

AUSTRALIAN CAPITAL TERRITORY

CO-OPERATIVE SOCIETIES REGULATIONS (AMENDMENT)

EXPLANATORY STATEMENT

No. 2 of 1986

Section 14G of the Co-operative Societies Ordinance 1939 provides for the setting of loan conditions for registered credit societies by regulation.

Regulation 2AF prescribes the maximum amounts that credit societies may lend to their members. Where the assets of the society exceed \$2,000,000 the loan limit is an amount equivalent to 1% of those assets. In any other case the limit is \$15,000.

The limit on loans secured by means other than a mortgage over land is set at \$20,000. The repayment period for such loans is 15 years. Where a loan is secured by way of a mortgage the repayment period is set at 30 years. The repayment period for unsecured loans is set at 5 years.