

1976 Bill 19

Second Session, 18th Legislature, 25 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 19

THE ALBERTA HOME MORTGAGE CORPORATION ACT

THE MINISTER OF HOUSING AND PUBLIC WORKS

First Reading

Second Reading

Third Reading

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BILL 19

1976

THE ALBERTA HOME MORTGAGE CORPORATION ACT

(Assented to _____, 1976)

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of Alberta, enacts as follows:

1. In this Act,

- (a) "CMHC" means the Central Mortgage and Housing Corporation;
- (b) "Corporation" means the Alberta Home Mortgage Corporation;
- (c) "Deputy Minister" means the Deputy Minister of the Department of Housing and Public Works designated by the Minister as the Deputy Minister for the purposes of this Act;
- (d) "federal Act" means the *National Housing Act* (Canada) as amended from time to time;
- (e) "housing" means any unit, building or mobile home that provides therein living, sleeping, eating, food preparation and sanitary facilities for one or more persons, with or without essential facilities shared with other units, buildings or mobile homes;
- (f) "lending institution" means a loan, insurance, trust or other company or corporation, trustee of trust funds, a credit union authorized to lend money on the security of real or immovable property or a chartered bank or treasury branch;
- (g) "Minister" means the Minister of Housing and Public Works;
- (h) "municipality" means a city, town, new town, village, county or municipal district or, in the case of an improvement district or a special area, the Minister of Municipal Affairs.

Explanatory Notes

General. This Bill will establish the Alberta Home Mortgage Corporation to take over, perform and expand the lending functions in respect of housing currently vested in the Alberta Housing Corporation.

I. Definitions.

PART 1

THE ALBERTA HOME MORTGAGE CORPORATION

Organization and Constitution

2. (1) There is hereby created a corporation with the name "Alberta Home Mortgage Corporation" which shall consist of the following members:

- (a) the Minister, who shall also be chairman;
- (b) the Deputy Minister;
- (c) the Deputy Provincial Treasurer;
- (d) the President of the Corporation, who shall also be vice-chairman;
- (e) such other members as may be appointed by the Lieutenant Governor in Council to hold office during pleasure.

(2) The Lieutenant Governor in Council may appoint during pleasure a person as President of the Corporation and shall prescribe the rate of remuneration to be paid to him by the Corporation.

(3) In the event of the Minister's absence from or inability to act as chairman of a meeting of the Corporation, the vice-chairman shall preside at the meeting and in the further event of the vice-chairman's absence or inability to act the Deputy Minister shall preside at the meeting.

(4) A majority of the members of the Corporation constitutes a quorum.

(5) At its meetings, the Corporation may exercise any of its powers by resolution except where some other mode of exercising the power is prescribed in this or any other Act.

(6) A member of the Corporation appointed pursuant to subsection (1), clause (e) shall be paid by the Corporation

- (a) such remuneration as is prescribed by the Lieutenant Governor in Council, and
- (b) his reasonable travelling and living expenses while absent from his ordinary place of residence and in the course of his duties as a member of the Corporation, in accordance with the by-laws of the Corporation.

Objects of Corporation

3. (1) The objects of the Corporation are to carry out any of the duties and functions provided for by this Act and such other duties and functions as relate to, are compatible with or complement any program of providing moneys for housing in Alberta and in particular to provide moneys

2. Corporation established.

3. Objects.

- (a) for housing, by way of low interest loans or loans which are subsidized by the Corporation as to interest, to individuals with low or moderate incomes who meet the eligibility requirements prescribed under this Act;
 - (b) where sufficient money is not being made available by lending institutions or CMHC for housing;
 - (c) for construction of housing for rental at low or moderate rates;
 - (d) for construction of moderate or low priced housing.
- (2) The Corporation may provide moneys to assist in the acquisition, construction, provision, development, maintenance and management of housing in Alberta and for the acquisition and improvement of land in connection therewith and may provide those moneys at preferred rates of interest or by way of loans subsidized as to interest.

