

South Australia

# Housing Loans Redemption Fund Act 1962

An Act to provide for the establishment of a Housing Loans Redemption Fund and for other purposes.

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## Contents

1	Short title
3	Interpretation
4	Housing Loans Redemption Fund
5	Applications to become contributor
6	Joint borrowers
7	Contributions to fund
8	Liability of fund
9	Fresh advance
10	Second mortgage advance
11	Approval of authorities
12	Regulations
13	No further contributors
14	Use of surplus funds

Schedule—Schedule of contribution rates

Legislative history

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**The Parliament of South Australia enacts as follows:**

### 1—Short title

This Act may be cited as the *Housing Loans Redemption Fund Act 1962*.

### 3—Interpretation

In this Act, unless the context otherwise requires—

***approved authority*** means an authority approved by the Treasurer pursuant to section 11 of this Act;

***borrower*** means a person who whether before or after the commencement of this Act has obtained an advance, or has become legally liable for the repayment of an advance, from an approved authority upon the security of a dwellinghouse to be used by the borrower as a home for himself and his dependants;

***contributor*** means a borrower who, in accordance with the provisions of this Act, contributes to the fund in respect of an advance (or part thereof) from an approved authority;

*dependant* includes the parents or other relative dependant upon a borrower;

*the fund* means the Housing Loans Redemption Fund;

*nominated contributor* means the joint contributor who is accepted by an approved authority at the time of the application by joint borrowers to become joint contributors as the borrower principally responsible for the support of the joint borrowers and their dependants.

For the purposes of this Act a person who enters into an agreement with an approved authority for the purchase of a dwellinghouse which is intended to be used by him as a home for himself and his dependants by the payment of the purchase-money and interest thereon by periodical instalments shall be deemed to be a borrower and the amount of the purchase-money less any deposit paid at the time of the making of the agreement shall be deemed to be an advance.

#### **4—Housing Loans Redemption Fund**

- (1) There shall be an account kept at the Treasury to be called the *Housing Loans Redemption Fund*.
- (2) The Treasurer shall, out of moneys standing to the credit of the Home Purchase Guarantee Fund, advance to the fund the sum of £50 000 within one month after the commencement of this Act. This Act shall without further appropriation be sufficient authority for the Treasurer to make the said advance.
- (3) There shall be paid to the credit of the fund any moneys which may from time to time be provided by Parliament for the purpose.
- (4) The Treasurer shall pay to the credit of the fund all moneys received by him from approved authorities pursuant to this Act.
- (5) The Treasurer shall credit the fund with interest upon the amount standing to the credit of the fund from time to time (other than any amounts advances by the Treasurer) at the current long term bond rate as defined in the *Housing Agreement* executed in pursuance of the *Housing Agreement Act 1956* as amended by the *Agreements* executed in pursuance of the *Housing Agreement Act 1961* and of other subsequent relevant enactments.
- (6) The fund shall, subject to this Act, be applied in the re-payment to approved authorities of advances made to contributors.

#### **5—Applications to become contributor**

A borrower (other than a joint borrower) who is less than thirty-six years of age may become a contributor upon the following conditions:

- (a) he shall satisfy the Treasurer and the approved authority from which he has obtained an advance that he is in good health;
- (b) the advance or part of the advance in respect of which the borrower applies to become a contributor shall be repayable in full together with interest thereon in equal periodical instalments over a period expiring before the date upon which the borrower would reach the age of sixty-six years: Provided that in no case shall the period over which such instalments are repayable exceed forty years;

- (c) the Treasurer or an approved authority may in his or its absolute discretion refuse an application by a borrower to become a contributor.

## **6—Joint borrowers**

Two or more joint borrowers may become joint contributors upon the following conditions:

- (a) they shall satisfy the Treasurer and the approved authority from which they have obtained an advance that the nominated contributor is in good health;
- (b) the nominated contributor shall be less than thirty-six years of age;
- (c) the advance or part of the advance in respect of which they apply to become joint contributors shall be repayable in full together with interest thereon in equal periodical instalments over a period expiring before the date upon which the nominated contributor would reach the age of sixty-six years: Provided that in no case shall the period over which such instalments are repayable exceed forty years;
- (d) the Treasurer or an approved authority may in his or its absolute discretion refuse an application by joint borrowers to become joint contributors.

