARY

#### Short title

1. This Act may be cited as the Government Housing Loans Act.

#### Interpretation

2. In this Act—

“**Board**” means the Government Housing Loans Board as hereinafter constituted;

“**Chairman**” means the Chairman of the Board and includes the Vice-Chairman when officiating as Chairman and any person appointed to officiate temporarily as Chairman;

“**employee**” includes Government employees, primary school teachers, and such persons, as may be approved by the Governor, in the service of any scheduled organisation as herein defined;

“**employee eligible for a loan**” means any employee of a class or description declared by order of the Governor to be eligible to receive loans which may be approved in accordance with this Act;

“**land**” means—

- (a) land held on freehold tenure; or
- (b) land held on lease of which the unexpired term is not less than twenty years; or
- (c) in any case or class of cases in which the Board for special reasons shall so decide, land held on lease of which the unexpired term is less than twenty years;

“**Minister**” means the Minister responsible for Finance;

“**paying authority**” means in the case of a Government employee, or a primary school teacher, the Accountant General, and in the case of any other employee the chairman or secretary of the managing body of the scheduled organisation employing him;

“**Registrar**” means the Registrar of the Supreme Court;

“**scheduled organisation**” means any organisation specified from time to time by order made by the Governor.

## PART 2

### THE GOVERNMENT HOUSING LOANS BOARD

#### **Incorporation of the Board**

3. (1) For the purposes of this Act there shall be established a Board to be called the Government Housing Loans Board which shall be a body corporate under that name with perpetual succession and a common seal which shall be officially and judicially noticed. The seal shall be authenticated by the signature of the Chairman. The Board may sue and be sued in its corporate name and may for all purposes be described by that name.

(2) Until a seal is provided in accordance with the provisions of this section, a stamp bearing the words “**The Government Housing Loans Board, Montserrat**”, and authenticated by the signature of the Chairman, may be used instead of such a seal.

#### **Constitution of the Board**

4. (1) The Board shall consist of not less than five members to be appointed by the Governor.

(2) On the first appointment of members to the Board the Governor shall appoint three members to hold office for five years and every other member to hold office for three years. Thereafter all members appointed shall hold office for three years, but any member shall be eligible for re-appointment from time to time.

(3) The Governor may, if he thinks fit, determine the appointment of any member before his term of office has expired and may appoint any person to complete the term of office of the member whose appointment has been so determined.

(4) A member of the Board may resign from such office by notice in writing to the Governor, and if a member so resigns or dies before his term of office has expired, the Governor may appoint any person to complete the term of office of such member.

(5) The Governor shall appoint from among the members of the Board a Chairman and a Vice-Chairman who shall hold office during the Governor’s pleasure so long as they remain members of the Board. The Vice-Chairman



shall officiate as Chairman in the absence or inability to officiate of the Chairman. In the absence or inability to officiate of the Chairman and Vice-Chairman, the members present may appoint some other member of the Board to officiate temporarily as Chairman. Every meeting of the Board shall be presided over by the Chairman.

### **Board to conform with directions of the Ministers**

5. In the exercise of the powers conferred, and the performance of the duties imposed, by this Act, the Board shall conform with any special or general directions given to it by the Minister.

### **Decisions of the Board**

6. (1) Decisions of the Board may be taken at meetings, or, in cases in which the Chairman shall so direct, by the recording of the opinions of members on papers circulated among them: Provided that, where papers are circulated the Chairman may direct that the papers shall not be circulated to any member who through interest, illness, absence from Montserrat or otherwise is, in the opinion of the Chairman, incapacitated from voting on such papers.

(2) The quorum of the Board at any meeting or for the purpose of voting on papers circulated shall be three.

(3) The decisions of the Board shall be by the majority of votes: Provided that, in any case in which the voting shall be equal, the Chairman shall have a second or casting vote.

### **Officers and servants of the Board**

7. (1) It shall be lawful for the Board with the approval of the Minister to appoint and employ, at such remuneration and on such terms and conditions (including the giving of security) as the Minister may determine, a Secretary and such officers, inspectors, valuers and other staff as may be deemed necessary for the proper carrying out of the provisions of this Act.

(2) The Board may also employ valuers and inspectors on such terms as it may think fit without appointing them to the staff of the Board.

## **PART 3**

### **FINANCIAL PROVISIONS**

#### **The funds of the Board**

8. The funds of the Board shall consist of—

- (a) such sums as may be borrowed by the Board with the approval of the Minister;
- (b) such sums as may be placed at the disposal of the Board from time to time by any Act appropriating the same; and

- (c) such sums as may accrue to the Board from its operations under this Act.

### **Security for loans and Government guarantee**

**9. (1)** All loans and interest thereon (including any expenses or charges arising out of or in connection with the appointment of a receiver under the Debenture hereinafter referred to) made to the Board under section 8 shall be secured by a debenture over all the assets and securities of the Board, both present and future, and in default of repayment of an amount equivalent to 25% of the aggregate of all principal moneys advanced to the Board shall be charged upon and payable out of the Consolidated Revenue Fund and other assets of Montserrat.

(2) In this section—

“**assets and securities of the Board**” includes—

- (a) all benefits under policies of life insurance assigned to the Board;
- (b) all benefits under gratuities charged to the Board; and
- (c) all benefits accruing from the power vested in the Board of making deductions from the salaries of borrowers.

### **Financial policy of the Board**

**10.** The Board shall so manage its business that taking one transaction with another, and taking one year with another—

- (a) its revenue is sufficient for meeting all charges including interest on capital and loans properly chargeable to revenue;
- (b) sufficient provision is made to provide for depreciation of assets; and
- (c) where any loss or bad debt arises in respect of any transaction, provision is made in respect of other transactions whether of similar nature or otherwise, to off-set the amount of such loss or debt.