4. (1) The Corporation

- (a) may appoint such employees as it considers necessary, and
 - (b) shall fix the salaries or remuneration of its employees and define their duties.
- (2) The appointment of an employee is during the pleasure of the Corporation, unless otherwise agreed with the employee.
- (3) Except as otherwise provided by an order of the Lieutenant Governor in Council under *The Public Service Management Pension Act*, *The Public Service Pension Act* applies with all necessary modifications to the members of the Corporation appointed pursuant to section 2, subsection (1), clause (e) and subsection (2) and the employees of the Corporation as if they were employees of the Government.
- (4) The Corporation shall pay to the Provincial Treasurer for deposit in the General Revenue Fund the contributions required to be made under section 5 of *The Public Service Pension Act* or section 5 of *The Public Service Management Pension Act*, as the case may be, together with an equal amount from the funds of the Corporation as its contribution.
- (5) The Corporation may engage the services of one or more experts or persons having special financial or other knowledge to inquire into and report in respect of any matter which the Corporation considers necessary to have information in respect of for the proper carrying out of its duties under this Act.

4. Employees and pensions.

- 5.** (1) The Corporation may make by-laws respecting
- (a) the calling of meetings of the Corporation and the conduct of business thereat, and
 - (b) the general conduct and operation of the Corporation.

(2) The *Regulations Act* does not apply to by-laws of the Corporation.

6. The Corporation may establish such offices and employ such agents as it considers necessary.

7. (1) The Corporation is for all purposes an agent of the Crown in right of Alberta and its powers may be exercised only as an agent of the Crown in right of Alberta.

(2) Any action or other legal proceeding in respect of any right or obligation acquired or incurred by the Corporation on behalf of the Crown in right of Alberta, whether in its own name or in the name of the Crown in right of Alberta, may be brought or taken by or against the Corporation in the name of the Corporation in any court that would have jurisdiction if the Corporation were not an agent of the Crown.

5. By-laws.

6. Offices and agent.

7. Agent of the Crown.

PART 2

GENERAL POWERS AND DUTIES

8. The Corporation, is, in the exercise and performance of its powers and duties under this or any other Act, subject to the general supervision and direction of the Minister.

9. The Corporation, in addition to the powers conferred on it by this or any other Act and the powers vested in it by section 14 of *The Interpretation Act*, has the power

1. to acquire, hold and alienate real or personal property;
2. to appoint as its agent any lending institution;
3. to make grants or loans for any of the purposes provided by this Act;
4. to guarantee the repayment of any loans in accordance with this Act;
5. to establish and collect an administrative fee or any other fee or charge for any of its services or programs;
6. to carry out any program related to providing moneys for housing that is assigned to it by the Lieutenant Governor in Council;
7. to enter into any agreement to carry out the intent and purpose of this Act;
8. to carry out any of the duties and functions provided for by this Act and any duties and functions related to any program of providing moneys for housing;
9. to realize upon any mortgage or other security, assigned to or acquired or taken by the Corporation, by taking title to real or immovable property and selling or disposing of the same;
10. to establish a mortgage insurance fund;
11. subject to the approval of the Lieutenant Governor in Council, to purchase mortgages from lending institutions and take assignments thereof;
12. to do any act or thing incidental to the conduct of the business of the Corporation.

10. The fiscal year of the Corporation shall commence on April 1 and end on the next following March 31, unless otherwise ordered by the Lieutenant Governor in Council.

8. Minister.

9. Powers.

10. Fiscal year.

11. The Provincial Auditor shall audit the accounts and financial transactions of the Corporation from time to time and at least once every year.

12. (1) The operating deficit of the Corporation shall be paid from moneys appropriated by the Legislature for the purposes of this Act.

(2) The Provincial Treasurer shall pay to the Corporation the funds referred to in subsection (1) in equal monthly instalments unless otherwise agreed between the Provincial Treasurer and the Corporation.

13. (1) Subject to the approval of the Lieutenant Governor in Council, the Corporation may, from time to time, borrow such sums of money as the Corporation requires for the purposes of the Corporation, and may from time to time issue notes, bonds, debentures or other securities which

- (a) shall bear interest at such rate or rates as may be determined by the Corporation;
- (b) shall be in such denomination or denominations as may be determined by the Corporation;
- (c) shall be payable as to principal and interest
 - (i) in such currency or currencies of such country or countries,
 - (ii) at such place or places,
 - (iii) at such time or times, and
 - (iv) in such manner, as may be determined by the Corporation;
- (d) may be redeemable or payable in whole or in part in advance of maturity either at the option of the Corporation or on demand of the holder thereof
 - (i) at any time or times,
 - (ii) on such terms, and
 - (iii) at such price or prices, either with or without payment of a premium, as may be determined by the Corporation;
- (e) may be issued in such amounts as will realize the net sum required by the Corporation for the purposes of the Corporation.

