

LEGAL NOTICE No. 187

REPUBLIC OF TRINIDAD AND TOBAGO

THE HOUSING ACT, CHAP. 33:01

REGULATIONS

MADE BY THE AUTHORITY WITH THE APPROVAL OF THE MINISTER UNDER  
SECTION 74(1) OF THE HOUSING ACT

THE HOUSING REGULATIONS, 1986

1. These Regulations may be cited as the Housing Regulations, 1986.

Citation

2. In these Regulations—

Interpre-  
tation

“Act” means the Housing Act;

Chap. 33:01

“Approved Mortgage Company” means the company which has entered into an agreement with the Government whereby the Company agrees to finance by way of mortgage, the purchase of newly constructed houses in accordance with the provisions of section 16 of, and the Fifth Schedule to, the Corporation Tax Act and the Housing Act, and under the terms of the agreement;

Chap. 75:02

“approved mortgage” means a mortgage that satisfies the provisions of regulation 10;

“Authority” means the National Housing Authority;

“Board” means the Board of Inland Revenue;

“initial sale” means the first sale by any party, to any other party, of a dwelling house, subsequent to completion and prior to first occupation thereof for any purpose whatsoever;

“registered trader” means a person registered under the provisions of regulation 4 as a trader in newly constructed dwelling houses;

“Secretary” means the Secretary to the Authority.

3. (1) Where any person desires to be registered as a trader in newly constructed dwelling houses, he shall submit an application to the Authority in the form set out in the First Schedule together with an application fee of one hundred dollars.

Registration  
as a trader

(2) The application fee shall be returned to the applicant if the application is rejected.

4. (1) The Authority may direct the Secretary to register, as a trader in newly constructed dwelling houses, any person whom it is satisfied is engaged in the construction of dwelling houses for sale.

Persons who  
may be  
registered

(2) Where the Secretary has been directed by the Authority under the provisions of subregulation (1) to register a person as a trader in newly constructed dwelling houses, the Secretary shall register such person by entering such person's name in a Register to be kept by him for the purpose.

Cancellation  
of registra-  
tion

5. (1) Where a person is registered as a trader in newly constructed dwelling houses, the Authority may, in its discretion, direct the Secretary to cancel such registration and to remove such person's name from the Register.

(2) Notwithstanding the removal of a person's name from the Register in pursuance of a direction of the Authority under the provisions of subregulation (1), such person shall be deemed to be a registered trader for the purpose of claiming exemption from income tax under section 42(2)(c) of the Income Tax Act in respect of any newly constructed dwelling house the construction of which the Authority certifies was commenced prior to the date of such removal.

## Chap. 75:01

Prerequisites  
for obtaining  
loan

6. Where an Approved Mortgage Company proposes to lend a sum of money not exceeding two hundred and fifty thousand dollars to a person (in this regulation referred to as "the mortgagor") for the purchase or construction of a dwelling house to which Part II of the Act applies, the loan shall be made only—

- (a) where the loan is for the purpose of purchasing a dwelling house, upon satisfactory proof of the purchase by the mortgagor of the dwelling house;
- (b) where the loan is for the purpose of constructing a dwelling house if the dwelling house is constructed in accordance with the plans and particulars approved by the Approved Mortgage Company.

Circumstances  
resulting in  
disqualifica-  
tion of  
application

7. An application for a loan under regulation 6 shall not be approved by an Approved Mortgage Company—

- (a) where the repayment of any other loan by the mortgagor is the subject of a mortgage to another Approved Mortgage Company;
- (b) where there is an undischarged commitment by another Approved Mortgage Company to grant a loan to the mortgagor, unless both the mortgagor and the Approved Mortgage Company indicate in writing that such commitment is discharged;
- (c) unless the mortgagor establishes—
  - (i) that he has a good credit rating; and
  - (ii) that the periodic payments which he will be required to make under the mortgage securing the repayment of the loan referred to in such application bear a proper relation to his present and anticipated net income.