### **Application of funds**

**11.** The funds of the Board shall be applied towards—

- (a) the payment of the salaries, fees, remuneration and other allowances of the officers and servants of the Board;
- (b) the payment of interest at the prescribed rate on sums placed at the disposal of the Board and the repayment of any such sum;
- (c) the making of loans in accordance with this Act to employees eligible for loans;

- (d) the payment of rates, taxes, fire insurance premiums and other outgoings and of the expenses of maintenance or disposal in connection with lands or buildings which become vested in the Board;
- (e) the payment of rates, taxes, fire insurance premiums and other outgoings and of the expenses of maintenance in connection with any land or building, in relation to which a loan has been made by the Board and is wholly or partly outstanding, in cases in which default has been made by the borrower;
- (f) the payment of life insurance premiums in cases in which default in the payment of such premiums is made by the borrower;
- (g) the creation of a reserve fund;
- (h) the payment of all other expenses authorised by, or incidental to the operation of, this Act, and of any other sums the payment of which is sanctioned by the Minister.

### **General financial provisions**

**12. (1)** Every sum payable to the Board shall be collected and received for and on account of the funds of the Board. Receipts for sums paid to the Board may be signed by any officer of the Board authorised by resolution of the Board generally or specially in that behalf.

**(2)** All payments out of the funds of the Board shall be made by officers of the Board authorised by resolution of the Board generally or specially in that behalf upon vouchers signed by the Chairman.

**(3)** The Board shall cause to be kept proper books and accounts to the satisfaction of the Accountant General. The Senior Auditor shall audit the books and accounts of the Board.

**(4)** The funds of the Board shall be paid into a bank or banks approved by resolution of the Board and shall, so far as is practicable, be so paid from day to day:

Provided that officers of the Board generally or specially authorised in that behalf by resolution of the Board may retain in their hands sums to meet petty disbursements or for immediate payment in accordance with the terms of the resolution.

**(5)** Cheques on any banking account of the Board shall be signed by an officer of the Board generally or specially authorised in that behalf by resolution of the Board and shall be countersigned by the Chairman.

**(6)** The Board may from time to time arrange for the interim investment of any portion of its funds in such securities as may be approved by the Minister.

(7) Subject to the provisions of this Act and of any Regulations thereunder the Board shall have power by resolution to provide for all matters of administration and procedure not specifically provided by this Act.

### **Reports and audited accounts to be forwarded annually to the Minister**

13. (1) The financial year of the Board shall commence on 1 August in each year and shall end on 31 July of the following year, and as soon as possible after 31 July of each year the Board shall forward to the Minister a report upon the administration of the affairs of the Board during the previous year and a balance sheet and statement of revenue and expenditure certified by the Principal Auditor, together with his report, if any, thereon.

(2) Copies of all reports, balance sheets and statements of revenue and expenditure shall be submitted by the Minister to any lender of monies borrowed by the Board under section 8.

(3) All reports, balance sheets and statements of revenue and expenditure shall be laid before the Legislative Assembly by the Minister.

*(Substituted by Act 14 of 1972 and amended by Act 9 of 2011)*

## PART 4

### PROVISIONS AS TO LOANS

#### **Power to make loans**

14. Subject to the provisions of this Act and of any Regulations thereunder the Board may, with the approval of the Minister, make a loan to any employee eligible for a loan for all or any of the following purposes—

- (a) the acquisition of a house and land for use by him as a residence for himself and his family;
- (b) the purchase of land and the erection thereon by him of a house for the use as aforesaid;
- (c) the erection on land owned by him of a house for use as aforesaid;
- (d) the discharge of any subsisting mortgage or charge on a house or land used as aforesaid;
- (e) the substantial alteration or improvement of a house used as aforesaid;
- (f) the payment of premiums and other expenses in connection with the insurance of his life as security for a loan under this Act.

## Loans

**15. (1)** Applications for loans shall be in the form approved by the Board and appropriate to the circumstances and shall be addressed to the Secretary of the Board.

**(2)** Every loan made under this Act and the interest thereon and all expenses recoverable by the Board from the borrower in connection with the loan or with any security therefor shall be secured to the satisfaction of the Board by a first charge on the land and building in respect of which the loan is to be granted; and also—

- (a)* if the life of the employee to whom the loan is to be made is insured to the satisfaction of the Board, by the assignment of the benefits of the policy to the Board and the deposit of the policy with the Board; or
- (b)* if the life of the employee is not so insured or if he does not desire to proceed as laid down in paragraph *(a)*, and he is able to pass the medical examination required by an insurance company approved by the Board, by insurance on his life in favour of the Board in such amount as the Board may in each case determine; or
- (c)* if the life of the employee is not so insured and he is not able to pass such medical examination, by a charge on any gratuity payable on his death while in the service of Government or a scheduled organisation.

**(3)** All expenses and payments of premium in respect of any insurance contemplated by subsection (2) shall be borne by the employee concerned.

## Charges

**16. (1)** Every charge contemplated by section 15(2), other than paragraph *(c)* thereof, shall be by memorandum of charge substantially in the prescribed form.

**(2)** The memorandum of charge shall be submitted to the Attorney General and shall be signed by the employee concerned in the presence of the Attorney General and shall be forwarded to the Registrar and a copy of the memorandum of charge certified by the Secretary of the Board shall be supplied by the Board to the employee concerned without payment of any fee.

**(3)** Upon receipt of such memorandum the Registrar shall register the same in the general register of deeds, and such register shall be open to inspection by the public on payment of the prescribed fee.

**(4)** The memorandum of charge, upon being duly registered by the Registrar pursuant to subsection (3) shall from the time of such registration have effect in every way as though it were a deed of mortgage duly executed and attested and was duly registered under the Registration and Records Act and shall be good and effectual both at law and in equity according to the priority of time of such registration against every other assurance or

disposition of the same estate or interest or any part thereof and against all judgement creditors of the chargee.

