

CO-OPERATION (AMENDMENT) ACT.

Act No. 4, 1947.

An Act to amend the Co-operation Act, 1923-1945, in certain respects; and for purposes connected therewith. [Assented to, 26th March, 1947.] George VI.
No. 4, 1947.

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:—

I. (1) This Act may be cited as the "Co-operation (Amendment) Act, 1947." Short title
and citation.

(2)

Co-operation (Amendment) Act.

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(2) The Co-operation, Community Settlement, and Credit Act, 1923, as amended by subsequent Acts and by this Act, may be cited as the Co-operation Act, 1923-1947.

Amendment
of Act No. 1,
1924.
Sec. 17A.
(Building
societies—
Indemnities.)

2. The Co-operation Act, 1923-1945, is amended—

- (a) by omitting from subsection one of section 17A all words beginning with the words “Any such agreement” and ending with the words “Minister of the Crown”;
- (b) by omitting subsection (1A) of the same section and by inserting in lieu thereof the following subsections:—

(1A) Where a building society proposes to lend money to a member who is not already the owner of a dwelling-house, and

- (a) such money is to be lent for the purpose of enabling him to purchase land upon which a dwelling-house is already erected or to purchase land and erect a dwelling thereon or to erect a dwelling-house on land already owned by him; and
- (b) the dwelling-house is to be occupied by the member to whom the money is to be lent; and
- (c) the amount proposed to be lent does not exceed one thousand five hundred and forty pounds; and
- (d) the amount proposed to be lent reduced by the value of the share capital of the member exceeds eighty per centum but does not exceed ninety per centum of the value of the land and the dwelling-house erected or to be erected thereon as ascertained in such manner as the Co-operative Building Advisory Committee constituted under this Act directs;

the Colonial Treasurer may, with the approval of the Governor, enter into an agreement with the building society proposing to lend such

money,

money, and may by such agreement undertake No. 4, 1947 to indemnify such society against such of the loss sustained by that society in respect of the loan as is directly attributable to the fact that the amount so lent reduced by the value of the share capital of the member exceeded eighty per centum of the value of the land and dwelling-house as ascertained in accordance with paragraph (d) of this subsection.

The power to enter into an agreement under this subsection may also be exercised, subject to subsection (2A) of this section, in any of the following cases, that is to say—

- (i) where a building society has, either before or after the commencement of the Co-operation (Amendment) Act, 1947, arranged to lend, for one of the purposes referred to in paragraph (a) of this subsection, to a member who, at the date of the arrangement, was not already the owner of a dwelling house, an amount which, reduced by the value of the share capital of the member, exceeds eighty per centum but does not exceed ninety per centum of the value of the land and dwelling house ascertained in accordance with paragraph (d) of this subsection, and has advanced to the member the whole or part of the amount arranged to be lent;
- (ii) where a building society has, either before or after the commencement of the Co-operation (Amendment) Act, 1947, arranged to lend, for one of the purposes referred to in paragraph (a) of this subsection, to a member who, at the date of the arrangement, was not already the owner of a dwelling house, an amount which, reduced by the value of the share capital of the member, does not exceed eighty per centum of the value of the land and dwelling house ascertained

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ascertained in accordance with paragraph (d) of this subsection and has advanced to the member the whole or part of the amount arranged to be lent, and, either before or after such commencement, has made or agreed to make or is prepared to enter into an arrangement to make a further advance for the carrying into effect of the same purpose, and the total sum which comprises the amount arranged to be lent and the further advance, reduced by the value of the share capital of the member, exceeds eighty per centum but does not exceed ninety per centum of the value of the land and dwelling house as so ascertained.

The power to enter into an agreement under this subsection may also be exercised, subject to subsection (2A) of this section, so as to enter into an agreement with a building society in substitution for an earlier agreement under this subsection or subsection one of this section where the building society has, either before or after the commencement of the Co-operation (Amendment) Act, 1947, arranged to lend, for one of the purposes referred to in paragraph (a) of this subsection, to a member who at the date of the arrangement is not already the owner of a dwelling house, an amount which, reduced by the value of the share capital of the member—

- (i) in the case where the earlier agreement was entered into under this subsection, exceeds eighty per centum but does not exceed ninety per centum of the value of the land and dwelling house ascertained in accordance with paragraph (d) of this subsection; or
- (ii) in the case where the earlier agreement was entered into under subsection one of this section, exceeds eighty per centum but does not exceed the value of the

the land and dwelling house as ascer- No. 4, 1947.
tained in accordance with paragraph
(d) of that subsection;

and has advanced to the member the whole or part of the amount arranged to be lent and, either before or after such commencement, has made or agreed to make or is prepared to enter into an arrangement to make a further advance for the carrying into effect of the same purpose and the total sum which comprises the amount arranged to be lent and the further advance, reduced by the value of the share capital of the member does not exceed ninety per centum of the value of the land and dwelling house as so ascertained.

(1B) Any agreement referred to in subsection one or subsection (1A) of this section shall operate and have effect until the registrar certifies to the Governor that the amount owing to the society by the member in respect of the loan to which the agreement relates, reduced by the value of the share capital of the member is not more than sixty-six and two-thirds per centum of the value of the land and dwelling-house as ascertained in such manner as the Co-operative Building Advisory Committee constituted under this Act directs.

(1c) The instrument evidencing any agreement entered into under this section may be signed by the Colonial Treasurer or for and on behalf of the Colonial Treasurer by any other Minister of the Crown.

(1D) The value of the share capital of a member of any society shall, for the purposes of this section, be calculated in such manner as the Co-operative Building Advisory Committee constituted under this Act may direct.

Any such direction shall be given in relation to the society specified in the direction and shall not be altered while any agreement with that society under this section has effect.

(c)

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- (c) by inserting in subsection two of the same section after the words "subsection one" the words "or subsection (1A)";
- (d) (i) by inserting in subsection (2A) after the words "subsection one" where firstly and secondly occurring the words "or subsection (1A)";
- (ii) by omitting from paragraph (b) of the same subsection all words after the word "prescribed" and by inserting in lieu thereof the words "by paragraph (c) of subsection one or by paragraph (c) of subsection (1A) of this section, as the case may be; and".

Conse-
quential—
Variation of
certain
agreements.

3. (1) This section shall apply to every agreement which was entered into before the commencement of this Act, between a building society duly registered under the Co-operation, Community Settlement, and Credit Act, 1923, as amended by subsequent Acts, and the Colonial Treasurer, and which is in force at such commencement, whereby in consideration of the execution by the Colonial Treasurer pursuant to the Government Guarantees Act, 1934-1943, of a guarantee in favour of the bank society or body of persons mentioned in the agreement (which bank society or body of persons is in this section referred to as "the lender") the building society undertakes to observe the covenants stipulations and conditions specified in the agreement.

(2) Notwithstanding anything contained in any agreement to which this section applies, the agreement shall not operate to preclude the building society which is a party thereto from making, out of moneys borrowed by it from the lender, advances to a member of the society to the extent and in the circumstances contemplated by subsection (1A) of section 17A of the Co-operation Act, 1923-1945, as amended by this Act.