Nature and  
contents of  
mortgage

8. (1) The mortgage shall contain a condition that unless the Approved Mortgage Company otherwise permits, the mortgagor shall reside in the house during the subsistence of the mortgage.

(2) The interest of the mortgagor subject to the mortgage shall be either—

- (a) the fee simple absolute in the land on which the dwelling house stands; or
- (b) a term of years absolute in freehold land under a lease which is due to expire at least two years after the date when the last of the amortization payments becomes due.

(3) The mortgage shall be a first charge upon the property mortgaged.

- (4) The mortgage shall bear interest on the following basis—
- (a) on sums borrowed where the purchase price or cost of construction of the house, inclusive of the cost and value of the land, does not exceed \$150,000, eight per centum per annum;
  - (b) on sums borrowed where the purchase price or cost of construction of the house inclusive of the cost and value of the land, exceeds \$150,000 but does not exceed \$200,000, eight and one-half per centum per annum;
  - (c) on sums borrowed where the purchase price or cost of construction of the house, inclusive of the cost and value of the land, exceeds \$200,000 but does not exceed \$250,000, nine per centum per annum,

calculated on the principal sum.

- (5) The mortgage shall contain provisions for—
- (a) the complete amortization of the principal sum, interest and other sums, if any, calculated in the manner set out in subregulation (4) out payable by monthly instalments secured within a period of not more than thirty years from the date of the mortgage nor more than three-quarters of the Approved Mortgage Company's estimate of the economic life of the building whichever is less;
  - (b) the insurance by the mortgagor of the building against fire and such other hazards as the Approved Mortgage Company may stipulate and in such amount and with such insurance company as the Approved Mortgage Company may approve;
  - (c) equal monthly payments by the mortgagor of such an amount as will discharge the ground rent, if any, and the estimated amount of all rates, taxes, and other special assessments, if any, and fire and other hazard insurance premiums within a period ending on the interest payment date immediately prior to the date on which such rent, assessments or premiums, as the case may be, shall become due and owing;
  - (d) the adjustment of the monthly payments referred to in paragraph (c) in case the estimated amount of such taxes, assessments and insurance premiums shall prove to be or shall become more or less than the actual amount thereof so paid by the mortgagor;
  - (e) requiring the consent of the Approved Mortgage Company, to the assignment or conveyance by the mortgagor to a third person of his right to redeem, or of his interest in, the mortgaged property;
  - (f) permitting the mortgagor, on the expiration of two years after the mortgage was executed, and upon giving thirty days' notice in writing and paying additional charges not exceeding three months' interest, to discharge the balance for the time being outstanding, or any part thereof amounting to the sum of five hundred dollars or any multiple thereof, on the day when payment of interest is due.

9. (1) All monthly payments to be made by the mortgagor to the mortgagee under an approved mortgage shall be added together and the aggregate amount thereof paid, on a date to be fixed in the mortgage in a single payment (in this regulation referred to as the "aggregate monthly payment").

(2) The mortgagee shall apply the aggregate monthly payment towards the discharge of the mortgagor's obligation under the mortgage in the following order—

- (a) the amount payable under the mortgage pursuant to regulation 8(5)(c);
- (b) interest due under the mortgage;
- (c) the amortization of the principal sum secured under the mortgage.

Sums payable by mortgagor to mortgagee before mortgage executed

10. At a time to be determined by the mortgagee, the mortgagor shall pay to the mortgagee such a sum as will be sufficient to discharge the ground rent, if any, and the estimated amount of all rates, taxes, special assessments, and fire and other hazard insurance premiums for the period beginning on the date up to which such ground rent rates, taxes, assessments and fire and other hazard insurance premiums were last paid and ending on the date on which the next monthly payment is due under the mortgage.

Mortgagor to obtain prior consent

11. A mortgagor shall obtain the consent of the Approved Mortgage Company before he executes any alterations or improvements to the dwelling house.

