

No. 14 of 1977

## AN ORDINANCE

### To amend the *Co-operative Societies Ordinance 1939*.

I, THE ADMINISTRATOR of the Government of the Commonwealth of Australia, acting with the advice of the Federal Executive Council, hereby make the following Ordinance under the *Seat of Government (Administration) Act 1910*.

Dated this eighth day of June, 1977.

A. R. CUTLER  
Administrator.

By His Excellency's Command,

A. A. STALEY  
Minister of State for the Capital Territory.

### CO-OPERATIVE SOCIETIES (AMENDMENT) ORDINANCE 1977

1. This Ordinance may be cited as the *Co-operative Societies (Amendment) Ordinance 1977*.<sup>\*</sup> Short title.

2. Section 14G of the *Co-operative Societies Ordinance 1939*<sup>†</sup> is repealed and the following section substituted:—

“14G. (1) A registered credit society shall not make a loan to a member of the society or guarantee the repayment by a member of a loan if the sum of that loan and the total amount owing by the member under any other loan or loans— Loan limit.

- (a) that has or have been made to him by the society; or
- (b) the repayment of which by the member has been guaranteed by the society,

would exceed—

- (c) in the case of a loan or guarantee in respect of which the member has given security to the satisfaction of the Board—\$10,000 or the amount prescribed for the purpose of this paragraph, whichever is the greater; and
- (d) in any other case—\$1,500 or the amount prescribed for the purpose of this paragraph, whichever is the greater.

<sup>\*</sup> Notified in the *Australian Government Gazette* on 15 June 1977.

<sup>†</sup> No. 9, 1939, as amended by No. 1, 1946; No. 14, 1950; No. 14, 1954; No. 10, 1956; No. 18, 1958; Nos. 3 and 7, 1962; No. 10, 1963; No. 18, 1966; No. 6, 1972; Nos. 16 and 29, 1973; Nos. 35 and 47, 1974; and Nos. 13 and 15, 1975.

“ (2) A registered credit society shall not make a loan to a member of the society unless—

- (a) the terms of the loan require the member to repay the amount of the loan and the interest payable in respect of that amount—
  - (i) in the case of a loan in respect of which the member has given security to the satisfaction of the Board for the repayment of the loan—within 15 years after the date of the loan or, where another period is prescribed for the purpose of this sub-paragraph, within that other period; and
  - (ii) in any other case—within 3 years after the date of the loan or, where another period is prescribed for the purpose of this sub-paragraph, within that other period;
- (b) subject to paragraph (c), the terms of the loan, so far as they permit the member to repay the amount of the loan and the interest payable in respect of that amount by instalments, provide for equal instalments of a specified amount payable at intervals not exceeding 12 months or where, at the date of the loan, a period less than 12 months is prescribed for the purpose of this paragraph, that period; and
- (c) the terms of the loan provide that where, at any time—
  - (i) the amount of the principal is increased;
  - (ii) the amount of the principal remaining unpaid is reduced, otherwise than by the payment of an instalment; or
  - (iii) the rate at which interest is payable in respect of the loan is varied,the instalments payable after that time shall be of an amount calculated in accordance with a formula specified in the terms of the loan.

“ (3) A registered credit society shall not guarantee the repayment by a member of a loan unless the loan is made upon terms that would, if the loan were made by the society, comply with this section.

“ (4) A registered credit society shall not make a loan to a member of the society or guarantee the repayment by a member of a loan unless there are reasonable grounds for believing that the member will be able to repay the loan in accordance with the terms of the loan.”