## **7—Contributions to fund**

- (1) Contributors shall contribute to the fund at the rates applicable to the amount of the advance set forth in the Schedule to this Act or such other rates as may be prescribed.
- (2) Contributors may at any time by three months' written notice to an approved authority elect to reduce the proportion of an advance for which they desire to continue to contribute and thereupon, with the consent of the approved authority, the rate of contributions to the fund shall be proportionately reduced: Provided that if the amount of the advance remaining unpaid is reduced, otherwise than by way of the payment of the periodical instalments, by at least the proportion (not being less than one-tenth) by which the contributor or contributors desire to reduce the rate of contribution, the consent of the approved authority shall not be required.
- (2a) Subject to this Act, a contributor may, after giving three months notice of his election to do so to the approved authority concerned, increase the amount of an advance for which he desires to continue to contribute and thereafter upon—
  - (a) satisfying the Treasurer and the approved authority, in the case of a contributor (other than a joint contributor), that he, and, in the case of joint contributors, that the nominated contributor, is less than thirty-six years of age and is in good health; and
  - (b) obtaining the consent of the approved authority,

the rate of contributions by the contributor to the fund shall be increased as from a date approved by the approved authority by an amount derived by applying to the additional amount of advance for which he has elected to contribute the rates appropriate to his age and the unexpired period of the advance as set out in the Schedule to this Act and, thereupon, the provisions of this Act, shall, to the extent that they may be applicable, apply as if the amount of the increase in the advance referred to in this subsection were an advance in respect of which the contributor or joint contributors, as the case may be, had applied (as a borrower or as joint borrowers) to become a contributor or joint contributors respectively.

- (3) Subject to section 10, contributions by contributors shall be paid to the approved authority from which the advance has been obtained.
- (4) If contributions are unpaid for a period of six months the contributor or contributors concerned shall cease to be a contributor or contributors without prejudice to the right of the Treasurer to recover any such contributions as a debt: Provided that with the consent of the Treasurer and the approved authority such contributor or contributors may, upon payment of all such arrears and such interest thereon as the Treasurer shall determine, be reinstated as a contributor or contributors: Provided further that an approved authority may at its discretion pay to the fund on a contributor's account any arrears of contributions and any such payments made by an approved authority shall be added to and form part of the advance for the purposes of recovery thereof.
- (5) A contributor may at any time upon giving three months' written notice to the approved authority cease to be a contributor: Provided that nothing in this section shall be construed so as to affect the rights or obligations of a contributor (or contributors) and an approved authority *inter se* under any agreement by a borrower (or borrowers) that he (or they) will continue to remain a contributor (or contributors) while any amount of the advance remains unpaid.
- (6) A contributor or contributors shall cease to be a contributor or contributors upon repayment of an advance in full at any time before the expiration of the period over which same was originally repayable, or upon his or their ceasing to have any interest in the dwellinghouse in respect of which the advance was obtained.

## **8—Liability of fund**

- (1) Subject to subsection (2) of this section—
  - (a) upon the death of a contributor (not being a joint contributor) so much of the amount of the advance (or part thereof) in respect of which he was contributing at the date of his death as would then have remained unpaid if he had paid only all periodical instalments and other amounts payable in respect of the advance as and when the same became due and payable, together with any interest which would have accrued thereon but not fallen due for payment for a period not exceeding one month before the death of the contributor and for a further period not exceeding one month from and after the date of his death, shall be paid from the fund to the approved authority;
  - (b) upon the death of a nominated contributor so much of the amount of the advance (or part thereof) in respect of which the contributors were contributing at the date of such death as would then have remained unpaid if the contributors had paid only all periodical instalments and other amounts payable in respect of the advance as and when the same became due and payable, together with any interest which would have accrued thereon but not fallen due for payment for a period not exceeding one month before the death of the nominated contributor and for a further period not exceeding one month from and after the date of his death, shall be paid from the fund to the approved authority;

- (c) any part of an amount paid to the approved authority pursuant to paragraph (a) or paragraph (b) of this subsection which exceeds the amount due and owing to the approved authority in respect of the advance (whether principal, interest, insurance or contributions) shall be paid by the authority to the legal personal representative of the deceased contributor or as the case may be to the survivor or survivors of joint contributors.
- (2) No payment shall be made from the fund—
    - (a) in respect of a contributor or a nominated contributor who dies by his own hand within one year and thirty days after the payment of the first contribution to the fund; or
    - (b) if the contributor or contributors concern has or have in connection with his or their application to become a contributor or contributors knowingly withheld any material information or supplied information false in a material particular; or
    - (c) upon the death of a borrower who has ceased to be a contributor.
  - (3) If at any time the amount of the fund is insufficient to meet payments under this section the Treasurer shall pay the amount of the deficiency out of the general revenue of the State which revenue is hereby appropriated so far as is necessary for that purpose.