(5) On the repayment of all sums due under a memorandum of charge the Board shall issue a receipt duly sealed with the seal of the Board and substantially in the prescribed form and thereupon the estate or interest charged shall vest in the person entitled to the equity of redemption without reconveyance or other formality, and the Registrar shall upon the production to him of such receipt register the same and such registration shall have the effect of clearing the register or record of such charge.

### **How charge on gratuity affected**

17. (1) A charge on a gratuity for the purpose of section 15(2)(c) shall be effected by the execution by the employee concerned of a memorandum in the prescribed form and may be discharged by an endorsement in the prescribed form on such memorandum.

(2) Every such charge shall have effect notwithstanding any provision of any existing law to the contrary.

(3) Upon the execution of any such memorandum of charge by an employee, the Board shall forthwith forward a copy thereof to the paying authority concerned.

(4) Upon the discharge of any such charge the Board shall forthwith notify the paying authority concerned.

### **Board to prepare documents**

18. Every receipt contemplated by section 16 and every memorandum of charge or endorsement contemplated by section 17 shall be prepared by the Board.

### **Fees for preparation of documents**

19. (1) The employee concerned shall pay such fees as may be prescribed to the solicitor employed by him for the preparation of any charge contemplated by section 15 (including searches, verification of title and other incidental matters).

(2) No fees shall be payable to the Board in respect of the preparation of any receipt, memorandum or endorsement mentioned in section 18.

### **Offences**

20. (1) Any person who shall make any statement in any application to the Board which he knows to be false or does not believe to be true or who shall apply any loan under this Act, or any part thereof, to any purpose not authorised by the Board shall be guilty of an offence and shall be liable on summary conviction to a fine of \$500 or to imprisonment for a term of six months or to both such fine and imprisonment.

(2) In any prosecution under this section the onus of proving the manner in which any loan or part thereof has been applied shall be on the accused.

(3) Proceedings for any such offence may be commenced at any time within three years from the date on which the offence was committed.

## PART 5

### MISCELLANEOUS PROVISIONS

#### **Inspection of premises**

21. Any valuer or inspector appointed by the Board may at all reasonable times on giving 48 hours' notice to the owner or occupier enter upon any land or building in respect of which a loan has been made under this Act and may value or inspect the same; and any person who shall obstruct or cause to be obstructed any such valuer or inspector in the exercise of the powers conferred by this section, whether by force or by threats or otherwise, shall be guilty of an offence and shall be liable on summary conviction therefor to a fine of \$240 or to imprisonment for a term of three months or to both such fine and imprisonment.

#### **Exemption from income tax**

22. Notwithstanding anything contained in the Income and Corporation Tax Act, the income of the Board shall be wholly exempt from income tax.

#### **Power of Board to acquire and dispose of property**

23. (1) The power to buy in at an auction any land or building on which there is a charge in favour of the Board shall not be exercised by the Board without the approval of the Minister.

(2) The Board may with the approval of the Minister—

(a) purchase or otherwise acquire or take on lease or on rent any land or building on which there is a charge in favour of the Board;

(b) sell, lease, or rent any land or building vested in the Board.

#### **Sale of land or houses charged to the Board**

24. Any sale by the Board of land or buildings on which there is a charge in favour of the Board may be by public auction conducted by the Registrar.

#### **Effect of failure to comply with Act or Regulations**

25. No failure to comply with the provisions of this Act or the Regulations thereunder shall prevent the recovery of any sum by the Board or the enforcement of any security by the Board.

## Regulations

**26. (1)** The Governor may make Regulations for all or any of the following purposes, that is to say—

- (a) prescribing all such matters as, for the purposes of this Act, are required or permitted to be prescribed; and
- (b) regulating the granting of loans under this Act; and
- (c) regulating the payment of any sums due to the Board by abatement of the salary of the employee concerned; and
- (d) prescribing and regulating the payment of fees to the registrar and to solicitors for things done under this Act; and
- (e) regulating the insurance of the lives of employees to whom loans are to be made; and
- (f) regulating the administration and procedure of the Board; and
- (g) carrying out generally the purposes of this Act.

**(2)** Regulations under this section shall not have any force or effect until approved by resolution of the Legislative Assembly. (*Amended by Act 9 of 2011*)

**(3)** The Regulations contained in the Schedule hereto shall be deemed to have been made and approved under this section.

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**SCHEDULE****GOVERNMENT HOUSING LOANS REGULATIONS**

*(Act 24 of 1965, 18 of 1967, 14 of 1972 and S.R.O. 10/1967)*

1. These Regulations may be cited as the Government Housing Loans Regulations.
2. No loan shall be made to any borrower who is less than twenty one years of age.
3. Save in special circumstances, no loan shall be made to any borrower in respect of more than one house and no loan shall be made to a borrower for the purpose of acquiring a house from his wife or for the purpose of acquiring a house if he or his wife already owns a house.
4. Save in special circumstances, no loan shall be made to a borrower for the erection or purchase of a house (exclusive of the value of the site) in excess of the value of the standard grade of house from time to time approved by the Minister as being appropriate to the salary of the borrower.
5. No loan shall exceed a sum equal to four times the annual salary of the borrower together with the purchase price, not exceeding \$1,000 of the value of land being purchased from Government on which the borrower intends to erect a house.  
*(Substituted by S.R.O. 10/1967 and amended by Act 18 of 1967)*
6. No loan shall exceed a sum equal to 80% of the Board's estimate of the value of the house and land concerned or, if the borrower is over forty five years of age, 70% of the said estimate: Provided that, in any case in which the Board is secured by insurance on the life of the borrower to cover outstanding balances the loan may be a sum not exceeding 95% of the said estimate.
7. No loan shall be made until the building site and the building or buildings erected or to be erected thereon have been approved by the Board. The prospective borrower shall cause plans and specifications of any new building to the satisfaction of the Board to be supplied to the Board.
8. The prospective borrower shall, if so required by the Board, supply the Board with an abstract of title to the land and shall comply with all requisitions as to title made on behalf of the Board.
9. The prospective borrower shall on demand permit any person acting on behalf of the Board and authorised thereunto in writing under the hand of the Secretary of the Board to enter and inspect any land or building in connection with which he has applied for a loan.
10. Insurance effected on the life of a borrower in accordance with section 14(2)(b) shall secure payment of the sum determined by the Board on the death of the policy holder occurring in any year during which part of the loan is outstanding and shall be by payment of a single premium payable at the commencement of the insurance to cover a diminishing risk.
11. Every loan shall be repayable within a period of not more than eighteen years.

