

## HOUSING LOAN GUARANTEE (No. 2).

7° Elizabeth II., No. XXXVII.

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No. 37 of 1958.

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AN ACT to amend the Housing Loan Guarantee Act, 1957-1958.

[Assented to 11th December, 1958.]

**BE** it enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and the Legislative Assembly of Western Australia, in this present Parliament assembled, and by the authority of the same, as follows:—

Short title  
and citation.

1. (1) This Act may be cited as the *Housing Loan Guarantee Act Amendment Act (No. 2), 1958.*

(2) In this Act the Housing Loan Guarantee Act, 1957-1958, is referred to as the principal Act.

(3) The principal Act as amended by this Act may be cited as the Housing Loan Guarantee Act, 1957-1958.

2. Section three of the principal Act is amended by adding after the word, "institution" being the last word in the interpretation, "guarantee", the passage, " , except in section seven A of this Act, where the expression means a guarantee given by the Treasurer to a person who lends money to an approved institution". S. 3  
amended.

3. Section four of the principal Act is amended— S. 4  
amended.

(a) by adding after the word, "encourage" in line one, the passage, " , through provisions for guarantees,";

(b) by adding after the word, "houses" in line two, the paragraph designation, "(a)"; and

(c) by adding after the word, "purposes" being the last word in the section, the following—  
; and

(b) by enabling building societies and other institutions mentioned in paragraph (a) of this section to borrow money to be applied in the building and purchasing of new houses.

4. The principal Act is amended by adding after section seven the following section— S. 7A  
added.

7A. (1) Where an approved institution proposes to borrow and to apply a sum of money to the purposes of this Act and requires the Treasurer of the State to guarantee that the approved institution will repay the sum and will pay interest payable in respect of it, the approved institution shall cause particulars of the proposal to be submitted to the Treasurer. Borrowing  
by approved  
institutions

(2) The Treasurer if he approves the proposal may agree to give the guarantee on behalf of the State, on such conditions as the Treasurer thinks fit including conditions for

(a) the execution by the approved institution of such undertaking as the Treasurer thinks fit that the sum will

be used by it under this Act for advancing loans for the purposes of building new houses, or for making financial assistance available for the purposes of purchasing new houses; and

- (b) the execution of such securities as the Treasurer thinks fit to secure compliance with the undertaking referred to in paragraph (a) of this subsection; and compliance with payment of interest under subsection (5) of this section; and to secure the Treasurer against any liability he incurs under the guarantee.

(3) If the approved institution complies with the conditions imposed by the Treasurer under subsection (2) of this section, the Treasurer may give the guarantee on behalf of the State.

(4) Securities executed under subsection (2) of this section create by virtue of this section a first charge on the whole of the undertaking and other property and assets present and future of the approved institution,

- (a) notwithstanding the provisions of any other Act; and

- (b) notwithstanding the existence on that undertaking or other property and assets of any other charge or encumbrance, except where there is a floating charge, under the Commonwealth and State Housing Agreement Act, 1956, in which case the securities under this Act shall be subject to the floating charge.

Cf. No. 6 of  
1956, s. 6.

(5) (a) Where, at the request of an approved institution, the Treasurer gives a guarantee under this section, the approved institution shall, by the last day of each quarter, pay into the Fund Account interest at the rate of one-quarter of one per centum per annum on so much of the sum guaranteed as by the last day of the next preceding quarter was not repaid by the approved institution.

(b) If the approved institution does not duly and punctually pay any amount payable under paragraph (a) of this subsection, the amount is recoverable from the institution in any court of competent jurisdiction at the suit of the Treasurer as a debt due to the Fund Account.

(6) Where the Treasurer is liable to make any payment under a guarantee given by him under this section, he shall cause the amount to be paid from money represented in the Fund Account.

(7) Where a sum is payable under a guarantee given under this section, and there is, or is likely to be, insufficient money in the Fund Account to enable the sum to be paid the Treasurer shall cause to be advanced to the Fund Account under subsection (5) of section nine of this Act such amount as will enable the sum to be paid out of the Fund Account.

5. Section ten of the principal Act is amended by adding before the word, "is" in line five, the passage, "and to do or suffer anything for the purposes of section seven A of this Act,".

S. 10  
amended.

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