

Act No. 13, 1913.

An Act to amend the Government Savings Bank Act, 1906 ; to amend certain other Acts ; and for purposes consequent thereon or incidental thereto. [15th October, 1913.]

GOVERNMENT
SAVINGS BANK
AMENDMENT.

BE it enacted by the King's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and Legislative Assembly of New South Wales in Parliament assembled, and by the authority of the same, as follows :—

PART I.

PRELIMINARY.

1. This Act may be cited as the “Government Savings Bank Short title. Amendment Act, 1913,” and shall be construed with the Government Savings Bank Act, 1906, hereinafter referred to as the Principal Act.

Part II shall come into force and take effect on a date to be Division of Act. proclaimed and published in the Gazette.

2. This Act is divided into Parts, as follows :—

PART I.—PRELIMINARY—ss. 1-2.

PART II.—ADVANCES FOR HOMES—ss. 3-17.

PART III.—GENERAL PROVISIONS—ss. 18-20.

PART II.

ADVANCES FOR HOMES.

3. (1) Subject to the provisions of this Act the commissioners Advances for may make advances out of the funds of the Advance Department to purposes of homes. any person for the purpose of enabling him—

- (a) to erect a dwelling house on his holding as a home for himself and his family, or after erection or partial erection of such dwelling house to enlarge or complete the same ;

(b)

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(b) to purchase a house and land enclosed or occupied therewith as a home for himself and family; or

(c) to discharge any mortgage, charge, or encumbrance already existing on such holding.

(2) No advance shall be made to any person who at the time of making application is the owner of a dwelling house within the State other than that upon which the advance is required.

(3) The total sum advanced to any person, whether by instalments or otherwise, shall not exceed seven hundred and fifty pounds, and shall not exceed three-fourths of the fair estimated value of the borrower's interest in the holding and permanent improvements thereon as certified to by the bank's valuer.

(4) All advances shall be secured by mortgage which shall, inter alia, contain covenants for keeping the security in repair, and insured in the name of the commissioners.

Advances by
instalments.

4. (1) Advances may be made by instalments, but in such cases the payments shall be subject to such conditions as may be prescribed by regulation as well as those set out in the mortgage.

(2) Where an advance is made by instalments for erecting a dwelling-house, and the borrower, in the opinion of the commissioners, has failed or neglected to complete the building in accordance with the terms agreed upon, the commissioners may forthwith take possession of the land and buildings included in the security and complete the building and such other buildings as they consider necessary in order to improve the security. All costs and expenses thereby occasioned to the commissioners shall be deemed to be included in any mortgage or other security given by the borrower and shall be added to the debt, and may be recovered from the borrower, with interest at a rate of one per centum per annum higher than the rate named in the mortgage or other security.

Applications for
advances.

5. (1) Every application for an advance under this Part shall be in the prescribed form. Applicants must also supply any further information the commissioners may require to enable them to deal with their applications.

(2) No such advance shall be made to erect any building or to purchase a home unless the commissioners are satisfied of the stability, durability, and sanitation of the house, and that it is situated in a locality where it would be readily saleable.

Periods for
repayment of
advances.

6. The maximum periods for repayment of such advances shall be—

(a) for brick, concrete, or stone buildings, thirty years:

(b) for wooden buildings, twenty years:

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Provided that if the buildings are not new, the commissioners may require the amount of the advances to be reduced within four years to fifty per centum of the value of the property.

Tables shall be prepared by the commissioners showing the monthly and quarterly instalments required to repay an advance.

7. The rate of interest on loans under this Part shall be fixed Rate of interest. by the commissioners.

8. Before making an advance the commissioners may require Buildings to be in state of repair. a building to be put in a proper state of repair.

9. (1) If at any time in the opinion of the commissioners Where money advanced not applied to proper purpose. any money advanced under this Part has not been applied to the purpose for which it was advanced, or has not been carefully and economically expended, the commissioners may refuse to pay any further instalments of the proposed advance, and may at once call in the whole amount already advanced, together with costs and expenses incurred in connection therewith, whereupon the borrower shall forthwith repay the same.

(2) Upon default being made by the borrower under this Default by borrower. Part, either in the use of funds advanced by instalments, or under the mortgage, the commissioners shall have all the powers conferred upon them under Parts VI and VII of the Principal Act, as amended by this Act, in addition to those provided by the mortgage deed and the regulations.

