

COMMONWEALTH OF DOMINICA

STATUTORY RULES AND ORDERS No. 51 OF 1993

REGULATIONS

MADE by the Board under section 36(1)(c) of the Dominica Agricultural Industrial and Development Bank Act, (Chap 74:03).

(Gazetted 25th November, 1993.)

1. These Regulations may be cited as the –

Short title.

**DOMINICA AGRICULTURAL INDUSTRIAL AND
DEVELOPMENT BANK (SECURITIES)
REGULATIONS 1993.**

2. (1) The Bank shall only grant a long-term loan where the security offered is a mortgage or charge on the land of the borrower. In addition, the Bank may require further security by one or more of the following methods –

Securities required
by the Bank.

- (a) an assignment of the benefit of an insurance policy to the Bank;
- (b) an insurance policy on the life of a borrower and the estate of the assured borrower named the beneficiary on the insurance policy;
- (c) a mortgage or charge on other property; or
- (d) an assignment to the Bank of Government securities or any other security acceptable to the Bank.

(2) The Bank shall require security for medium-term loans and short-term loans by one or more of the following methods –

- (a) a mortgage or charge;
- (b) a Bill of Sale;
- (c) an insurance policy on the life of the borrower and the estate of the assured borrower named the beneficiary of the insurance policy;
- (d) such other security (including endorsements) as may be acceptable to the Bank; and
- (e) other sufficient and easily realisable security.

(3) In the case of short-term loans to a co-operative society, any member to whom part of the loan has been distributed shall sign an agricultural or industrial financing contract with the society and shall guarantee his loan with a first lien on the crop or industrial product for which it has been obtained. This contract together with a promissory note signed by the member, shall be endorsed by the society in favour of the Bank.

(4) The procedure prescribed in subsection (3) shall not absolve a co-operative society from its collective liability to repay the whole of the loan to the Bank.

(5) The Bank may grant loans on mortgages of agricultural and livestock products where –

- (a) the loan is guaranteed by a first lien on the mortgaged products and by any other security which the Bank may require; or
- (b) the mortgage products, duly insured, are stored in a bonded warehouse, or in a warehouse under the control of the Bank.

(6) The maximum amount which may be loaned against the mortgage property shall be –

(a) on land, buildings and other improvements of a permanent nature, the loan shall not exceed –

(i) ninety percent of the value of the mortgaged property for housing loans, or

(ii) seventy-five percent of the value of the mortgage property for other loans,

as determined by the Bank;

(b) on movable assets, including boats, vehicles and livestock, the loan shall not exceed sixty-six percent of the value of the mortgaged products;

(c) on agricultural and livestock products purchased by co-operative societies the loan shall not exceed eighty percent of the value of the mortgaged products.

(7) All loans made by the Bank secured by real property, chattels or produce shall be secured by a first charge or mortgage on the property, chattel or produce.

(8) Notwithstanding subsection (7) loans made by the Bank may be secured by a second mortgage where the Board is satisfied that the market value of the security offered to secure the first and second mortgages is not less than one hundred and seventy-five percent of the loans that will be outstanding on the grant of a second mortgage and that the grant of a second mortgage is acceptable to the holder of the first mortgage.

1993

**DOMINICA AGRICULTURAL S.R.O 51
INDUSTRIAL AND DEVELOPMENT
BANK (SECURITIES)**

(9) Each charge or mortgage given to secure a loan shall contain a covenant by the borrower that he will not without the consent of the Board, dispose of any of the property subject to the mortgage or charge or any interest therein.

Made by the Board this 22nd day of January, 1992.

ALICK LAZARE
Chairman
Dominica Agricultural Industrial
and Development Bank

APPROVED by Cabinet this 16th day of November, 1993.

JULIAN N. JOHNSON
Secretary to the Cabinet.