**12. (1)** Any sum payable by an Employee to the Board by virtue of this Act may be deducted by the paying authority concerned from the salary of such employee, but subject always to any general or special directions which may be given by the Governor.

**(2)** No such deduction shall be made by a paying authority except in accordance with a certificate as to the amount payable and the date on which it is payable under the hand of the Secretary of the Board.

**(3)** Any sum deducted by a paying authority shall be paid to the Board.

**13.** The Board shall pay interest on all sums advanced to it at a rate approved by the Minister.

**14.** Minutes of every meeting of the Board shall be kept, and on being confirmed by the Board shall be signed by the Chairman.

**15.** The accounts of the Board shall be kept in a form approved by the Accountant General and shall be audited by the Senior Auditor.

**16.** The forms to be used under the Act shall be those set forth in Appendix A hereto.

**17.** The fees payable to the Registrar for things done under the Act shall be in accordance with Appendix B hereto.

**18.** The fees payable to the solicitors in accordance with section 18 of the Act shall be in accordance with Appendix C hereto.

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## APPENDIX A

## FORM 1

## MEMORANDUM OF CHARGE

(FREEHOLD).

MEMORANDUM OF CHARGE made this ..... day of .....,  
20..... by ..... of .....  
hereinafter called the Borrower in favour of the Government Housing Loans Board,  
incorporated by the Government Housing Loans Act, hereinafter called the Board.

WHEREAS the Borrower is seized in fee simple free from encumbrances of  
the freehold hereditaments specified in the Schedule hereto (hereinafter referred to as  
the freehold hereditaments) and has applied to the Board for a loan under the  
provisions of section 14 of the said Act which loan the Board has agreed to make  
upon the terms and conditions and in manner hereinafter appearing.

WITNESSETH as follows—

1. In pursuance of the agreement and in consideration of the sum of  
\$..... now lent by the Board to the Borrower (the receipt of which  
sum is hereby acknowledged) the Borrower hereby covenants with the Board to pay to  
the Board the said sum of \$..... with interest thereon at the rate  
of ..... % per annum by monthly instalments of principal and interest  
combined at the rate of .....\* in respect of every \$1,000: Provided that, if  
default is made by the Borrower in payment of any instalment of principal and interest  
or if he shall commit a breach of any covenant or obligation herein contained or if any  
event shall arise whereby the Board may exercise the power of sale the whole of the  
principal money then outstanding shall become immediately due and payable with  
interest thereon at the rate aforesaid.

2. For the consideration aforesaid the Borrower as beneficial owner conveys unto  
the Board the freehold hereditaments TO HOLD the same unto and to the use of the  
Board in fee simple subject to the proviso for redemption.

3. Provided that, on the payment by the Borrower to the Board of all sums due by  
him under this memorandum of charge this charge shall at the request of the Borrower  
be vacated by memorandum in the prescribed form or otherwise as the Borrower shall  
direct.

4. The Borrower hereby covenants as follows—

- (1) That as long as any money remains due under these presents the  
Borrower will keep all the buildings on the freehold hereditaments in  
good and substantial repair to the satisfaction of the Board. And if the  
Borrower shall fail or neglect to do so after due notice in writing  
thereof to him the Board may thereupon enter upon the premises and  
execute such repairs as may be necessary to comply with the above

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\* N B. – Rate to be computed and inserted by the Secretary of the Board.

obligation. And the Borrower will on demand repay to the Board all the expenses thereby incurred by the Board and will pay interest at the rate of 6% per annum from the date of the demand until repayment and all such expenses and interest until repayment shall be charged on the freehold hereditaments.

- (2) That so long as any money remains due under these presents the Borrower will keep all the buildings and out offices insured in the name of the Board against loss or damage caused by fire in the sum of \$ ..... at least with some insurance office approved by the Board and will make all payments required for the purpose as and when the same shall become due and will when required by the Board deliver for safe keeping by the Board the policy or policies of such insurance and the receipt for each such payment. And if the Borrower shall fail to perform any of his obligations under this paragraph and if the Board shall thereupon insure the said buildings or any of them in any amount not exceeding \$ ..... the Borrower will on demand repay to the Board all payments made for that purpose and will pay interest at the rate of 6% from the date of demand until repayment and all moneys not repaid on demand as aforesaid and all such moneys and interest shall be charged on the freehold hereditaments.
- (3) That during the continuance of this charge the Borrower will pay and discharge all rates and taxes, duties, charges, assessments, impositions and outgoings whatsoever which shall be assessed, charged or imposed upon or payable in respect of the freehold hereditaments or any part thereof by the Borrower, and if the Borrower shall at any time refuse or neglect to make such payments or to deliver the receipt therefor to the Board on demand the Board may pay the same and the Borrower will on demand repay to the Board all payments made for that purpose and will pay interest at the rate of 6% per annum from the date of demand until repayment and all moneys not repaid on demand as aforesaid and all such moneys and interest shall be charged on the hereditaments.
- (4) That as long as any money remains due under these presents the Borrower shall not exercise any powers of leasing or letting the freehold hereditaments or selling or otherwise disposing of the same or any part thereof except with the consent in writing of the Board.
- (5) That during the continuance of the charge hereby created the Borrower will comply with the provisions of the Act and with all Regulations made thereunder:

PROVIDED ALWAYS and it is hereby agreed as follows—

- (1) The Borrower may pay off all or any number of instalments on account of the principal money for the time being owing:

Provided that, upon such payment the interest on the whole principal money for the time being owing be fully paid and that such partial payment by anticipation shall not interfere with the payment in

regular course of the instalments of principal and interest subsequently payable but shall only have the effect of accelerating the ultimate payment of the moneys remaining owing on this charge.

