



Agricultural Credits Act 1923

1923 CHAPTER 34

1 Power to Public Works Loan Commissioners to lend money to associations for the purpose of making advances upon certain mortgages.

- (1) At any time within five years after the passing of this Act, and subject to such conditions as the Treasury may prescribe, and up to an aggregate amount approved by the Treasury, the Public Works Loan Commissioners may, in manner provided by the Public Works Loans Act, 1875, as amended by this section, lend to any approved association such money as the association may require for the purpose of making advances on mortgages to which this section applies (which mortgages are hereinafter referred to as recognised mortgages), and for recouping to such an association any moneys raised by the association before the passing of this Act for the purpose of making advances on the security of mortgages which were at the date of the advance or have since been varied so as to become recognised mortgages, and may make advances direct to borrowers on recognised mortgages, or at any time take a transfer of any recognised mortgage.
- (2) A mortgage shall be deemed to be a recognised mortgage if it complies with the following conditions—
 - (a) the borrower must be a person who has agreed to purchase the land comprised in the mortgage not earlier than the fifth day of April, nineteen hundred and seventeen, nor later than the twenty-seventh day of June, nineteen hundred and twenty-one, or the heir, devisee, or personal representative of such a person;
 - (b) the land comprised in the mortgage must be wholly or mainly agricultural land;
 - (c) the amount secured by the mortgage must not exceed seventy-five per cent. of the value, as ascertained to the satisfaction of the Commissioners, of the land mortgaged at the date when the advance or transfer is made by or to the Commissioners or exceed an amount equal to thirty times the annual value of the land as ascertained at that date for the purposes of Schedule A of the Income Tax Acts;
 - (d) the rate of interest payable on the mortgage must not exceed such rate as the Treasury may prescribe;
 - (e) the amount secured by the mortgage, with interest thereon, must be repayable within a period of sixty years by equal yearly or half-yearly instalments of the

Status: This is the original version (as it was originally enacted).

- principal sum advanced, together with interest on the amount outstanding, or by equal yearly or half-yearly payments of principal and interest combined;
- (f) the land comprised in the mortgage must be freehold or copyhold land free from any incumbrance affecting it in priority to the mortgage other than a land improvement charge or other charge to which priority is given by Act of Parliament.
- (3) An advance by the Commissioners to an approved association may be made upon the security of recognised mortgages effected by the association with or without other security and for an amount equal to the amount secured for the time being by such mortgages, and may be repayable within such period not exceeding sixty years from the date of the advance as may be agreed between the Commissioners and the association.
- (4) Any moneys advanced by an approved association upon a recognised mortgage may be advanced at interest payable at such, rate per centum per annum as will, after deduction from such interest of the income tax thereon, yield to the association a net rate of interest.
- (5) For the purposes of this section, the expression " approved association" means an association which is approved by the Treasury for the purposes of this Act, and which does not trade for profit or by its constitution or otherwise is restricted in relation to the rate of interest on loan capital and the distribution of profits amongst its members so as to comply with regulations made in that behalf by the Treasury, and the expression "person" in the definition of borrower shall, without prejudice to the effect of section nineteen of the Interpretation Act, 1889, include an association registered under the Industrial, and Provident Societies Acts, 1893 to 1913, and having for its object, or one of its objects, the provision of small holdings or allotments.