## **9—Fresh advance**

If a contributor repays before the due date the whole or any part of an advance in respect of which he is a contributor and within a period of three months thereafter obtains from the same approved authority a further advance repayable in full on the same date as the previous advance, he may with the approval of the Treasurer become a contributor in respect of such further advance to an amount not exceeding the amount of the advance so repaid at the same rate of contribution as that in respect of the amount of the advance so repaid, notwithstanding that he may then be not less than thirty-six years of age.

## **10—Second mortgage advance**

- (1) A borrower may become a contributor in respect of an advance upon the security of a second mortgage notwithstanding that he is not a contributor in respect of an advance upon the security of a first mortgage over the same land.
- (2) A contributor who obtains an advance upon the security of a second mortgage from an approved authority other than the approved authority in respect of which he is a contributor may with the concurrence of that authority become a contributor in respect of both advances.

## **11—Approval of authorities**

- (1) The Treasurer may approve of any institution, corporation or body for the purposes of this Act upon such terms and conditions including conditions as to the mode of administration of this Act and the keeping and furnishing of records and reports as the Treasurer may think fit. Any such terms and conditions may, with the concurrence of the approved authority, be varied by the Treasurer from time to time.
- (2) Approved authorities shall pay to the Treasurer all contributions received by them from contributors under this Act.

## 12—Regulations

The Governor may make regulations not inconsistent with this Act prescribing all matters which by this Act are required or permitted to be prescribed or which may be necessary or convenient to be prescribed for giving effect to this Act.

## 13—No further contributors

- (1) Notwithstanding the other provisions of this Act, no person may become a contributor after the commencement of this section.
- (2) Subject to subsection (1), this Act continues to apply according to its terms in relation to a person who became a contributor before the commencement of this section.

## 14—Use of surplus funds

- (1) The Treasurer may, from time to time, direct that payments be made from the fund into the Consolidated Account of amounts determined by the Treasurer.
- (2) The Treasurer may not direct that a payment be made from the fund under subsection (1) except on the advice of an actuary that the balance of the fund remaining after the payment should be sufficient to meet all present and future liabilities of the fund under section 8.
- (3) Any amount paid into the Consolidated Account under subsection (1) must be paid to the Trust which must apply the amount for the purpose of building cottage flats or other dwellings to be let to persons in necessitous circumstances.
- (4) This section is, without further appropriation, sufficient authority for the making of payments referred to in this section.
- (5) The Trust must include in its annual report to the Minister under section 19 of the *South Australian Housing Trust Act 1936* details for the financial year to which the report relates of—
  - (a) its receipts and expenditure of money paid from the Consolidated Account under this section; and
  - (b) building works carried out in pursuance of this section.
- (6) In this section—

*actuary* means a Fellow or Accredited Member of the Institute of Actuaries of Australia;

*the Trust* means the South Australian Housing Trust.

## Schedule—Schedule of contribution rates

(Dollars per annum per \$1 000 of advance which is outstanding at the time contributions or increased contributions are commenced and subject to contribution)

Unexpired period of advance in years	Age of borrower in completed years when commencing to contribute										
	25 and under	26	27	28	29	30	31	32	33	34	35
10 and under	1.50	1.55	1.60	1.65	1.70	1.75	1.80	1.85	1.90	1.95	2.00
11	1.50	1.55	1.60	1.65	1.70	1.75	1.80	1.85	1.95	2.00	2.05

repealed—30.7.1992 to 2.10.2019—Housing Loans Redemption Fund Act 1962  
Schedule of contribution rates—Schedule

