



AN BILLE CUMANN FOIRGNÍOCHTA (LEASÚ), 1986
BUILDING SOCIETIES (AMENDMENT) BILL, 1986

Mar a tionscnaíodh
As initiated

ARRANGEMENT OF SECTIONS

Section

1. Definitions.
2. Amendment of section 2 of Principal Act.
3. Power of Minister to prescribe purposes for which loan may be made.
4. Tiered interest rates.
5. Rights of member if charged tiered interest rate.
6. Additional powers of Minister to prescribe rules.
7. Short title, construction and collective citation.

ACTS REFERRED TO

Building Societies Act, 1976

1976, No. 38

Building Societies Acts, 1976 to 1983



AN BILLE CUMANN FOIRGNÍOCHTA (LEASÚ), 1986
BUILDING SOCIETIES (AMENDMENT) BILL, 1986

BILL

entitled

AN ACT TO AMEND AND EXTEND THE BUILDING SOCIETIES ACTS, 1976 TO 1983. 5

BE IT ENACTED BY THE OIREACHTAS AS FOLLOWS:

Definitions.

1.—In this Act—

“the Acts” means the Building Societies Acts, 1976 to 1983;

“the Principal Act” means the Building Societies Act, 1976. 10

Amendment of section 2 of Principal Act.

2.—Section 2 of the Principal Act is hereby amended by the substitution in subsection (1) for the definition of “society” of the following definition:

“‘society’ means a building society established under this Act for the purpose of raising, in accordance with this Act, funds (by the subscriptions of the members, the acceptance of deposits and loans) for making loans to members— 15

(a) on security by the mortgage of freehold or leasehold estate or interest; or

(b) with or without security and in accordance with any regulations made by the Minister under section 3 of the *Building Societies (Amendment) Act, 1986*.” 20

Power of Minister to prescribe purposes for which loan may be made.

3.—(1) Notwithstanding any provision of the Acts and of any statutory instrument made thereunder, a society may, in addition to any other loan which it may make under the Acts, make, for such purposes and subject to such conditions (other than conditions in relation to the rate of interest chargeable on a loan) as the Minister, with the consent of the Minister for Finance and after consultation with the Registrar, may prescribe, loans to members, with or without security as may be so prescribed, and different conditions may be prescribed in relation to different classes of loans. 25 30

(2) The Minister may make regulations providing for any modification, adaptation, amendment, repeal, revocation or termination

of any provisions of the Acts as may reasonably be necessary or proper for the purposes of *subsection (1)* of this section or to give full effect to any provisions of *subsection (1)* of this section or any regulations made thereunder.

- 5 (3) Where regulations are proposed to be made under *subsection (2)* of this section, a draft of the proposed regulations shall be laid before each House of the Oireachtas and the regulations shall not be made until a resolution approving of the draft has been passed by each such House.

10 4.—(1) A society shall not charge a tiered interest rate on a loan made to a member where— Tiered interest rates.

(a) the mortgage in respect of the loan was created before the 1st day of August, 1986, and

15 (b) a tiered interest rate was not being charged in respect of the loan on that day.

(2) (a) A society shall not charge a tiered interest rate on a loan made to a member where the mortgage in respect of the loan was created on or after the 23rd day of October, 1986.

20 (b) This subsection shall have effect from the first day of the month following the expiration of a period of six months commencing on the date of passing of this Act.

(3) In this section and in *section 5* of this Act—

25 “loan” means a loan made by a society to a member on the security of a mortgage of a freehold or leasehold estate or interest in a dwelling;

“tiered interest rate” means the rate of interest on a loan where such rate—

30 (a) is determined by reference to the amount of the loan made or (as the case may be) to the amount outstanding at any time on foot of the loan, and

(b) is greater than the lowest rate of interest applicable at the time to loans made by the society to members generally.

35 5.—If a member of a society to whom a loan has been made is charged by the society a tiered interest rate in contravention of *section 4* of this Act, the following provisions shall apply, namely— Rights of member if charged tiered interest rate.

40 (a) the member shall not be in breach of the terms of his mortgage if he does not pay to the society the amount by which any payment due on foot of the tiered interest rate exceeds any amount due on foot of the lowest rate of interest applicable at that time to loans made by the society to members generally and the society shall not, by reason only of such failure to pay, be entitled to exercise any remedy against the mortgagor which is otherwise conferred on it by law, and

45 (b) the member shall be entitled to recover from the society any such excess paid by him as a simple contract debt in any court of competent jurisdiction.

Additional powers
of Minister to
prescribe rules.

6.—(1) The Minister may, after consultation with the Registrar, prescribe rules in respect of any one or more of the following matters, either generally or by reference to a specified class or classes of rules or societies, denoted by reference to such matters as the Minister may consider appropriate:

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(a) the prohibiting or restricting of the charging of redemption fees;

(b) the making available to a member to whom a loan is to be made of the report made under section 79 (1) (b) of the Principal Act relating to the value of any security for the loan;

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(c) removing or restricting the right of a society to require a member to effect insurance on any security for a loan with an insurer directed by the society;

(d) precluding or restricting a society from requiring a member to pay its costs of legal investigation of title to any such security; and

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(e) the arranging by a society through an insurer nominated by it for the provision of mortgage protection insurance.

(2) Where rules have been prescribed by regulations in relation to any of the matters referred to in subsection (1) of this section, such rules shall, with effect from one month after the commencement of the regulations, be part of the rules of any society to which they are declared to be applicable by the regulations by which such rules have been prescribed, notwithstanding any provision of the Acts or the rules of the society.

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(3) In this section “redemption fee” means, in relation to a loan, any sum in addition to principal and any interest due on such principal (without regard to the fact of the redemption of the loan) at the time of redemption of the whole or part of the loan.

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Short title,
construction and
collective citation.

7.—(1) This Act may be cited as the Building Societies (Amendment) Act, 1986.

(2) The Building Societies Acts, 1976 to 1983, and this Act may be cited together as the Building Societies Acts, 1976 to 1986, and shall be construed together as one Act.

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THE HOUSE OF REPRESENTATIVES
1911

COMMITTEE ON THE BUDGET
1911

BILL

BILL

For the purpose of
amending the

Act of March 3, 1879,
relating to

the collection of duties on
imported goods

and the collection of
duties on

the collection of duties on
imported goods

the collection of duties on
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(LEASÚ), 1986

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BILL, 1986

BILLE

BILL

(mar a tionscnaíodh)

(as initiated)

dá ngairtear

entitled

Acht do leasú agus do leathnú na nAchtanna
Cumann Foirgníochta, 1976 go 1983.

An Act to amend and extend the Building
Societies Acts, 1976 to 1983.

*An tAire Comhshaoil a thíolaic,
22 Deireadh Fómhair, 1986*

*Presented by the Minister for the Environment,
22nd October, 1986*

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