

1983

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

HOUSING LOANS INSURANCE AMENDMENT BILL 1983

EXPLANATORY MEMORANDUM

(Circulated by authority of the Minister for Housing and  
Construction the Hon Chris Hurford, MP)



## OUTLINE

This Bill which will amend the Housing Loans Insurance Act 1965 and the Commonwealth Functions (Statutes Review) Act, proposes:-

- (a) to extend the categories of loans which may be insured by the Housing Loans Insurance Corporation to include loans for non-residential buildings
- (b) to withdraw the authority for sale of the Corporation to the private sector.

The amendments necessary to give effect to these proposals are explained in the notes that follow relating to each of the clauses of the Bill.

PART 1 - PRELIMINARY

Clause 1 : Short title

Formal

Clause 2 : Commencement

Formal

PART II - AMENDMENTS OF THE HOUSING LOANS INSURANCE ACT 1965

Clause 3 : Principal Act

The Principal Act as referred to in Part II is the Housing Loans Insurance Act 1965.

Clause 4 : Title

The long title of the Act is amended to reflect the fact that HLIC will be insuring loans for both housing and non-residential building.

Clause 5 : Interpretation

(a) Inserts a definition of "building" to include any structure except a temporary one.

(b) Part (a)

Alters the definition of "insurable loan" by adding provision for non-residential land and buildings. There is no change to the effect of existing provisions relating to dwellings.

(b) Part (b)

Retains the existing requirements regarding security for the repayment of loans for residential purposes. Provides similar requirements on loans for non-residential land and buildings.

However:-

- loans to improve or extend a non-residential building or to improve roads kerbing and guttering etc, will need to be secured by an approved security. It is not necessary to have that security in respect of similar loans for dwellings
- in general, loans for residential purposes must be secured by an interest of the borrower in the land concerned. For non-residential land and buildings the security can be an interest of the borrower or any other person in any piece of land.

(c) and (d)

Extends the existing description to provide for non-residential building.

- (e) Adds a description of the intended purposes of loans for non-residential land development and provides for additional purposes to be prescribed by regulation.

PART III - AMENDMENT OF THE COMMONWEALTH FUNCTIONS (STATUTES)

REVIEW ACT 1981

Clause 6 : Principal Act

The Principal Act as referred to in Part III is the Commonwealth Functions (Statutes Review) Act 1981.

Clause 7 : Repeal of Part XIII

The legislation which authorised the sale of the Corporation is to be repealed.



