

New Zealand



ANALYSIS

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| <p style="text-align: center;">Title.</p> <ol style="list-style-type: none"> 1. Short Title. 2. Penalty for late payment of instalments. 3. Provision where Crown is mortgagee. 4. Provisions in relation to mortgages to trustees. 5. Rights of local authorities in respect of fire insurance. | <ol style="list-style-type: none"> 6. Members of local authorities not disqualified by obtaining advance under Act. 7. Persons from whom instalments recoverable. 8. Issue of debentures by local authorities before whole loan advanced. 9. Buildings hired by Crown to remain property of Crown. |
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1940, No. 10

Title. AN ACT to amend the Rural Housing Act, 1939.

[1st August, 1940

BE IT ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same, as follows:—

Short Title.

1. This Act may be cited as the Rural Housing Amendment Act, 1940, and shall be read together with and deemed part of the Rural Housing Act, 1939 (hereinafter referred to as the principal Act).

1939, No. 32

Penalty for late payment of instalments.

2. Section three of the principal Act is hereby amended by adding the following subsection:—

“(9) If any instalment is not paid in full before the expiration of fourteen days from the due date thereof, or such further period as may be allowed by the

Council either generally or in any particular case or class of cases, five per centum of so much of the instalment as remains unpaid shall be deemed to be added thereto and to form part thereof, and shall be payable and recoverable accordingly.”

3. Where any notice under section four of the principal Act is given to the Crown as mortgagee of any land described in an application under section three of that Act and the Crown does not object to the making of the advance, the charge created by section six of that Act shall have priority over the mortgage to the Crown to the same extent as if the mortgage were not a mortgage to the Crown.

Provision
where Crown
is mortgagee.

4. (1) A trustee who holds a mortgage over any land in respect of which an application is made for an advance under the principal Act and to whom a notice of the application is given under section four of that Act shall not be liable for breach of trust by reason of his not objecting to the making of the advance.

Provisions in
relation to
mortgages
to trustees.

(2) Where any land is subject to a charge under the principal Act, the existence of the charge shall not be taken into account in determining whether or not any mortgage or proposed mortgage of that land is or would be an investment authorized by a trust instrument or by the general law for the investment of trust funds, but for the purpose of determining the margin of security in any such case the amount secured by the charge shall be added to the amount secured by the mortgage or to be secured by the proposed mortgage.

5. Notwithstanding anything to the contrary expressed or implied in any mortgage, where any money is advanced by any local authority under the principal Act for the purpose of enabling a building to be erected, any fire insurance policy in respect of that building shall be in the name of the local authority, and in the event of the building being destroyed or damaged by fire the local authority shall be entitled to receive the insurance-moneys and the provisions of paragraph five of the Fourth Schedule to the Land Transfer Act, 1915, shall apply in respect of those moneys as if the advance were secured by a mortgage under that Act.

Rights of local
authorities
in respect of
fire insurance.

See Reprint
of Statutes,
Vol. VII,
p. 1246

Members of local authorities not disqualified by obtaining advance under Act.

1934, No. 17

Persons from whom instalments recoverable.

See Reprint of Statutes, Vol. VII, p. 977

Issue of debentures by local authorities before whole loan advanced.

Ibid., Vol. V, p. 360

Buildings hired by Crown to remain property of Crown.

1939, No. 14

6. An interest in any advance made by any local authority under the principal Act shall not constitute a disqualification under section three of the Local Authorities (Members' Contracts) Act, 1934.

7. Except as provided in the proviso to subsection one of section six of the principal Act any amount that pursuant to that section is recoverable as rates are recovered under the Rating Act, 1925, may be recovered from any person from whom rates may be recovered.

8. Where the State Advances Corporation of New Zealand (hereinafter referred to as the Corporation) has pursuant to section nine of the principal Act agreed to make a loan out of the Housing Account to any local authority to enable it to make advances under that Act, the amount of any such loan may be paid to the local authority by such instalments and at such times as may be agreed upon between the Corporation and the local authority, and notwithstanding anything to the contrary in the Local Bodies' Loans Act, 1926, the local authority may issue a debenture or debentures for the whole amount of the loan at the time when the first instalment thereof is paid to the local authority.

9. (1) Notwithstanding anything to the contrary in any Act or rule of law, any buildings hired by the Crown to any farmer for removal to his farm for the purpose of providing accommodation for any farm worker shall remain the property of the Crown until the Corporation issues a certificate under its common seal that the Crown's ownership has ceased, and any such building may at any time be removed by the Corporation after the termination of the hiring, or otherwise pursuant to the terms of the hiring, without liability for payment of compensation to the owner of the land whereon the building is situated or to any other person, notwithstanding that the building may have been so attached to the land as to form part thereof.

(2) Nothing in the Hire-purchase Agreements Act, 1939, shall apply with respect to any such hiring.