- (2) The Board may in its absolute discretion exercise the power of sale in any of the following events—
  - (a) if default is made in payment of any instalment of principal and interest for the time being owing on this charge for one month after notice requiring payment thereof shall have been served on the Borrower;
  - (b) if the Borrower fails to observe any of his obligations hereunder other than in regard to the payment of principal or interest;
  - (c) if the Borrower commits any act of bankruptcy or makes any assignment for the benefit of his creditors;
  - (d) on retirement, resignation or dismissal of the Borrower from the service of Government or of the scheduled organisation employing him;
  - (e) if the Borrower dies.

AND THE BORROWER hereby consents to the noting by the Registrar of Titles of a mortgage for the said sum and interest upon the certificate of title of the said land, and authorizes and grants warrant to the Registrar of Titles accordingly.

IN WITNESS WHEREOF the said parties hereto have hereunto set their hands the day and year first hereinabove written.

SIGNED by the within-named in the presence of )  
 )  
 The Seal of Government Housing Loans Board was hereto affixed by )  
 )  
 the Chairman )  
 )

\_\_\_\_\_

**SCHEDULE***(Description of lands)*

## FORM 2

**MEMORANDUM OF CHARGE****(LEASEHOLD).**

MEMORANDUM OF CHARGE made this ..... day of .....,  
20..... by ..... of .....  
hereinafter called the Borrower in favour of the Government Housing Loans Board,  
incorporated by the Government Housing Loans Act, hereinafter called the Board.

WHEREAS by Deed of Lease dated the ..... day of .....  
and made between ..... of the One  
Part and the Borrower of the Other Part (hereinafter referred to as the said Lease) the  
said ..... demised to the Borrower the hereditaments  
described in the Schedule hereto (hereinafter referred to as the said hereditaments) for  
the term of ..... years from the ..... day of .....  
at the yearly rent of \$ ..... and subject to the covenants and conditions  
therein contained.

AND WHEREAS the Borrower has applied to the Board for a loan under the  
provisions of section 14 of the said Act which loan the Board has agreed to make upon  
the terms and conditions and in the manner hereinafter appearing:

WITNESSETH as follows—

1. In pursuance of the agreement and in consideration of the sum of  
\$..... now lent by the Board to the Borrower (the receipt of which  
sum is hereby acknowledged) the Borrower hereby covenants with the Board to pay to  
the Board the said sum of \$ ..... with interest thereon at the rate  
of ..... % per annum by monthly instalments of principal and interest  
combined at the rate of .....\* in respect of every \$1,000: Provided that, if  
default is made by the Borrower in payment of any instalment of principal and interest  
or if he shall commit a breach of any covenant or obligation herein contained or if any  
event shall arise whereby the Board may exercise the power of sale the whole of the  
principal money then outstanding shall become immediately due and payable with  
interest thereon at the rate aforesaid.

2. For the consideration aforesaid the Borrower as beneficial owner hereby  
demises unto the Board all the said hereditaments comprised in and demised by the  
said Lease TO HOLD the same unto the Board for the residue of the term created by  
the said Lease except the last day thereof and subject to the proviso for redemption.

3. Provided that, on the payment by the Borrower to the Board of all sums due by  
him under the memorandum of charge this charge shall at the request of the Borrower

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\* N.B. – Rate to be computed and inserted by the Secretary of the Board.

be vacated by memorandum in the prescribed form or otherwise as the Borrower shall direct.

4. The Borrower hereby covenants as follows—

- (1) That as long as any money remains due under those presents the Borrower will keep all the buildings on the said hereditaments in good and substantial repair to the satisfaction of the Board. And if the Borrower shall fail or neglect to do so after due notice in writing thereof to him, the Board may thereupon enter upon the premises and execute such repairs as may be necessary to comply with the above obligation. And the Borrower will on demand repay to the Board all the expenses thereby incurred by the Board and will pay interest at the rate of 6% per annum from the date of the demand until repayment, and all such expenses and interest until repayment shall be charged on the said hereditaments.
- (2) That so long as any money remains due under these presents the Borrower will keep the buildings and out-office insured in the name of the Board against loss or damage caused by fire in the sum of \$..... at least with some insurance office approved by the Board and will make all payments required for the purpose as and when the same shall become due and will when required by the Board deliver up for safe keeping by the Board the policy or policies of such insurance and the receipt for each such payment. And if the Borrower shall fail to perform any of his obligations under this paragraph and if the Board shall thereupon insure the said buildings or any of them in any amount not exceeding \$..... the Borrower will on demand repay to the Board all payments made for that purpose and will pay interest at the rate of 6% per annum from the date of demand until repayment and all moneys not repaid on demand as aforesaid and all such moneys and interest shall be charged on the said hereditaments.
- (3) That during the continuance of this charge the Borrower will pay and discharge all rates, taxes, duties, charges, assessments, impositions and outgoings whatsoever which shall be assessed charged or imposed upon or payable in respect of the said hereditaments or any part thereof by the Borrower, and if the Borrower shall at any time refuse or neglect to make such payments or to deliver the receipt therefor to the Board on demand the Board may pay the same and the Borrower will on demand repay to the Board all payments made for that purpose and will pay interest at the rate of 6% per annum from the date of demand until repayment and all moneys not repaid on demand as aforesaid and all such moneys and interest shall be charged on the said hereditaments.
- (4) That as long as any money remains due under these presents the Borrower shall not exercise any powers of leasing or letting the said hereditaments or selling or otherwise disposing of the same or any part thereof except with the consent in writing of the Board.

