

SMALL LOANS FACILITIES ACT.

Act No. 22, 1941.

An Act to authorise the formation of small loan societies under the Co-operation Act, 1923-1938; to amend the said Act in certain respects; and for purposes connected therewith. [Assented to, 9th April, 1941.]

George VI.
No. 22, 1941.

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:—

1. (1) This Act may be cited as the "Small Loans Facilities Act, 1941."

Short title
and com-
mencement.

(2)

No. 22, 1941.

(2) This Act shall commence upon a day to be appointed by the Governor and notified by proclamation published in the Gazette.

Amendment
of Act No. 1,
1924.Division 8.
(Heading.)Sec. 29.
(Objects.)

2. (1) The Co-operation Act, 1923-1938, is amended—

(a) by omitting from the heading of Division 8, immediately before section twenty-nine, the words “Urban Credit” and by inserting in lieu thereof the words “Small Loans”;

(b) (i) by omitting from subsection one of section twenty-nine the words “urban credit” and by inserting in lieu thereof the words “small loans”;

(ii) by inserting after paragraph (e) of the same subsection the following new paragraphs:—

(ei) to assist its members to defray the cost of painting or effecting any additions or repairs to their homes;

(eii) to assist its members in paying off a second mortgage on a home;

(eiii) to assist its members or their dependants in defraying expenses incurred in connection with any accident, sickness or death to or of a member or any of his dependants;

(eiv) to assist its members to discharge any financial liabilities.

Substituted
sec. 31.Loans to
members.

(c) by omitting section thirty-one and by inserting in lieu thereof the following section:—

31. (1) The society shall not make or guarantee a loan unless the member to whom the loan is made resides within the district or is of the class specified in the rules and any rule specifying such district or class shall be approved by the Registrar before the society is registered.

(2) The loan shall not be made or guaranteed unless and until the member furnishes to the board a statutory declaration setting out whether or not he is a member of any other small loans society and, if he is a member of another society, particulars of any moneys owing by him to such other society.

(d)

- (d) by inserting next after section thirty-one the following new section:—

No. 22, 1941.

New
sec. 31A.
Loans to
members.

31A. (1) A member desiring a loan shall make application to the society in the manner provided by the rules of the society and such application shall state—

- (a) the amount required and the purpose for which it is to be used;
- (b) the term for which the loan is required as provided in the rules of the society;
- (c) such other particulars as the rules of the society may require.

(2) The board may approve the application, in whole or in part and on such terms as it may deem proper, and may require repayment to be guaranteed by another member or other members and/or such other security as it may deem necessary.

(3) The member shall be notified in writing of the board's decision and if acceptable to him he shall endorse his acceptance thereon and return it to the society.

(4) Before any moneys are advanced the board or the lender may require the member to sign a promissory note or promissory notes for the amount of the moneys to be advanced.

(5) If the moneys are to be advanced by the lender and the repayment, together with interest, is to be guaranteed by the society, the society shall endorse the promissory note or promissory notes and the secretary shall have authority to endorse on behalf of the society.

(6) If the member is unable to repay the loan in full on or before the agreed date the board or the lender may grant an extension of the time for repayment provided that the society shall not be liable if the lender without the board's consent, grants an extension of time in respect of a loan guaranteed by the society.

(7)

No. 22, 1941.

(7) The application for an extension of time for repayment shall be made in the manner prescribed in the rules of the society and shall be kept distinct from any new application made by the member but in all other respects the provisions of this Act and the rules of the society relating to applications and the rights and liabilities arising thereunder shall be applicable to such extension of time.

(8) The total amount owing by the borrower in respect of any loans made or guaranteed by the society shall not exceed a sum to be specified in the rules of the society. Provided that where the sum so specified exceeds one hundred pounds the rule shall be approved by the Registrar before the society is registered.

(9) Where the moneys are advanced by the lender and guaranteed by the society, if the member fails to pay the amount of the loan within one month after payment becomes due or within one month after the expiration of any extension of time for repayment the lender may demand payment from the society of the amount owing with interest thereon to the date of payment and the society shall pay the amount to the lender.

(10) Upon payment by the society the lender shall deliver to the society all securities held by him for the loan or any part thereof and the society shall be entitled to recover from the borrower the amount so paid.

(11) Every form of application for a loan and every acknowledgment or security of any kind given by the borrower for a loan from the society shall have printed therein or thereon a statement that the borrower is subject to the liabilities and restrictions imposed by this Division of this Act or by the rules of the society.

(12)

(12) The provisions of sections twenty-four to twenty-eight of this Act shall, mutatis mutandis and with such modifications, if any, as may be prescribed by regulation, be deemed to extend to a loan made under this Division. No. 22, 1941.

(2) The Co-operation Act, 1923-1938, is further amended by omitting the words "urban credit" wherever occurring and by inserting in lieu thereof the words "small loans."

General
conse-
quential
amendment
of Act No.
1, 1924.