(2) Where the authorizing resolution of the Corporation made under subsection (1) contains a recital or declaration that the amount of the notes, bonds, debentures or other securities authorized by the resolution is necessary to realize the net sum required for the purposes of the Corporation, the recital or declaration is conclusive proof of the facts stated therein.

11. Audit.

12. Operating deficit.

13. Borrowing powers.

(3) Subject to the approval of the Lieutenant Governor in Council, the Corporation may sell or otherwise dispose of any notes, bonds, debentures or other securities on such terms and conditions as it considers advisable, either at the par value thereof or at less or more than the par value thereof, and may charge, pledge, hypothecate, deposit or deal with any such securities as collateral security.

(4) Any notes, bonds, debentures or other securities and the coupons, if any, attached thereto shall be in such form and shall be executed in such manner and by such persons as may be determined by the Corporation.

14. Notwithstanding any provision to the contrary in any other Act, debentures issued by the Corporation under section 13 shall be deemed to be investments or securities in which funds may be invested under the following enactments:

- (a) section 30 of *The Public Trustee Act*;
- (b) section 9 of *The Teachers' Retirement Fund Act*;
- (c) section 61 of *The Workers' Compensation Act*.

15. (1) Subject to the approval of the Lieutenant Governor in Council, the Corporation may for the purposes of the Corporation, borrow by way of temporary loans from time to time such sums and upon such terms as the Corporation determines and may effect the loans by way of an overdraft or line of credit or by the pledging as security for such temporary loans of notes, bonds, debentures or other securities of the Corporation pending the sale thereof or in lieu of selling them, or in such other manner as the Corporation determines.

(2) Any cheques, promissory notes or other instruments that may be necessary or desirable in connection with the borrowing of money and the obtaining of advances by way of a temporary loan under subsection (1) may be executed in such manner as the Corporation determines.

16. In sections 13 and 15, "purposes of the Corporation" include

- (a) the carrying out by the Corporation of the powers and duties given to it by or pursuant to this or any other Act and
 - (i) the provision in whole or in part for expenditures made or to be made by the Corporation in connection with the carrying out of those powers and duties, and
 - (ii) the reimbursement of the Corporation for the whole or any part of any expenditures made

14. Investments.

15. Temporary loans.

16. Definition.

or to be made by the Corporation in connection with the carrying out of those powers and duties;

- (b) the repayment of sums advanced to the Corporation pursuant to section 23;
- (c) the payment, refunding or renewal from time to time of the whole or any part of any loan raised or the notes, bonds, debentures or other securities issued by the Corporation;
- (d) the payment of any other liability or indebtedness of the Corporation.

17. The Corporation may borrow or receive contributions from CMHC for any of the purposes mentioned in this Act or the federal Act on such terms and conditions as the Lieutenant Governor in Council considers proper.

18. (1) The repayment of the principal and interest of any borrowings by the Corporation and the principal and interest of, and any premiums payable under, any notes, bonds, mortgages, debentures or other securities issued by the Corporation are hereby guaranteed by the Government of Alberta.

(2) The guarantee, in such form and manner as the Lieutenant Governor in Council approves, may be endorsed upon any notes, bonds, debentures or other securities issued by the Corporation and may be signed on behalf of the Government of Alberta by the Provincial Treasurer, the Deputy Provincial Treasurer or by such other person as the Provincial Treasurer may designate.

(3) The signature of the Provincial Treasurer, the Deputy Provincial Treasurer or the person designated by the Provincial Treasurer upon the guarantee is conclusive proof that the relevant provisions of this Act have been complied with.