10. Notwithstanding anything to the contrary in section Officer or servant of bank may obtain advance. thirty-five of the Principal Act, any officer or servant of the bank may be permitted to obtain an advance under the provisions of this Part.

11. The commissioners may require all costs and expenses Costs and fees. incurred for inspections, valuations, preparation of securities, searches, registration, and other fees to be paid by the borrower before the advance is made, or may debit the same to the borrower's account with the bank, to be paid in such instalments as the commissioners may direct.

12. In connection with the repayment of loans the following Provision for repayment of loans. provisions shall apply :—

- (a) A loan may be repaid either by monthly or quarterly payments, including principal moneys and interest, in accordance with the table for repayments that may be agreed upon, but the instalments may, with the consent of the commissioners, be varied from monthly to quarterly, or vice versa.

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- (b) The repayment instalments shall, if at any time the commissioners so direct, be paid at the branch of the bank to which the security is nearest or most conveniently situated.
- (c) The commencement of the period fixed for repayment of the loan under this Part shall be deemed to be the commencement of the month or quarter, according as the loan is repayable by monthly or quarterly payments, next ensuing after the date on which the loan, or in the case of an instalment loan, the date on which the last instalment of such loan has been paid.

Interest on the moneys advanced shall also be paid by the borrower for the time intervening between the date or dates of advancing such moneys up to the date of commencement of the period fixed for repayment of the loan.

Application of
sections of Principal
Act.

13. The provisions of sections sixty-six, and of paragraphs (a), (b), (g), (h), and (i) of section sixty-eight, and sections seventy, seventy-one, seventy-three, seventy-five, and seventy-seven to eighty-five inclusive of the Principal Act as amended by this Act shall apply to loans made under this Part.

Accounts in respect
of advances to be
kept separate.

14. All transactions and accounts relating to advances under this Part shall be kept separate and distinct from those relating to the Savings Bank, Closer Settlement Promotion, and Advance Departments, except that the funds for advances shall, as hereinbefore provided, be drawn from the Advance Department:

Provided that the same officers may be employed in administering matters under this Part, and under the Savings Bank, Closer Settlement Promotion, and Advance Departments, but the costs of administration shall be equitably apportioned by adjustments made quarterly by the commissioners.

Special reserve fund.

15. There shall be a special reserve fund of the bank to which shall be carried any profit or loss arising from transactions under this Part. Any deficiencies in such fund at the end of any financial year of the bank shall be made good from the Consolidated Revenue Fund, upon such deficiency being certified to by the commissioners.

Regulations.

16. The commissioners may, subject to the provisions of the Principal Act relating to regulations made thereunder, make regulations for carrying out the provisions of this Part, and particularly—

- (a) relating to applications for and the granting of loans under this Part;
- (b) providing for payment of fees on such applications and loans, and of architects' and valuers' fees and any other fees in relation to the carrying out of the provisions of this Part.

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17. The commissioners shall not, in any financial year of the bank, make advances under this Part exceeding in the whole three hundred thousand pounds without the consent of the Governor. Limitation of total advances in any one year.

PART III.

GENERAL PROVISIONS.

18. The Principal Act is amended as indicated in the Schedule to this Act. Amendments of Principal Act.

19. The commissioners shall hold all real and personal property whatsoever vested in them under the Principal or this Act for and on behalf of the Government of New South Wales, and all moneys so vested in or held by them, whether the same be accrued due or not, are hereby declared to be public moneys belonging to His Majesty, and the property of the Crown, and, in addition to all other remedies, shall be recoverable accordingly as from debtors to the Crown. Commissioners to hold property on behalf of Crown.

20. Upon repayment of any moneys loaned from the Advance Department the commissioners are empowered to invest the same until required for redemption of debentures sold under the Principal Act in deposits at Treasury or in trading banks or in any of the class of investment provided for in paragraphs (b) (III) (IV) and (v) of section forty-seven of the Principal Act as amended by this Act. Investments moneys.

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SCHEDULE.

Amendments of Principal Act.

Section 6.—After “common seal” insert “with power to sue and be sued in their corporate name.”

Section 11.—Omit the word “twelve” and substitute the word “fifteen,” and omit the word “nine” and substitute the word “twelve.”

