



Province of Alberta

## LAW OF PROPERTY ACT

# LAW OF PROPERTY REGULATION

### **Alberta Regulation 89/2004**

With amendments up to and including Alberta Regulation 150/2014

### Office Consolidation

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### **Note**

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(Consolidated up to 150/2014)

**ALBERTA REGULATION 89/2004**

**Law of Property Act**

**LAW OF PROPERTY REGULATION**

**Definition for purposes of Act**

**1(1)** In this section, “existing encumbrance or mortgage” means an encumbrance or mortgage that is registered and that has or will continue to have priority over or equal priority with the mortgage to be given.

**(2)** For the purposes of sections 43(4.1) and (4.2) and 44(4.1) and (4.2) of the *Law of Property Act* and this Regulation, “high ratio mortgage” means a mortgage of land given to secure a loan under which the specific principal sum of the mortgage, together with the specific principal sum of any existing encumbrance on or mortgage of the same land, exceeds 75% of the market value of the land at the time the mortgage is given.

**(3)** In determining the specific principal sum for the purposes of subsection (2), the specific principal sum is the maximum amount secured by the mortgage or encumbrance.

**Statement on mortgage**

**2(1)** A high ratio mortgage for the purposes of sections 43(4.1) and (4.2) and 44(4.1) and (4.2) of the *Law of Property Act* must also contain the following statement:

This mortgage is a high ratio mortgage to which sections 43(4.1) and (4.2) and 44(4.1) and (4.2) of the *Law of Property Act* apply. You and anyone who, expressly or impliedly, assumes this mortgage from you, could be sued for any obligations under this mortgage if there is a default by you or by a person who assumes this mortgage.

**(2)** The statement referred to in subsection (1) must be published prominently on the mortgage document.

**Expiry**

**3** For the purpose of ensuring that this Regulation is reviewed for ongoing relevancy and necessity, with the option that it may be repassed in its present or an amended form following a review, this Regulation expires on July 31, 2019.

**Coming into force**

**4(1)** This Regulation, except section 2, comes into force on August 1, 2004.

**(2)** Section 2 comes into force on August 1, 2006.









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