



ANALYSIS

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1977, No. 180

An Act to amend the Trustee Savings Banks Act 1948

[23 December 1977]

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 (No. 2) 1977, and shall be read together with and deemed part of the Trustee Savings Banks Act 1948 (hereinafter referred to as the principal Act).

2. Accounts at other banks—(1) The principal Act is hereby amended by repealing sections 20 and 21, and substituting the following section:

“20. (1) Every trustee savings bank may open or establish with the Reserve Bank of New Zealand, any trading bank, any trustee savings bank (including itself), any private savings bank established under the Private Savings Banks Act 1964, or the Post Office Savings Bank, such accounts as the Board considers necessary for the conduct of its business.

“(2) Such accounts shall—

“(a) In the case of ordinary accounts, be operated on by cheque signed by 2 officers of the bank for the time being authorised by the Board in that behalf and, if the Board so requires, countersigned by 1 of the trustees:

“(b) In the case of imprest accounts, be operated on by cheque signed by an officer or officers of the bank for the time being authorised by the Board in that behalf:

“(c) In the case of clearing accounts established to effect interbank settlements, in such other manner as the Board considers necessary to give effect to any agreement in relation to such settlements.”

(2) Section 4 of the Trustee Savings Banks Amendment Act 1975 is hereby consequentially repealed.

3. Power to invest money—(1) Section 24 (1) of the principal Act is hereby amended by adding the following paragraph:

“(g) In such other manner as may be prescribed by regulations under this Act.”

(2) The said section 24 is hereby further amended by adding the following subsection:

“(7) Notwithstanding anything in subsection (5) or subsection (6) of this section—

“(a) Subject to such conditions as may be determined from time to time by the Minister, it shall be lawful for a savings bank to invest money on a mortgage of an estate or interest in a cross-lease residential unit that is a self-contained residential unit together with the appurtenances thereto (being a unit which is one of a number of units erected on land held in common ownership), the title to which comprises—

“(i) An undivided share as tenant in common in the fee simple estate in the land on which the residential units are erected where all shares in the fee simple estate are held by lessees of the units and the land is used solely for residential purposes; and

“(ii) A lease of a specified residential unit erected on the land shown on a plan deposited in the office of the District Land Registrar for lease or licence purposes, which lease provides for an unexpired term of not less than 99 years and for the payment of a nominal rental only:

“(b) Any money invested by a savings bank under this subsection shall—

“(i) In the case of a first mortgage, not exceed three-quarters of the value of the estate or interest mortgaged as assessed by a person whom the bank reasonably believes to be competent to make the assessment, or such higher proportion of that value (as so assessed) as may from time to time be fixed by the Minister subject to such conditions as he thinks fit to specify:

“(ii) In the case of a second mortgage, not exceed the difference between three-quarters of the value of the estate or interest mortgaged (as so assessed) and the principal outstanding under the first mortgage, or such higher proportion of that value (as so assessed) as may from time to time be fixed by the Minister subject to such conditions as he thinks fit to specify.”

This Act is administered in the Reserve Bank of New Zealand.