- (5) That during the continuance of the charge hereby created the Borrower will comply with the provisions of the Act and with all Regulations made thereunder:

PROVIDED ALWAYS and it is hereby agreed as follows—

- (1) The Borrower may pay off all or any number of instalments on account of the principal money for the time being owing:

Provided that, upon such payment the interest on the whole principal money for the time being owing be fully paid and that such partial payment by anticipation shall not interfere with the payment in regular course of the instalments of principal and interest subsequently payable but shall only have the effect of accelerating the ultimate payment of the moneys remaining owing on this charge.

- (2) the Board may in its absolute discretion exercise the power of sale in any of the following events—

- (a) if default is made in payment of any instalment of principal and interest for the time being owing on this charge for one month after notice requiring payment thereof shall have been served on the Borrower;
- (b) if the Borrower fails to observe any of his obligations hereunder under other than in regard to the payment of principal or interest;
- (c) if the Borrower commits any act of bankruptcy or makes any assignment for the benefit of his creditors;
- (d) on retirement, resignation or dismissal of the Borrower from the service of Government or of the scheduled organisation employing him;
- (e) if the Borrower dies.

IN WITNESS WHEREOF the said parties hereto have hereunto set their hands the day and year first hereinabove written.

SIGNED by the within-named in the presence of )

The Seal of Government Housing Loans Board was hereto affixed by )

the Chairman )

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**SCHEDULE***(Description of lands).*

## FORM 3

**MEMORANDUM OF CHARGE**

(FREEHOLD).

MEMORANDUM OF CHARGE made this ..... day of .....,  
20..... by ..... of .....  
hereinafter called the Borrower in favour of the Government Housing Loans Board,  
incorporated by the Government Housing Loans Act, hereinafter called the Board.

WHEREAS the Borrower is seized in fee simple free from encumbrances of the freehold hereditaments specified in Schedule A hereto (hereinafter referred to as the freehold hereditaments) and has applied to the Board for a loan under the provisions of section 14 of the said Act to be applied in or towards the purposes following that is to say, the erection and completion of the buildings set out in a plan and specifications (hereinafter referred to as “**Contract**”) submitted to and approved by the Board on the freehold hereditaments which loan the Board has agreed to make upon the terms and conditions in manner hereinafter appearing.

AND WHEREAS it was further agreed that the sum of \$..... should be lent to the Borrower on the execution of these presents and that the sum of \$..... should be lent to the Borrower in the manner and subject to the conditions hereinafter appearing:

WITNESSETH as follows—

1. In pursuance of the agreement and in consideration of the sum of \$..... now lent by the Board to the Borrower (the receipt of which sum is hereby acknowledged) and of the agreement of the Board for the further loan to the Borrower of the sum of \$ ..... the Borrower hereby covenants with the Board to pay to the Board interest at the rate of ..... % per annum on all such loans from the dates thereof until the completion of the buildings according to the Contract and from and after the last mentioned date the Borrower hereby covenants with the Board to pay to the Board the total amount of such loans with interest thereon at the rate of .....\* per annum by monthly instalments of principal and interest combined at the rate of .....\* in respect of every \$1,000: Provided that, if default is made by the Borrower in payment of any instalment of principal and interest or if he shall commit a breach of any covenant or obligation herein contained or if any event shall arise whereby the Board may exercise the power of sale the whole of the principal money then outstanding shall become immediately due and payable with interest thereon at the rate aforesaid,

2. For the consideration aforesaid the Borrower as beneficial owner conveys unto the Board the freehold hereditaments TO HOLD the same unto and to the use of the Board in fee simple subject to the proviso for redemption.

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\* N.B. – Rate to be computed and inserted by the Secretary of the Board.

3. The further loan of \$..... above-mentioned shall be made by instalments, on certificate of the Director of Public Works or of an officer of his department authorised by him in that behalf as to the value of the work from time to time executed in pursuance of the Contract, in accordance with the scale set out in Schedule B hereto: Provided that, if at any time prior to the payment of the final instalment mentioned in the said Schedule any event shall arise whereby the Board may exercise the power of sale the Board may decline to pay any further instalments and may exercise any or all the powers available to mortgagees for enforcing payment of their securities.

4. Provided that, on payment by the Borrower to the Board of all sums due by him under the memorandum of charge this charge shall at the request of the Borrower be vacated by memorandum in the prescribed form or otherwise as the Borrower shall direct.

5. The Borrower hereby covenants as follows—

- (1) That as long as any money remains due under these presents the Borrower will keep all the buildings on the freehold hereditaments in good and substantial repair to the satisfaction of the Board. And if the Borrower shall fail or neglect to do so after due notice in writing thereof to him, the Board may thereupon enter upon the premises and execute such repairs as may be necessary to comply with the above obligation. And the Borrower will on demand repay to the Board all the expenses thereby incurred by the Board and will pay interest at the rate of 6% per annum from the date of the demand until repayment, and all such expenses and interest until repayment shall be charged on the freehold hereditaments.
- (2) That so long as any money remains due under these presents the Borrower will keep all the buildings and out-offices insured in the name of the Board against loss or damage caused by fire in the sum of \$..... at least with some insurance office approved by the Board and will make all payments required for the purpose as and when the same shall become due and will when required by the Board deliver for safe keeping by the Board the policy or policies of such insurance and the receipt for each such payment. And if the Borrower shall fail to perform any of his obligations under this paragraph and if the Board shall thereupon insure the said buildings or any of them in any amount not exceeding \$..... the Borrower will on demand repay to the Board all payments made for that purpose and will pay interest at the rate of 6% per annum from the date of demand until repayment and all moneys not repaid on demand as aforesaid and all such moneys and interest shall be charged on the freehold hereditaments.
- (3) That during the continuance of this charge the Borrower will pay, and discharge all rates duties charges assessments impositions and outgoings whatsoever which shall be assessed charged or imposed upon or payable in respect of the freehold hereditaments or any part thereof by the Borrower, and if the Borrower shall at any time refuse or neglect to make such payments or to deliver the receipt therefor to

the Board on demand the Board may pay the same and the Borrower will on demand repay to the Board all payments made for that purpose and will pay interest at the rate of 6% per annum from the date of demand until repayment and all moneys not repaid on demand as aforesaid and all such moneys and interest shall be charged on the hereditaments.

