



# Friendly Societies Act 1896

## 1896 CHAPTER 25

### *PROPERTY, FUNDS, AND INVESTMENTS*

#### **44 Investment of funds**

- (1) The trustees of a registered society or branch may, with the consent of the committee or of a majority of the members present and entitled to vote in general meeting, invest the funds of the society or branch, or any part thereof, to any amount in any of the following ways:
- (a) in the Post Office Savings Bank, or in any savings bank certified under the Trustee Savings Bank Act, 1863 ; or
  - (b) in the public funds ; or
  - (c) with the National Debt Commissioners as in this Act provided ; or
  - (d) in the purchase of land, or in the erection or alteration of offices or other buildings thereon ; or
  - (e) upon any other security expressly directed by the rules of the society or branch, not being personal security, except as in this Act authorised with respect to loans; or
  - (f) in any investment in which trustees are for the time being by law authorised to invest trust funds.
- (2) The rules of a society with branches and of any branch thereof may provide for the investment of funds of the society or of that branch by the trustees of any branch, or by the trustees of the society, and the consent required for any such investment shall be the consent of the committee, or of such majority as aforesaid of the society or branch by whom the funds are invested.

#### **45 Loans to assured members**

- (1) A registered society and, subject to the rules of the society, a registered branch may advance to a member of at least one full year's standing any sum not exceeding one half of the amount of an assurance on his life, on the written security of himself and two satisfactory sureties for repayment.

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- (2) The amount so advanced, with all interest thereon, may be deducted from the sum assured, without prejudice in the meantime to the operation of the security.

#### **46 Loans out of separate loan fund**

A registered society may, out of any separate loan fund to be formed by contributions or deposits of its members, make loans to members on their personal security, with or without sureties, as may be provided by the rules, subject to the following restrictions:

- (a) a loan shall not at any time be made out of money contributed for the other purposes of the society :
- (b) a member shall not be capable of holding any interest in the loan fund exceeding two hundred pounds:
- (c) a society shall not make any loan to a member on personal security beyond the amount fixed by the rules, or make any loan which, together with any money owing by a member to the society, exceeds fifty pounds:
- (d) a society shall not hold at any one time on deposit from its members any money beyond the amount fixed by the rules, and the amount so fixed shall not exceed two thirds of the total sums owing to the society by the members who have borrowed from the loan fund.

#### **47 Holding of land**

- (1) A registered society or branch may (if the rules thereof so provide) hold, purchase, or take on lease in the names of the trustees of the society or branch any land, and may sell, exchange, mortgage, lease, or build upon that land (with power to alter and pull-down buildings and again rebuild), and a purchaser, assignee, mortgagee, or tenant shall not be bound to inquire as to the authority for any sale, exchange, mortgage, or lease by the trustees, and the receipt of the trustees shall be a discharge for all sums of money arising from or in connexion with the sale, exchange, mortgage, or lease.
- (2) A branch of a registered society need not for the purposes of this section be separately registered.
- (3) Nothing in this section shall authorise a benevolent society to hold land exceeding one acre in extent.

#### **48 Copyholds**

Where a registered society or branch is entitled in equity to any hereditaments of copyhold or customary tenure, either absolutely or by way of mortgage or security, the lord of the manor of which the hereditaments are held shall, if the society or branch so requires, admit not more than three trustees of the society or branch as tenants in respect of such hereditaments, on payment of the usual fines, fees, and other dues payable on the admission of a single tenant.

#### **49 Vesting of property**

- (1) All property belonging to a registered society, whether acquired before or after the society is registered, shall vest in the trustees for the time being of the society, for the use and benefit of the society and the members thereof, and of all persons claiming through the members according to the rules of the society.

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- (2) The property of a registered branch of a society shall vest wholly or partly in the trustees for the time being of that branch or of any other, branch of which that branch forms part (or, if the rules of the society so provide, in the trustees for the time being of the society), for the use and benefit either of the members of any such branch and persons claiming through those members, or of the members of the society generally, and persons claiming through them, according to the rules of the society.
- (3) The trustees shall not be liable to make good any deficiency in the funds of the society or branch, but shall be liable only for sums of money actually received by them respectively on account of the society or branch.

## **50 Devolution on death**

Upon the death, resignation, or removal of a trustee of a registered society or branch, the property vested in that trustee shall, without conveyance or assignment, and whether the property is real or personal, vest, as personal estate subject to the same trusts, in the succeeding trustees of that society or branch either solely or together with any surviving or continuing trustees, and, until the appointment of succeeding trustees, shall so vest in the surviving or continuing trustees only, or in the executors or administrators of the last surviving or continuing trustee, except that stocks and securities in the public funds of Great Britain and Ireland shall be transferred into the names of the succeeding trustees, either solely or jointly with any surviving or continuing trustees.

## **51 Description in legal proceedings**

In all legal proceedings whatsoever concerning any property vested in the trustees of a registered society or branch, the property may be stated to be the property of the trustees in their proper names as trustees for the society or branch without further description.