Indemnity of Approved Mortgage Company

12. An Approved Mortgage Company shall exercise reasonable care and prudence in the administration of a mortgage and the collection and repayment thereof and shall be deemed not to be negligent if it follows the practice and procedure generally observed by mortgage institutions.

Expression of mortgage in foreign currency

13. (1) A mortgage may be expressed in a currency other than the currency of Trinidad and Tobago, and where this is the case, these Regulations shall apply *mutatis mutandis*.

(2) All monies payable by the mortgagor to a mortgagee or to an approved housing company shall be payable by the mortgagor in the currency in which the mortgage loan is expressed, or the equivalent in the currency of Trinidad and Tobago at the official rate prevailing in Trinidad and Tobago on the date on which payment is made.

(3) Nothing in this regulation shall prejudice the operation of any law in force in Trinidad and Tobago relating to foreign currency.

Sums payable by employees

14. (1) Any sum payable by a Government employee to an Approved Mortgage Company by virtue of the Act may be deducted by the paying authority concerned from the salary of such employee, but subject to any general or special directions which may be given by the Minister.

(2) No such deduction shall be made by a paying authority except in accordance with a certificate from the Approved Mortgage Company as to the amount payable and the date on which it is payable.

(3) In this regulation, "Government employee" includes an employee of a Statutory Corporation under the control of the Government.

Authority deemed to be approved Mortgage Company

15. (1) The Authority shall be deemed to be an approved Mortgage Company under the Act.

(2) The Authority shall act as an Approved Mortgage Company in administering direct loans and shall, in its discretion, apply the same remedies as are prescribed.

16. The State Solicitor shall be the Solicitor for the Authority, and the fees payable to him shall be those set forth in the Second Schedule.

State Solicitor to be Solicitor of the Authority Second Schedule Commencement

17. These Regulations, with the exception of regulation 3(1) shall be deemed to have come into effect on 1st January, 1980.

18. The National Housing Authority Regulations are hereby repealed.

FIRST SCHEDULE

FORM NO. 1

HOUSING REGULATIONS, 1986

NATIONAL HOUSING AUTHORITY

APPLICATION FOR REGISTRATION AS A TRADER IN NEWLY CONSTRUCTED DWELLING HOUSES [Regulation 3(1)]

- 1. Name of Applicant/s: Address: Occupation: B. I. R. File No.:
2. If Self-Employed: Name of business: Type of business: Address: Number of years in business
3. Are you a National of Trinidad and Tobago? Passport/Citizenship Registration Number: (Original must be produced) How long resident in Trinidad and Tobago?
4. Companies (if applicant is a Company): Name of Company: Address: Type of business: Number of years in business: List names and nationalities of all Directors:

N.B. Copies of Registration Certificate must be provided.

5. Technical Experience:

How long have you been constructing dwelling houses for sale?.....

Particulars of dwelling houses so constructed within the past twelve (12) months

Are you carrying on the trade or profession of a builder?.....

Do you keep accounts in respect of such trade?.....

Name of Accountant/s: .....

Address: .....

6. Financial Affairs:

Name and address of Bankers: .....

Are credit facilities being extended to you? .....

By whom? .....

Amount: .....

7. Where do you propose building? .....

Type of House/s: .....

Amount: .....

Estimated cost of construction: .....

I certify that the statements made by me/us on this form are in all respects true and correct.

Signature of Applicant

Date.....

(Regulation 16)

SECOND SCHEDULE

FEE PAYABLE TO THE STATE SOLICITOR IN CONNECTION WITH THE SEARCHES, VERIFICATION OF TITLE, PREPARATION AND EXECUTION OF MEMORANDUM OF CHARGE AND OTHER INCIDENTAL MATTERS

Where the amount borrowed does not exceed \$5,000	...	...	...	\$	c.
				20	00
Where the amount borrowed exceeds \$5,000	...	...	...	40	00

Made by the National Housing Authority this 18th day of July, 1986.

E. B. ANNISSETTE  
*Chairman*

Approved by the Minister this 18th day of July, 1986.

D. H. CARTEY  
*Minister*