- (4) That as long as any money remains due under these presents the Borrower shall not exercise any powers of leasing or letting the freehold hereditaments or selling or otherwise disposing of the same or any part thereof except with the consent in writing of the Board.
- (5) That during the continuance of the charge hereby created the Borrower will comply with the provisions of the Act and with all Regulations made thereunder.
- (6) That the Borrower will complete the buildings within from the date hereof according to the Contract:

PROVIDED ALWAYS and it is hereby agreed as follows—

- (1) The Borrower may pay off all or any number of instalments on account of the principal money for the time being owing: Provided that upon such payment the interest on the whole principal money for the time being owing be fully paid and that such partial payment by anticipation shall not interfere with the payment in regular course of the instalments of principal and interest subsequently payable but shall only have the effect of accelerating the ultimate payment of the moneys remaining owing on this charge.
- (2) the Board may in its absolute discretion exercise the power of sale in any of the following events—
  - (a) if default is made in payment of any instalment of principal and interest for the time being owing on this charge for one month after notice requiring payment thereof shall have been served on the Borrower;
  - (b) if the Borrower fails to observe any of his obligations hereunder other than in regard to the payment of principal or interest;
  - (c) if the Borrower commits any act of bankruptcy or makes any assignment for the benefit of his creditors;
  - (d) on retirement, resignation or dismissal of the Borrower from the service of Government or of the scheduled organisation employing him;
  - (e) if the Borrower dies.

AND THE BORROWER hereby consents to the noting by the Registrar of Titles of a mortgage for the said sum and interest upon the certificate of title of the said land, and authorizes and grants warrant to the Registrar of Titles accordingly.

IN WITNESS WHEREOF the said parties hereto have hereunto set their hands the day and year first hereinabove written.

SIGNED by the within-named in the )  
presence of )

The Seal of Government Housing )  
Loans Board was hereto affixed by )

the Chairman )  
)

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**SCHEDULE A**

*(Description of lands).*

**FORM 4**

**MEMORANDUM OF CHARGE**

**(LEASEHOLD).**

MEMORANDUM OF CHARGE made this ..... day of .....,  
20..... by ..... of .....  
hereinafter called the Borrower in favour of the Government Housing Loans Board,  
incorporated by the Government Housing Loans Act, hereinafter called the Board.

WHEREAS by Deed of Lease dated the ..... day of ..... and  
made between ..... of the One Part and the Borrower of the Other Part  
(hereinafter referred to as the said Lease) the said ..... demised to the  
Borrower the hereditaments) for the term of ..... from day of  
..... at the yearly rent of \$..... and subject to the covenants and  
conditions therein contained.

AND WHEREAS the Borrower has applied to the Board for a loan under the  
provisions of section 14 of the said Act to be applied in or towards the purposes  
following that is to say, the erection and completion of the buildings set out in a plan  
and specifications (hereinafter referred to as the "Contract") submitted to and  
approved by the Board on the said hereditaments which loan the Board has agreed to  
make upon the terms and conditions in manner hereinafter appearing.

AND WHEREAS it was further agreed that the sum of \$..... should be  
lent to the Borrower on the execution of these presents and that the sum of  
\$..... should be lent to the Borrower in the manner and subject to the  
conditions hereinafter appearing:

WITNESSETH as follows—

1. In pursuance of the agreement and in consideration of the sum of  
\$..... now lent by the Board to the Borrower (the receipt of which sum is  
hereby acknowledged) and of the agreement of the Board for the further loan to the  
Borrower of the sum of \$..... the Borrower hereby covenants with the  
Board to pay to the Board interest at the rate of ..... % per annum on all  
such loans from the dates thereof until the completion of the buildings according to  
the Contract and from and after the last mentioned date the Borrower hereby  
covenants with the Board to pay to the Board the total amount of such loans with  
interest thereon at the rate of .....\* per annum by monthly instalments of  
principal and interest combined at the rate of .....\* in respect of every  
\$1,000: Provided that, if default is made by the Borrower in payment of any  
instalment of principal and interest or if he shall commit a breach of any covenant or  
obligation herein contained or if any event shall arise whereby the Board may exercise

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\* N.B. – Rate to be computed and inserted by the Secretary of the Board.

the power of sale the whole of the principal money then outstanding shall become immediately due and payable with interest thereon at the rate aforesaid.

2. For the consideration aforesaid the Borrower as beneficial owner hereby demises unto the Board all the said hereditaments comprised in and demised by the said Lease to hold the same unto the Board for the residue of the term created by the said Lease except the last day thereof and subject to the proviso for redemption.

3. The further loan of \$..... above-mentioned shall be made by instalments, on certificate of the Director of Public Works or of an officer of his department authorised by him in that behalf as to the value of the work from time to time executed in pursuance of the Contract, in accordance with the scale set out in Schedule B hereto: Provided that, if at any time prior to the payment of the final instalment mentioned in the said Schedule any event shall arise whereby the Board may exercise the power of sale the Board may decline to pay any further instalments and may exercise any or all the powers available to mortgagees for enforcing payment of their securities.

4. Provided that, on payment by the Borrower to the Board of all sums due by him under the memorandum of charge this charge shall at the request of the Borrower be vacated by memorandum in the prescribed form or otherwise as the Borrower shall direct.

