

AUSTRALIAN CAPITAL TERRITORY

CO-OPERATIVE SOCIETIES ORDINANCE 1973

EXPLANATORY MEMORANDUM

No. 16 of 1973

At present the Co-operative Societies Ordinance permits a registered building society to lend money on the security of property already mortgaged only if that prior mortgage is held by that society or by another registered building society.

The proposed amendment would permit building societies to lend money on second mortgages where, in addition to existing provisions the first mortgage is held by either

- the Commissioner for Housing for the Australian Capital Territory, appointed under the Housing Ordinance 1928-1969; or
- the Director of Defence Service Homes appointed under the Defence Service Homes Act 1918-1973.

The housing loans advanced by the Commissioner and the Director are at present limited to \$12,000. A homeseeker needing to borrow any additional finance would under the amended Ordinance be able to approach building societies with more favourable rates of interest than those charged by other lending institutions for second mortgages.