19. (1) The seal of the Corporation on any notes, bonds, debentures or other securities of the Corporation and the signature of

- (a) any person authorized by the Corporation to execute the notes, bonds, debentures or other securities or any coupon attached thereto, or
- (b) the Provincial Treasurer, the Deputy Provincial Treasurer or the person designated by the Provincial Treasurer to sign a guarantee that is endorsed on the notes, bonds, debentures or other securities,

17. Loans from the Central Mortgage and Housing Corporation (Canada).

18. Provincial Guarantee of Corporate borrowings.

19. Seal and signatures on securities.

may be engraved, lithographed, printed or otherwise reproduced on the notes, bonds, debentures or other securities of the Corporation and on the guarantee endorsed thereon.

(2) The reproduced signature of any person referred to in subsection (1) is for all purposes deemed to be the signature of that person and is binding on the Corporation and the Government of Alberta notwithstanding that the person whose signature is reproduced did not hold office at the date of the notes, bonds, debentures or other securities or at the date of delivery thereof.

20. Subject to the approval of the Lieutenant Governor in Council, the Corporation has power to provide for the creation, management and application of sinking funds or other means of securing the repayment of any loan raised or notes, bonds, debentures or other securities issued by the Corporation, including the redemption by call of any such securities issued subject to redemption in advance of maturity.

21. (1) The Corporation may, from time to time, invest all or any portion of an insurance fund, sinking fund or any other fund not presently required,

(a) in debentures or securities of the Government of Alberta, of the Government of Canada or of any of the provinces of Canada, or

(b) in any debentures or securities the payment of which is guaranteed by the Government of Alberta, the Government of Canada or any of the provinces, or

(c) in debentures of any municipality in Alberta, and may afterwards, whenever required to meet expenditures, dispose of any of the investments in such manner, on such terms and in such amounts as may be necessary or expedient.

(2) At the date of maturity of any loan of the Corporation, such portion of the moneys so set aside as the Corporation considers proper may be used for retiring the loan in whole or in part, if any funds that exist in the sinking fund for that purpose are first so used.

22. (1) The Corporation shall annually, after the end of a fiscal year, prepare a general report summarizing its transactions and affairs during the preceding fiscal year and showing the revenues and expenditures during that period, an audited balance sheet of the moneys loaned, guaranteed, advanced or received under this Act for that year and of its other financial transactions during that period, together with such other information as the Lieutenant Governor in Council may require.

(2) When the report is prepared, the Minister shall lay a copy of it before the Legislative Assembly if it is then sitting and if not, within 15 days of the commencement of the next ensuing sitting.

20. Sinking funds.

21. Investment of reserve funds.

22. Annual report.

PART 3

FINANCIAL ASSISTANCE FOR HOUSING

23. (1) The Provincial Treasurer shall from time to time on the direction of the Lieutenant Governor in Council and at the request of the Corporation, advance to the Corporation out of the General Revenue Fund such sums of money as are required by the Corporation for making loans under this Part.

(2) The total of the sums advanced in each fiscal year under subsection (1)

(a) shall be repaid to the Provincial Treasurer on such terms and conditions, and

(b) shall be secured by such evidence of indebtedness, including bonds, debentures or promissory notes, as may be agreed upon by the Provincial Treasurer and the Corporation.

24. The Lieutenant Governor in Council may order that any surplus money of the Corporation shall be transferred to the General Revenue Fund and credited to the advances made pursuant to section 23.

25. (1) The Corporation may, in accordance with the regulations, make loans or guarantee loans made by lending institutions for the purpose of providing moneys for

(a) the cost of acquiring, constructing or improving housing;

(b) the cost of acquiring, developing and servicing land for housing;

(c) any other purpose that the Corporation considers proper, necessary or desirable in connection with or incidental to housing.

(2) A loan or guarantee by the Corporation is subject to such terms and conditions as may be prescribed by the regulations and the Corporation.

(3) The total amount of the liability of the Corporation as a guarantor under this section shall not exceed the amount prescribed in the regulations.

26. The Corporation may exercise any power, perform any duty or fulfil any function with respect to providing moneys by way of grants for

(a) the cost of acquiring, constructing or improving housing, or

(b) the cost of acquiring, developing and servicing land for housing, or

23. Advances.

24. Surplus.

25. Loans and guarantees.

26. Grants.

(c) any other purpose necessary or desirable in connection with or incidental to housing,
that is delegated to it under *The Department of Housing and Public Works Act*.

