LEGAL NOTICE NO. 55

THE RETIREMENT BENEFITS ACT
(No.3 of 1997)

IN EXERCISE of the powers conferred by section 55 of the Retirement Benefits Act, 1997, the Minister for Finance makes the following Regulations—

RETIREMENT BENEFITS (MORTGAGE LOANS) (AMENDMENT) REGULATIONS, 2012

1. These Regulations may be cited as the Retirement Benefits (Mortgage Loans) (Amendment) Regulations, 2012.

2. Regulation 4 of the Retirement Benefits (Mortgage Loans) Regulations, 2009, in these Regulations referred to as “the principal Regulations” is amended by inserting the following new paragraph immediately after paragraph (3) —

(4) A member of a scheme who has a mortgage existing prior to or after commencement of this subregulation, may upon formal application in the manner prescribed in the rules of the scheme, transfer the mortgage by way of assignment of benefits to an institution.

3. Regulation 7 of the principal Regulations is amended by deleting subparagraph (a) and substituting therefor the following new subparagraph—

(a) a first mortgage on a house in respect of which the loan is granted, or in the case of a rural house, where a first mortgage may not be secured, the guarantee shall be considered as the primary security acceptable to the institution;
4. Regulation 8 of the principal Regulations is amended in paragraph (1) by adding the following proviso—

Provided that the trustees may provide a guarantee to cover the initial transaction fees including purchase deposit, applicable duties and taxes, valuation and legal fees for the acquisition of the house.

5. Regulation 11 of the principal Regulations is amended in subregulation (1), by deleting the proviso and substituting therefor the following new proviso—

“Provided that—

(i) upon presentation of evidence of default and liability arising to trustees by an institution, the guarantee shall be redeemable on demand in accordance with its terms; and

(ii) in the event of default by a member arising on account of loss of employment, the trustees shall settle the outstanding mortgage with the institution if the outstanding loan is less or equal to the permitted guarantee under regulation 8(1).

Made on the 14th June, 2012.

ROBINSON GITHAE,
Minister for Finance.