

PARLIAMENT OF CEYLON

5th Session 1951



Housing Loans (Amendment) Act, No. 22 of 1951

Date of Assent: July 26, 1951

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Housing Loans (Amendment) Act,
No. 22 of 1951.

L. D.—O. 49/48.

AN ACT TO AMEND THE HOUSING LOANS ACT,
No. 26 OF 1949

[Date of Assent: July 26, 1951.]

BE it enacted by the King's Most Excellent Majesty, by and with the advice and consent of the Senate and the House of Representatives of Ceylon in this present Parliament assembled, and by the authority of the same, as follows:—

1. This Act may be cited as the Housing Loans Short title. (Amendment) Act, No. 22 of 1951.

2. Section 5 of the Housing Loans Act, No. 26 of 1949, (hereinafter referred to as "the principal Act"), is hereby amended in sub-section (3), by the substitution in paragraph (c), for the word "Minister", of the words "Minister with the concurrence of the Minister of Finance". Amendment of section 5 of Act No. 26 of 1949.

3. Section 6 of the principal Act is hereby amended in sub-section (1) as follows:— Amendment of section 6 of the principal Act.

(1) in paragraph (c), by the substitution, for the words "in the execution of a housing scheme," of the words "in the execution of a housing scheme; or"; and

(2) by the insertion, immediately after paragraph (c), of the following new paragraph:—

"(d) by any individual who proposes to erect a house for his residence."

4. The following new Part shall be inserted immediately after section 12 of the principal Act, and shall have effect as Part IIA of that Act:— Insertion of new Part IIA in the principal Act.

" PART IIA.

LOANS TO LOCAL AUTHORITIES

Loans to
local
authorities.

12A. (1) Any local authority may make an application to the Board for the grant of a loan for the purpose of the execution of a middle-class housing scheme in the area within the administrative limits of that authority.

(2) The provisions of sub-section (2) of section 6 and the provisions of section 7 of this Act shall apply in relation to any such application; and sections 8, 9, 11 and 12 of this Act shall not apply in any such case.

Loans subject to limits of borrowing powers of local authorities.

12B. Every loan granted to a local authority under this Act shall be subject to the limits of the borrowing powers of that authority under any other Act or Ordinance regulating its powers and duties, and for the purpose of the application of the said limits, a loan granted under this Act shall be deemed to be raised under the authority of such other Act or Ordinance.

Security for loans.

12C. No loan shall be granted to any local authority unless its repayment is secured by the primary mortgage of the proceeds of any rate or tax which that authority is by law authorised to impose.

Rate of interest on loans to local authorities.

12D. The rate of interest upon any loan to a local authority shall be such rate as may be fixed by the Board but subject to the provisions of section 10 of this Act.

Default in respect of repayment of loans by local authorities.

12E. (1) Where a local authority makes default in the repayment of the whole or any portion of the loan granted by the Board, the Board may, without prejudice to any other remedy, appoint an officer for the following purposes:—

- (a) to impose any rate or tax which that authority may impose for the purpose of fulfilling its obligations under the mortgage on the security of which such loan was granted by the Board;
- (b) to receive and collect the proceeds of any rate or tax so imposed, or imposed by that authority, and to pay into the Fund such proceeds or so much thereof as will be necessary for the liquidation of the amount due under the mortgage.

(2) Every officer appointed under sub-section (1) shall have the same powers and duties as an officer appointed by that authority, and it shall be the duty of all officers of that authority to give the officer appointed by the Board all such assistance as he may require for the purposes for which he was appointed.

(3) Every officer appointed under sub-section (1) shall, in determining the rate or tax to be imposed under this section, take into account all sums of money expended—

(a) by the Board in accordance with the covenants contained in the mortgage bond executed by the local authority to which the loan was granted, and

(b) by such officer in the exercise and performance of his powers and duties under this section.

Non-
applicability
of Part III
of the Act
to local
authorities.

12F. The provisions of Part III of this Act other than the provisions of sections 13 and 16 shall not apply in relation to any loan granted by the Board to a local authority."

5. Section 55 of the principal Act is hereby amended in sub-sections (1) and (2), by the substitution, for the word "Minister" occurring in each of those sub-sections, of the words "Minister with the concurrence of the Minister of Finance".

Amendment of
section 55 of
the principal
Act.

6. Section 56 of the principal Act is hereby amended as follows:—

Amendment of
section 56 of
the principal
Act.

(1) by the re-numbering of that section as sub-section (1) of section 56;

(2) in the re-numbered sub-section (1), in the definition of "regulation", by the substitution, for the words "made by the Minister", of the word "made"; and

- (3) by the insertion, immediately after the re-numbered sub-section (1), of the following new sub-section:—

“ (2) For the purposes only of the application of this Act in the case of any application referred to in paragraph (d) of sub-section (1) of section 6, any reference in this Act to a housing scheme shall be deemed to be a reference to a proposal to erect a single house.”