

THE JAMAICA MORTGAGE BANK ACT

ARRANGEMENT OF SECTIONS

1. Short title.
2. Interpretation.
3. Establishment of the Jamaica Mortgage Bank.
4. Duty of the Bank.
5. Powers of the Bank.
6. Divisions of the Bank.
7. Capital of the Bank.
8. Ministerial directions.
9. Borrowing powers.
10. Guarantee by Minister of borrowings.
11. Repayment of and interest on advances and sums issued to meet guarantee.
12. Securities.
13. Reserve fund.
14. Accounts and audit.
15. Annual report.
16. General manager, secretary and other staff.
17. Power to delegate.
18. Enforcement of securities.
19. Power to appoint a receiver, etc.
20. Power of Bank to act as agent for the Government.
21. Power to make regulations.
22. Transitional.
23. Transfer of employees of Jamaica Mortgage Bank Limited.
24. [*Deleted by Act 28 of 2003, S. 2.*]
25. Functions under Mortgage Insurance Act to be carried out by the Bank.

SCHEDULE

THE JAMAICA MORTGAGE BANK ACT

Acts
16 of 1973,
28 of 2003
S. 2.

[15th June, 1973.]

1. This Act may be cited as the Jamaica Mortgage Bank Act. Short title.

2. In this Act—

Interpre-
tation.

“the Bank” means the Jamaica Mortgage Bank established in accordance with this Act;

“the Board” means the Board of Directors of the Bank constituted in accordance with this Act;

“the chairman” means the chairman of the Board;

“debenture” includes debenture stock;

“director” means a director of the Bank;

“financial year” means the period of twelve months beginning on the first day of January in any year:

Provided that the period beginning on the fifteenth day of June, 1973, and ending on the thirty-first day of December next following shall be deemed to be a financial year;

“functions” includes powers and duties;

“secretary” means the secretary of the Bank;

“share” includes stock;

“shareholder” means a shareholder of the Bank.

3.—(1) There shall be established a body to be called the Jamaica Mortgage Bank, which shall be a body corporate to which the provisions of section 28 of the Interpretation Act, shall apply.

Establish-
ment of the
Jamaica
Mortgage
Bank.

Schedule.

(2) The provisions of the Schedule shall have effect with respect to the constitution and operation of the Bank and otherwise in relation thereto.

Duty of the Bank.

4.—(1) Subject to the provisions of this Act, it shall be the duty of the Bank—

- (a) to foster the development of housing;
- (b) directly or indirectly to assist societies registered under the Co-operative Societies Act to develop co-operative housing; and
- (c) to develop an active mortgage market.

(2) The Bank shall in the performance of its duty—

- (a) have regard to the financial standing of every applicant and to the financial and economic merits of every scheme proposed;
- (b) take all such measures as may be necessary to ensure that any investment made, or financial assistance rendered, by the Bank is utilized for the purpose for which it is made or rendered.

(3) The Bank shall not make an investment in or otherwise transact business with an enterprise in which a director of the Bank is a partner, director or shareholder or is in any other way directly or indirectly interested, unless the transaction is unanimously approved by the other directors of the Bank.

(4) A director who is directly or indirectly interested in a contract made or proposed to be made by the Bank—

- (a) shall disclose the nature of his interest; and
- (b) shall not take part in any deliberation or decision of the Bank with respect to that contract.

Powers of the Bank.

5.—(1) Subject to the provisions of this Act, the Bank may, for the purpose of performing any of its functions under this Act, do anything and enter into any transaction

which, in the opinion of the Bank, is necessary to ensure the proper performance of its functions.

(2) In particular and without prejudice to the generality of the provisions of subsection (1) the Bank may—

- (a) guarantee loans made from private investment sources for building development;
- (b) sell investments of whatever kind belonging to the Bank as and when appropriate;
- (c) lend money on security to be used for the construction of premises for private residential purposes or of a commercial or industrial nature;
- (d) lend money on mortgage and carry out any other transactions involving mortgages;
- (e) furnish financial advice and provide or assist in obtaining managerial, technical and administrative services for persons engaged in building development in Jamaica.

6. Transactions relating to the following divisions of the Bank, namely— Divisions of the Bank.

- (a) the granting of mortgages by the Bank;
- (b) the buying and selling of mortgages;
- (c) mortgage insurance; and
- (d) such other divisions as the Minister may require, shall be distinguished so far as possible and shall be recorded and dealt with separately in the annual accounts and reports of the Bank.

7.—(1) Subject to the provisions of this section, the authorized capital of the Bank shall be twenty million dollars divided into twenty million shares of the par value of one dollar each. Capital of the Bank.

(2) The Government of Jamaica may subscribe for the said twenty million dollar shares or such other amount as the Minister may from time to time determine at par:

Provided that any person may, subject to regulations made pursuant to section 21, subscribe for and hold shares in the Bank.

(3) The Bank may, from time to time, with the approval of the Minister, vary the amount of the authorized capital of the Bank.

Ministerial
directions.

8.—(1) Subject to the provisions of this section, the Minister may, after consultation with the chairman, give the Board such directions of a general character as to the policy to be followed by the Bank in the exercise and performance of its functions as appear to the Minister to be necessary in the public interest, and the Board shall give effect to any such directions.

(2) The Bank shall furnish the Minister with such returns, accounts and other information, as he may require with respect to the property and activities of the Bank, and shall afford to him facilities for verifying such information in such manner and at such times as he may reasonably require.

(3) The power of the Minister to give directions to the Board shall include power to give directions, whether of a general character or otherwise, as to the exercise by the Bank of its borrowing powers.

Borrowing
powers.

9.—(1) Subject to the provisions of this Act, the Bank may borrow sums required by it for meeting any of its obligations or discharging any of its functions.

(2) The aggregate of the liabilities of the Bank outstanding at any one time, including direct liabilities such as bonds and debentures issued by the Bank and the contingent liabilities of the Bank in the form of guarantees given, shall not at any time without the prior approval of the Minister exceed seven times the aggregate amount of the paid-up capital and the reserve fund for which provision is made in section 13.