5. The Borrower hereby covenants as follows—

- (1) That as long as any money remains due under these presents the Borrower will keep all the buildings on the said hereditaments in good and substantial repair to the satisfaction of the Board. And if the Borrower shall fail or neglect to do so after due notice in writing thereof to him, the Board may thereupon enter upon the premises and execute such repairs as may be necessary to comply with the above obligation. And the Borrower will on demand repay to the Board all the expenses thereby incurred by the Board and will pay interest at the rate of 6% per annum from the date of the demand until repayment, and all such expenses and interest until repayment shall be charged on the said hereditaments.
- (2) That so long as any money remains due under these presents the Borrower will keep all the buildings and out-offices insured in the name of the Board against loss or damage caused by fire in the sum of \$.....at least with some insurance office approved by the Board and will make all payments required for the purpose as and when the same shall become due and will when required by the Board deliver for safe keeping by the Board the policy or policies of such insurance and the receipt for each such payment. And if the Borrower shall fail to perform any of his obligations under this paragraph and if the Board shall thereupon insure the said buildings or any of them in any amount not exceeding \$.....the Borrower will on demand repay to the Board all payments made for that purpose and will pay interest at the rate of 6% per annum from the date of demand until repayment and all moneys not repaid on demand as aforesaid

and all such moneys and interest shall be charged on the said hereditaments.

- (3) That during the continuance of this charge the Borrower will pay, and discharge all rates, taxes, duties, charges, assessments, impositions and outgoings whatsoever which shall be assessed, charged or imposed upon the Borrower, and if the Borrower shall at any time refuse or neglect to make such payments or to deliver the receipt therefor to the Board on demand the Board may pay the same and the Borrower will on demand repay to the Board all payments made for that purpose and will pay interest at the rate of 6% per annum from the date of demand until repayment and all moneys not repaid on demand as aforesaid and all such moneys and interest shall be charged on the said hereditaments.
- (4) That as long as any money remains due under these presents the Borrower shall not exercise any powers of leasing or letting the said hereditaments or selling or otherwise disposing of the same or any part thereof except with the consent in writing of the Board.
- (5) That during the continuance of the charge hereby created the Borrower will comply with the provisions of the Act and with all Regulations made thereunder.
- (6) That the Borrower will complete the buildings within from the date hereof according to the Contract:

PROVIDED ALWAYS and it is hereby agreed as follows—

- (1) The Borrower may pay off all or any number of instalments on account of the principal money for the time being owing: Provided that, upon such payment the interest on the whole principal money for the time being owing be fully paid and that such partial payment by anticipation shall not interfere with the payment in regular course of the instalments of principal and interest subsequently payable but shall only have the effect of accelerating the ultimate payment of the moneys remaining owing on this charge.
- (2) the Board may in its absolute discretion exercise the power of sale in any of the following events—
  - (a) if default is made in payment of any instalment of principal and interest for the time being owing on this charge for one month after notice requiring payment thereof shall have been served on the Borrower;
  - (b) if the Borrower fails to observe any of his obligations hereunder other than in regard to the payment of principal or interest;
  - (c) if the Borrower commits any act of bankruptcy or makes any assignment for the benefit of his creditors;
  - (d) on retirement, resignation or dismissal of the Borrower from the service of Government or of the scheduled organisation employing him;

(e) if the Borrower dies.

IN WITNESS WHEREOF the said parties hereto have hereunto set their hands the day and year first hereinabove written.

SIGNED by the within-named in the )  
presence of )

The Seal of Government Housing )  
Loans Board was hereto affixed by )

the Chairman )  
)

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**SCHEDULE B**

Certified value of the work in dollars	Instalment in dollars

\_\_\_\_\_



**SCHEDULE A**

*(Description of lands).*

FORM 5

GOVERNMENT HOUSING LOANS ACT

IN THE MATTER OF A MEMORANDUM OF CHARGE, dated the .....  
day of ....., 20..... .

MADE BY

in FAVOUR of

THE GOVERNMENT HOUSING LOANS BOARD

THE GOVERNMENT HOUSING LOANS BOARD hereby acknowledges to have received all moneys due under and secured by the above-mentioned memorandum of charge.

IN WITNESS WHEREOF the Seal of the said Board is hereto affixed this ..... day of ....., 20..... .

CHAIRMAN

\_\_\_\_\_

**SCHEDULE B**

Certified value of the work in dollars	Instalment in dollars

\_\_\_\_\_

FORM 6

GOVERNMENT HOUSING LOANS ACT

(Memo. of Charge on Gratuity under section 16).

I ..... of .....  
(Borrower)

hereby declare that on the ..... day of ..... I  
executed a memorandum of charge in favour of the Board for the sum of  
\$..... and for the purpose of further securing such loan I hereby charge any  
gratuity that may become payable in case of my death while in the service of the  
Government or of the scheduled organisation employing me with the payment of the  
amount that may then be due on the said loan.

Dated this ..... day of ....., 20..... .

(Signed).....

Witness

.....

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FORM 7

GOVERNMENT HOUSING LOANS ACT

(Memo. of Discharge of Charge on Gratuity under section 15.)

It is hereby certified that the charge on gratuity dated the ..... day  
of ....., 20..... made by .....  
in favour of the Board is this day discharged.

Dated this ..... day of ....., 20..... .

(Signed).....

Secretary

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APPENDIX B

Fees payable to the Registrar—

	\$	¢
For every search of register (section 15(3)).....	.48	
For copy of any memorandum – for every 120 words .....	.24	
For the certificate of correctness of any such copy .....	1.20	

APPENDIX C

Fees payables to solicitors in connection with the searches; verification of title, preparation and execution of memorandum of charge and other incidental matters—

	\$
Where the amount borrowed does not exceed \$5,000.....	30
Where the amount borrowed exceeds \$5,000.....	55



