

LAW OF 19TH FEBRUARY, 1861.

An Amendment of the Law of 20th June, 1850, &c.

1. The Ministry of the Interior is authorized to permit a credit association to which it has granted the privileges specified in the law of 20th June, 1850, to enjoy such privileges none the less although it may be provided in their by-laws that the admission of members and the corresponding issue of bonds of the association is divided in series or subseries in such a way that there is no solidary liability between the different subseries, provided always that—

- (i.) No subseries may be closed until it contains members to the value of at least six million crowns.
- (ii.) The members in the last closed subseries and in the new subseries next following be solidarily liable for one another until the new subseries has members for at least two million crowns.
- (iii.) From the time at which the series to which they belong is closed the right of members subsequently admitted to the association to reduce their original debt in consequence of the annual amortization required by the by-laws be brought to an end.
- (iv.) No member who leaves the association or a certain series be granted a certificate for the cessation of the solidary liability resting upon him until the accounts for the year concerned have been passed by the Ministry of the Interior, together with a verification of the fact that no ground for objection in the public interest is found, or that there is such security for the fulfilment of the solidary liability as the Ministry finds adequate.

2. The Ministry may further permit credit associations created in accordance with the law of 20th June, 1850, to accept members from other parts of the country.

3. The privileges with which the law of 20th June, 1850, is concerned for credit associations and loan banks for property-owners may in future only be granted by a special law.

LAW OF 9TH FEBRUARY, 1866.

A Law whereby the Ministry of the Interior is authorized to grant to a Credit Association for Landed Properties in the Islands the Privileges set forth in Clauses 2 and 3 of the Law of 20th June, 1850.

Whereas a credit association for landed properties in the Islands has been founded, and has passed by-laws in accordance with the requirements stated in clause 4 of the law of 20th June, 1850, and clause 1 of the law of 19th February, 1861: the Ministry of the Interior is authorized to sanction the by-laws of such an association, and to grant the association the privileges set forth in the law of 20th June, 1850, with the following further conditions:—

- (i.) The Ministry of the Interior is entitled at any time to cause the operations of the association to be examined in all particulars, the costs arising from this examination to be borne by the association.
- (ii.) There shall be appointed two auditors for the association, whose nomination shall be confirmed by the Ministry of the Interior; the Ministry shall further lay down rules for the audit.
- (iii.) With a view to build up a reserve and administration fund, a member on admission into the association shall pay in cash at least 2 per cent., and thereafter at least $\frac{1}{3}$ per cent. half-yearly of his outstanding loan. When, however, the fund by means of these contributions and such others as may be made has risen to 5 per cent. of the debt, the half-yearly payment may, with the sanction of the Ministry of the Interior, be reduced to not less than $\frac{1}{4}$ per cent., and shall again be raised to the original amount if the fund for any reason whatever falls below 5 per cent. Should the fund at anytime fall below 1 per cent. an extraordinary contribution shall also without fail be levied. If the association is divided into series there can be a separate reserve and administration fund for each series, which fund shall be dependent upon the series and shall be liquidated upon its conclusion. The regulations above stated shall be applied to the reserve and administration fund of every series.
- (iv.) If a property has to be taken over by the association there shall be withdrawn and cancelled in the first half-yearly period, beginning after an interval of twelve weeks from the time of taking over, an amount of the bonds issued by the association which is equivalent to one third of the debt to the association which rests upon that property, and a similar amount in each of the two half-yearly periods thereupon following. The property shall be put up to public auction within the period of one year after being taken over. If it is not sold it may thereafter only be shown in the books of the association at a value not exceeding the highest bid made at the auction.
- (v.) If in the opinion of the Ministry of the Interior the directors of the association should materially diminish the security available to the creditors, and should they within a period granted to them fail to take the necessary steps to make good the defect, the Ministry of the Interior is entitled to stay the operations of the association, or, if circumstances require, may take the institution under its administration.

LAW OF 24TH APRIL, 1896.

A Law whereby the Ministry of the Interior is authorized to sanction Changes in the By laws of existing Mortgage Associations.

We, Christian IX, of God's grace King of Denmark, the Wends, and the Goths, &c., do make known: The Parliament has approved, and we with our consent have sanctioned, the following law:—

1. The Ministry of the Interior is authorized to sanction the following changes in the by-laws of existing credit associations:—

- (i.) That an association may hereafter give loans which shall wholly or partially remain unamortized, provided that the non-amortizable part of the loan may not exceed one third of the valuation; the remainder of the loan shall be amortized by half-yearly instalments, whether increasing or equalized, in not more than sixty years. The half-yearly contribution to the reserve and administration fund, and also the contribution for which every member has to accept responsibility on admission to the association, may be fixed at a suitable sum differing for each of the above-mentioned parts of the loan.