## **52 Investments with the National Debt Commissioners**

- (1) A registered - society or branch may pay to the account of the National Debt Commissioners at the Bank of England or the Bank of Ireland, as the case may require, any sum of money not less than fifty pounds upon a declaration of the trustees of the society or branch, or any two of them, that the money belongs exclusively to the society or branch.
- (2) The cashier of the Bank shall receive all such sums of money and place them to the account of the Commissioners in the book of the bank named " The Fund for Friendly Societies."
- (3) A sum of money paid in upon a false declaration shall be forfeited to the Commissioners, and applied by them in the manner directed by section twelve of the Savings Banks Act, 1891.
- (4) The provisions of sections twenty-one, twenty-two, twenty-four, twenty-five, twenty-six, twenty-seven, and twenty-eight of the Trustee Savings Banks Act, 1863, as to the regulation of receipts, certificates, and orders, shall apply to money paid under this section.

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- (5) A society or branch so investing money with the Commissioners shall be entitled to a receipt entitling to interest at the following rates :—

To a friendly society or branch legally established before the twenty-eighth of July one thousand eight hundred and twenty-eight, which had invested funds with the Commissioners before the twenty-third of July one thousand eight hundred and fifty-five, a rate of interest in respect of any assurance made before the fifteenth of August one thousand eight hundred and fifty of	} Threepence per centum per diem.
To a friendly society or branch legally established between the twenty-eighth of July one thousand eight hundred and twenty-eight and the fifteenth of August one thousand eight hundred and fifty, which had invested funds with the Commissioners before the twenty-third of July one thousand eight hundred and fifty-five, a rate of interest in respect of any assurance made before the fifteenth of August one thousand eight hundred and fifty of	} Twopence halfpenny per centum per diem.
To a friendly society or branch legally established before the twenty-eighth of June one thousand eight hundred and eighty-eight, which had invested funds with the Commissioners before the first day of January one thousand eight hundred and ninety-six, a rate of interest in respect of any assurance made on or before the said twenty-eighth day of June of	} Twopence per centum per diem.
To a society or branch in respect of any investment with the Commissioners, other than as herein-before in this section mentioned, a rate of interest of	} Two pounds fifteen shillings per centum per annum.

- (6) A society or branch withdrawing money so invested with the Commissioners shall not be entitled to make any further deposit without their consent.
- (7) A society or branch so investing money with the Commissioners shall furnish such returns as may be required by the Commissioners, in respect of the funds deposited with them, and the assurances to which those funds relate.
- (8) A society or branch having funds invested with the Commissioners at a rate higher than two pounds fifteen shillings per centum per annum shall retain at that rate so much only of its funds as arises from assurances made before the date applicable to that rate, after deducting all benefit payments and management expenses incurred on

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account of those assurances; and whenever the society or branch fails to satisfy the Commissioners of its title to retain at that rate any part of its funds, the Commissioners shall require the withdrawal thereof, or the transfer thereof to the rate of twopence per centum per diem, or two pounds fifteen shillings per centum per annum, as the case may require, and in default of withdrawal within thirty days, shall transfer the same in their books accordingly, and shall notify the transfer to the society or branch.

- (9) Whenever it appears to the Commissioners that all the members of a society or branch assured before the fifteenth day of August one thousand eight hundred and fifty have died or ceased to be members, the Commissioners shall forthwith transfer in their books to the rate of twopence per centum per diem, or two pounds fifteen shillings per centum per annum, as the case may require, all funds of the society or branch remaining invested at any higher rate, and shall notify the transfer to the society or branch.

### **53 Discharge of mortgages by receipt endorsed**

- (1) A receipt under the hands of the trustees of a registered society or branch, countersigned by the secretary, for all sums of money secured to the society or branch by any mortgage or other assurance, being in the form prescribed by this Act, if endorsed upon or annexed to the mortgage or other assurance, shall vacate the mortgage or assurance and vest the property therein comprised in the person entitled to the equity of redemption of that property, without reconveyance or re-surrender.
- (2) If the mortgage or other' assurance has been registered under any Act for the registration or record of deeds or titles, or is of copyholds or of lands of customary tenure and entered on any court rolls, the registrar under any such Act, or recording officer, or steward of the manor, or keeper of the register, shall on production of the receipt, verified by oath of any person, enter satisfaction of the mortgage or charge made by the assurance on the register or court rolls, and shall grant a certificate, either upon the mortgage or assurance, or separately to the like effect.
- (3) The certificate shall be received in evidence in all courts and proceedings without further proof.
- (4) The person making the entry shall be entitled for making the said entry and granting the said certificate to a fee of two shillings and sixpence, which in Ireland shall be paid by stamps and applied in accordance with the Public Offices Fees Act, 1879.
- (5) This section shall not extend to Scotland or the Island of Jersey.