27. A guarantee by the Corporation

- (a) shall be in the form approved by the Corporation, and
- (b) may be executed on behalf of the Corporation by the chairman, vice-chairman or by any other person designated by the Corporation and the signature on the guarantee by any person referred to in this clause is conclusive proof that the relevant provisions of this Act have been complied with.

28. The Lieutenant Governor in Council may make regulations

- (a) prescribing the conditions which must be met by applicants to render them eligible for a loan or guarantee from the Corporation;
- (b) prescribing the terms and conditions upon which loans or guarantees are to be given;
- (c) prescribing the maximum total aggregate liability which the Corporation may incur as a guarantor under this Part;
- (d) prescribing the duties and obligations of a person to whom a loan is made or for whom a loan is guaranteed during the period that his indebtedness is outstanding;
- (e) prescribing the security to be given to the Corporation by applicants in consideration of a loan or guarantee;
- (f) prescribing the types or classes of lending institutions in respect of whose loans guarantees may be given.

27. Form of guarantee of loan.

28. Regulations.

PART 4
INSURED MORTGAGE LOANS

29. In this Part,

- (a) “approved lender” means a lending institution approved by the Minister for the purpose of making loans;
- (b) “approved loan” means a loan in respect of which the Corporation has given an undertaking pursuant to section 30, clause (b);
- (c) “insurable loan” means a loan by an approved lender for one or more of the purposes indicated in section 25 and which qualifies to be insured under the regulations.

30. (1) The Corporation may, in accordance with the regulations,

- (a) issue an insurance policy in respect of an insurable loan,
- (b) give an approved lender an undertaking to issue an insurance policy in respect of an insurable loan, and
- (c) collect an insurance fee for each insured loan.

(2) *The Alberta Insurance Act* does not apply to this Part.

31. Where a loan secured by mortgage has been insured by the Corporation and there is a default in payment of that loan, the Corporation shall make payment to that lending institution in accordance with the regulations.

32. The Lieutenant Governor in Council may make regulations,

- (a) determining the kinds of loans that are insurable loans for the purposes of this Part;
- (b) prescribing the procedure to be followed to insure a loan or in cases where a loan is to be advanced in stages or is not fully advanced;
- (c) determining the kinds of security which shall be taken by an approved lender in respect of an insurable loan;
- (d) establishing the maximum charges that may be made by an approved lender in respect of an insured loan, and prescribing the insurance fee to be collected from the borrower and paid to the Corporation;

29. Definitions.

30. Corporation may insure loans.

31. Insurance payment.

32. Regulations.

- (e) prescribing the form of insurance policy that may be issued in respect of an insured loan and of the mortgage to be taken in respect thereof;
- (f) prescribing the terms and conditions on which loans may be approved or insured;
- (g) prescribing the procedure to be followed in the event of a default in payment under an insured loan and the payments which may be made by the Corporation to the approved lender in such case;
- (h) generally for the purpose of carrying out the provisions of this Part.

33. (1) Where in any contract, agreement, guarantee, mortgage or other instrument made or entered into under *The Alberta Housing Act* before the coming into force of this Act involving a matter dealt with by this Act and not by *The Alberta Housing Act*, it is provided that any right, power, duty, liability or function is vested in or to be exercised or performed by or on behalf of the Alberta Housing Corporation, that right, power, duty, liability or function shall be vested in and exercised or performed by or on behalf of the Alberta Home Mortgage Corporation.

(2) Without restricting the generality of subsection (1), the Alberta Home Mortgage Corporation is liable to repay advances, together with interest thereon, made to the Alberta Housing Corporation pursuant to section 17 of *The Alberta Housing Act* and used by the Alberta Housing Corporation in making loans for the purposes authorized by this Act.

(3) The total amount payable by the Alberta Home Mortgage Corporation pursuant to subsection (2) shall not exceed the total of moneys payable to the Alberta Housing Corporation in respect of loans made by that Corporation and being transferred by this section.