Section 19 and paragraph (c).—Omit “after deducting any moneys overdue at date of forfeiture for rent or instalments.”

Section 19.—Add new paragraph “(f) In the event of the commissioners being unable to sell for cash a security offered for sale under the last paragraph, they may enter into possession thereof and either lease it or sell it on terms for such amount as they may consider proper, or otherwise dispose of it.”

Section 21.—After the word “mortgage” wherever occurring in the section insert the words “lease, deed”

Section 24.—Omit paragraph (a) and substitute the following:—“(a) Purchase lands and erect buildings thereon to be used wholly or partly in the business of the bank, or take a lease of lands for the like purpose and erect buildings thereon.”

Section 24.—Add new section:—24A The Governor may at any time by proclamation vest in fee simple in the commissioners any Crown lands to be used for the purposes of the business of the bank.

Section 25.—Omit the first paragraph down to the words “without delay,” and substitute “The commissioners shall out of the net profits of the Savings Bank Department set apart from year to year such sum as they think proper towards a reserve fund for equalising the rates of interest payable on deposits and for meeting losses.”

Section 26.—Add the words “and shall invest such fund in fixed deposits with trading banks or the Treasury or in any of the investments provided for in section forty-seven, paragraph (b) (iii) and (v).”

Section 27.—After “bank” insert the words “in New South Wales or within the Federal Territory, formerly part of the State, and may maintain existing agencies in the said territory.”

Section 28.—Omit words “branches and” and at end of section add “and may enter into arrangements with any savings bank within the British Empire for transfer of accounts, receipt of deposits, payments to depositors, or any other banking business that may be mutually advantageous to this and such other bank.”

Section 29.—Omit the word “annually” and at end of section add “Provided that after the thirty-first day of December, one thousand nine hundred and thirteen, the terminal date of the financial year shall be the thirtieth June.”

Section 35.—Omit the words “or agent” wherever occurring in this section, and before the word “servant,” wherever occurring in this section, insert the word “or”

Section 37, subsection (2).—Omit “of the age of twelve years or upwards” and at end of section add “Money to credit shall not be paid till the minor reaches the age of fourteen years, and his order shall then be a sufficient discharge to the commissioners’ notwithstanding such person’s infancy:

“Provided that if the commissioners are satisfied at any time before the depositor reaches the age of fourteen years that the repayment of the money to the parent or guardian of such minor is necessary in order to provide for the support or advancement of the depositor, the amount may be so repaid, and the parent or guardian can give a sufficient discharge to the bank.”

Section 37.—Insert after subsection (2) a new subsection as follows:—“(2A) When accounts are opened by or on behalf of minors, the age then entered in the books of the bank shall for the purpose of this Act be conclusive evidence of the age of such minor.”

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Section 38.—Omit paragraph (c) and at the end of the section insert new sections as follows :—

“38A. Accounts may be opened by or on behalf of friendly, charitable, or other societies or institutions (including a trades union or an industrial union of employers), not carried on for purposes of trade or profit, municipalities and shires, provided that in connection with municipality or shire accounts the limit of deposit shall be one thousand pounds.”

Section 39, subsection (1).—After “fix” where secondly occurring insert “a maximum sum upon which interest may be paid and”

Section 39, subsection (1).—After paragraph (b) insert new paragraph :—“(c) any municipality or shire”

Section 39 (1).—After “aforesaid societies” omit “and”; and after the word “institutions” where next occurring insert “municipalities or shires”

Section 39, subsection (1).—Omit “five hundred pounds” and insert “the maximum amount of interest-bearing balance fixed by regulation under this section”

Section 39, subsection (2).—Omit all words after “made” and insert “Where the balance to credit varies during the month, interest will be paid on the minimum balance at credit for the whole calendar month.”

Section 39, subsection (3).—After “December” insert “one thousand nine hundred and thirteen”; and after “and” where first occurring insert “thereafter on”

Section 40.—Omit the words “a receipt or” wherever they occur in the section and insert the word “an”: omit the words “receipt or”: and omit the words “to be received”

Section 41, subsection (1).—After “on demand” insert “where the sum does not exceed fifty pounds, but above that sum the commissioners may by regulation prescribe the conditions and period of notice that may be required for such payments.”

