



## ANALYSIS

Title

1. Short Title	2. Power to invest money
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1966, No. 92

**An Act to amend the Trustee Savings Banks Act 1948**  
**[20 October 1966]**

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

**1. Short Title**—This Act may be cited as the Trustee Savings Banks Amendment Act 1966, and shall be read together with and deemed part of the Trustee Savings Banks Act 1948 (hereinafter referred to as the principal Act).

**2. Power to invest money**—Section 24 of the principal Act is hereby amended by adding the following subsection:

“(6) Notwithstanding anything in subsection (5) of this section, it shall be lawful for a savings bank to invest money on a first mortgage of the interest of any lessee of any land subject to the following terms and conditions, that is to say:

“(a) No advance shall be made for a period exceeding the unexpired term of the lease:

“Provided that, where the lease confers a right of renewal upon the lessee, the period for which the advance is made may extend to the end of one renewed term of the lease:

“Provided also that no advance shall be made for a period exceeding twenty-five years:

“(b) The amount of any advance shall not exceed, either two-thirds of the value of the lessee’s interest in the land as assessed by a valuer registered as a rural valuer under the Valuers Act 1948 in the

case of farm land and by a valuer registered as an urban valuer under that Act in the case of other land, or two-thirds of the value of the lessee's interest in the land as set forth in the district valuation roll prepared under the Valuation of Land Act 1951, whichever is the greater:

- "(c) No advance shall be made unless the lessee is entitled to compensation in respect of all improvements on the land which are made by him or in which he has an interest or unless the lease was granted under paragraphs (e), (f), or (g) of section 5 of the Public Bodies' Leases Act 1908:
- "(d) The savings bank shall be deemed, without further authority than this paragraph, to have been irreversibly appointed as the attorney of the lessee with full authority during the currency of the mortgage to exercise on behalf of the lessee all the lessee's rights, powers, and options and to perform and observe on behalf of the lessee all the lessee's covenants and obligations under the lease:
- "(e) No advance shall be made except in respect of a lease granted by a local authority, a leasing authority within the meaning of the Public Bodies' Leases Act 1908, or any other body or person approved for the purpose by the Minister of Finance by notice in the *Gazette*:
- "(f) Each advance, together with the interest thereon, shall be repayable by periodical instalments of principal and interest:
  - "Provided that the principal repayable in each year during the term for which the advance is made shall be not less than one-fiftieth of the amount advanced:
- "(g) Unless the savings bank otherwise consents, every advance shall, without further authority than this paragraph, become immediately repayable upon the sale, transfer, or other disposition of the whole or any part of the lessee's interest in the land:
- "(h) A savings bank shall not invest in mortgages under this subsection more than five percent of the total amount for the time being standing to the credit of the depositors in the bank."