Unexpired period of advance in years	Age of borrower in completed years when commencing to contribute										
	25 and under	26	27	28	29	30	31	32	33	34	35
12	1.55	1.60	1.60	1.65	1.75	1.80	1.85	1.90	2.00	2.05	2.10
13	1.55	1.60	1.65	1.70	1.75	1.80	1.85	1.95	2.00	2.05	2.15
14	1.55	1.60	1.65	1.70	1.75	1.85	1.90	2.00	2.05	2.10	2.25
15	1.60	1.65	1.70	1.75	1.80	1.90	1.95	2.05	2.10	2.20	2.30
16	1.60	1.65	1.70	1.80	1.85	1.95	2.00	2.10	2.20	2.30	2.40
17	1.60	1.70	1.75	1.80	1.90	1.95	2.05	2.15	2.25	2.35	2.45
18	1.65	1.70	1.75	1.85	1.90	2.00	2.10	2.20	2.30	2.40	2.55
19	1.70	1.75	1.80	1.90	1.95	2.05	2.15	2.25	2.35	2.50	2.60
20	1.70	1.75	1.80	1.90	2.00	2.10	2.20	2.30	2.45	2.55	2.70
21	1.70	1.80	1.85	1.95	2.05	2.15	2.25	2.35	2.50	2.65	2.80
22	1.75	1.80	1.90	2.00	2.10	2.20	2.30	2.45	2.60	2.75	2.90
23	1.75	1.85	1.95	2.05	2.15	2.25	2.35	2.50	2.65	2.80	3.00
24	1.80	1.90	2.00	2.10	2.20	2.30	2.45	2.60	2.75	2.90	3.10
25	1.85	1.95	2.05	2.15	2.25	2.35	2.50	2.65	2.80	3.00	3.25
26	1.90	1.95	2.05	2.15	2.30	2.40	2.55	2.70	2.90	3.10	3.35
27	1.90	2.00	2.10	2.20	2.35	2.50	2.65	2.80	3.00	3.25	3.50
28	1.95	2.05	2.15	2.25	2.40	2.55	2.70	2.90	3.15	3.40	3.65
29	2.00	2.10	2.20	2.30	2.45	2.60	2.80	3.00	3.25	3.55	3.80
30	2.00	2.10	2.25	2.40	2.55	2.70	2.90	3.10	3.40	3.70	4.00
31	2.05	2.15	2.30	2.45	2.60	2.80	3.00	3.25	3.55	3.85	—
32	2.10	2.25	2.35	2.50	2.70	2.90	3.10	3.35	3.65	—	—
33	2.15	2.30	2.45	2.60	2.80	3.00	3.20	3.50	—	—	—
34	2.25	2.35	2.50	2.70	2.90	3.10	3.35	—	—	—	—
35	2.30	2.40	2.60	2.80	3.00	3.25	—	—	—	—	—
36	2.35	2.50	2.70	2.90	3.15	—	—	—	—	—	—
37	2.45	2.60	2.80	3.05	—	—	—	—	—	—	—
38	2.55	2.75	2.95	—	—	—	—	—	—	—	—
39	2.65	2.85	—	—	—	—	—	—	—	—	—
40	2.75	—	—	—	—	—	—	—	—	—	—

1 Where the amount of advance which is outstanding at the time contributions are commenced or increased and subject to contribution is not an exact multiple of \$2 000, the annual premium shall be calculated to the nearest ten cents, five cents being taken to the next higher multiple of ten cents.

2 Where the unexpired period of the advance subject to contribution, at the time contributions are commenced or increased, is not an exact number of years, the fractional period of a year shall be counted as a further whole year for the purpose of determining the contribution rate.

## Legislative history

### Notes

- For further information relating to the Act and subordinate legislation made under the Act see the Index of South Australian Statutes or [www.legislation.sa.gov.au](http://www.legislation.sa.gov.au).

### Repeal of Act

The *Housing Loans Redemption Fund Act 1962* was repealed by s 46 of the *Statutes Amendment and Repeal (Simplify) Act 2019* on 3.10.2019.

### Principal Act and amendments

Year	No	Title	Assent	Commencement
1962	25	<i>Housing Loans Redemption Fund Act 1962</i>	25.10.1962	1.11.1962 ( <i>Gazette 1.11.1962 p1198</i> )
1974	57	<i>Housing Loans Redemption Fund Act Amendment Act 1974</i>	12.9.1974	12.9.1974
1992	6	<i>Housing Loans Redemption Fund (Use of Fund Surpluses) Amendment Act 1992</i>	26.3.1992	30.7.1992 ( <i>Gazette 23.7.1992 p675</i> )

### Provisions amended since 3 February 1976

- Legislative history prior to 3 February 1976 appears in marginal notes and footnotes included in the consolidation of this Act contained in Volume 4 of *The Public General Acts of South Australia 1837-1975* at page 812.

Entries that relate to provisions that have been deleted appear in italics.

Provision	How varied	Commencement
s 2	<i>omitted under Legislation Revision and Publication Act 2002</i>	
ss 13 and 14	inserted by 6/1992 s 3	30.7.1992