Section 41 (2).—After the word “societies” insert the words “trades unions or industrial unions of employers.”

Section 47.—Omit the words “All moneys received by” and insert the words “The funds of”

Section 47.—Omit the words “after the constitution of the bank”

Section 47, paragraph (a).—Insert the word “trading” before the word “banks” and omit the words “of issue”; also omit the words “at short notice” and insert “for periods not exceeding two years”

Section 47, paragraph (b) (ii).—Insert at end of paragraph “including conditional purchases with or without conditional leases.”

Section 48 (1).—After the word “prior” whenever occurring insert the word “encumbrance,” and after the words “used to” insert the words “discharge or”

Section 48 (2), paragraph (b), is repealed.

Section 62.—Insert at end of paragraph (b)—

“(vii) additional conditional purchase leases;

“(viii) special conditional purchase leases;

“(ix) Crown leases;

“(x) homestead farm leases;

“(xi) irrigation farm leases;

“as defined by the Crown Lands Acts,

“(xii) holdings that have been converted into any of the foregoing tenures under the Crown Lands (Amendment) Act, 1908, the Crown Lands (Amendment) Act, 1912, or any amendment or consolidation thereof.”

Section 62, paragraph (c).—Omit the words “short notice” and insert “for periods not exceeding two years”

Section 63, subsection (2).—Add at end of subsection “Provided that the commissioners may permit variations of the said purposes for which loans are granted, if satisfied that such variations are not prejudicial to the security.”

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Section 63, subsection (3).—Omit the words “whether so declared by proclamation of the Governor or not so declared” and insert the words “as proclaimed by the Governor.”

Section 66, subsection (1).—Add at end of subsection “Provided that where a loan is repaid in full within a period of one year from the date of making the advance, a penalty of six months’ interest shall be paid in addition to the interest due to such instalment date.”

Section 66, subsection (2).—Add at end of subsection new paragraph “Should a borrower who has made repayments under this section subsequently fall into arrear with his instalments, the commissioners may apply the whole or part of the moneys lying to the credit of his repayment account to meet his overdue instalments.”

Section 68 (b).—After the word “prior” where occurring insert the word “encumbrance” and after the words “used to” insert the words “release, discharge, or.”

Section 68 (d) (ii).—After the word “five” insert the words “and a half.”

Section 68.—After paragraph (d) insert the following new paragraph:—“(d) (i) The commencement of the term or period for repayment specified in paragraphs (c) and (d) shall be the commencement of the half-year next ensuing after the date from which interest under the mortgage starts.”

Section 68 (f).—After the words “settlement purchase” omit “or” and insert the words “in connection with which the conditions of residence and improvements have not been completed”; after the words “conditional purchase lease” insert “additional conditional purchase lease, special conditional purchase lease, Crown lease, homestead farm lease, or irrigation farm lease, as defined by the Crown Lands Acts”; omit the words “one-half” and insert “three-fourths,” and at the end of the paragraph add the words “and provided that the advance shall not exceed two-thirds of the sale value of the security as determined by the Banks Valuator.”

Section 69, paragraph (a).—After “within twelve months” insert “or within such less period as they may determine and so notify to the Secretary for Lands”

Section 69, paragraph (b).—Omit all words after “commissioners” where secondly occurring in this paragraph.

Section 69, paragraph (c).—Insert after word “mortgage” wherever occurring the words “or transfer”

Section 70, paragraph (a).—After the word “transferred” insert “mortgaged”

Section 70, paragraph (b).—After the word “transfer” insert the word “mortgage”

Section 75.—Add new sections as follows:—

“75A.—The powers and remedies conferred upon the commissioners under this Act are not in any way limited or restricted by the provisions of the Crown Lands (Amendment) Act, 1908, the Crown Lands (Amendment) Act, 1912, the Closer Settlement Act of 1904, or by any amendment or consolidation thereof.”

“75B.—Consents by the commissioners to leases of holdings or land held by the bank as security shall be exempt from payment of stamp duty.”

Section 77.—At the end of the section add the following words “or relating to land or property owned or leased by the commissioners.”

Section 83.—Add new paragraphs—

“(i) for the protection of the commissioners in the case of forgeries and lost pass-books.”

“(j) for payment of deposits of illegitimate deceased depositors to persons who but for such illegitimacy would be entitled thereto.”