(4) The Alberta Housing Corporation shall transfer to the Alberta Home Mortgage Corporation the mortgage insurance fund maintained by that Corporation in respect of loans being transferred by this section together with all mortgages, charges, encumbrances and other evidences of indebtedness taken by the Alberta Housing Corporation as security for loans made by it for the purposes authorized by this Act and

- (a) a reference in any such mortgage, charge, encumbrance or other evidence of indebtedness to the Alberta Housing Corporation shall be deemed to be a reference to the Alberta Home Mortgage Corporation;
- (b) all moneys owing to the Alberta Housing Corporation pursuant to any such mortgage, charge,

33. Transitional.

encumbrance or other evidence of indebtedness shall be paid to the Alberta Home Mortgage Corporation;

- (c) notwithstanding any provision of *The Land Titles Act* to the contrary, a transfer made pursuant to this section does not require to be registered in any Land Titles Office;
- (d) where any proceedings have been commenced by the Alberta Housing Corporation under any such mortgage, charge, encumbrance or other evidence of indebtedness, those proceedings may be continued by the Alberta Home Mortgage Corporation.

(5) The Alberta Housing Corporation and the Alberta Home Mortgage Corporation may, subject to the approval of the Minister, enter into any agreement, execute any document and do any other thing which may be necessary to effect the implementation of this Act, including establishing an adjustment date for the purposes of this section.

(6) All regulations made under section 30 of *The Alberta Housing Act* shall continue in force until they are repealed or others made in their stead under this Act and until such repeal any reference in those regulations to the Alberta Housing Corporation shall be deemed to be a reference to the Alberta Home Mortgage Corporation.

(7) In this section "Alberta Housing Corporation" means the Alberta Housing Corporation continued under *The Alberta Housing Act* and includes any predecessor corporation whose functions are vested in that corporation at the commencement of this Act.

34. (1) The Corporation may each year pay to any municipality within which any of its real property is situated, a grant not exceeding the amount that would be recoverable by the municipality if the property was subject to the property and frontage taxes of the municipality for that year.

(2) The Corporation may each year pay to any municipality within which any of its premises are situated, a grant not exceeding the amount that would be recoverable by the municipality if the premises were subject to the business tax of the municipality for that year.

34. Grant in lieu of taxes.

35. *The Alberta Housing Act is amended*

- (a) *as to section 8*
 - (i) *in clause 4 by adding at the end thereof the words "in accordance with this Act",*
 - (ii) *by striking out clause 7,*
- and*
- (b) *by striking out sections 29 and 30 together with the heading "Housing Loans" preceding section 30.*

36. *The Department of Housing and Public Works Act is amended by striking out section 3 and by substituting the following section:*

3. (1) The Lieutenant Governor in Council may establish the offices of not more than two Deputy Ministers for the Department and shall designate the name for each office so established.

(2) In accordance with *The Public Service Act* there may be appointed

- (a) the Deputy Ministers whose offices are established under subsection (1), and
- (b) such other employees as are required to conduct the business of the Department.

37. *The Crown Agencies Employee Relations Act is amended as to the Schedule thereto by adding at the end of that Schedule the words "The Alberta Home Mortgage Corporation".*

38. *The Municipal and Provincial Properties Valuation Act is amended as to section 5, subsection (1) by adding the following clause after clause (a1):*

- (a2) The Alberta Home Mortgage Corporation,

39. This Act comes into force on a date to be fixed by Proclamation.

35. Consequential. Section 8, clauses 4, 5, 6 and 7 and sections 29 and 30 of The Alberta Housing Act read as follows:

8. In addition to the powers vested in a corporation by section 14 of The Interpretation Act, the Corporation may:

4. make grants or loans for the purpose of acquiring, constructing or improving housing;
5. make grants or loans to municipalities for any of the purposes provided for by this Act;
6. guarantee the repayment of any loans;
7. establish a mortgage insurance fund or any other fund as it considers necessary;

29. With the approval of the Lieutenant Governor in Council and upon such conditions as he may prescribe, the Corporation and a municipality may jointly or separately guarantee the repayment of principal and interest on all or part of a borrowing made by a person for the private development of a housing project consisting of the costs of acquiring, servicing and developing the land, including a housing unit or units, undertaken either separately or in any combination thereof.

Housing Loans

30. Where, in the opinion of the Corporation, sufficient money is not being made available by lending institutions or the Canada corporation for housing purposes, the Corporation may make

- (a) home improvement loans, and
- (b) loans for new construction or the purchase of existing housing accommodation, and
- (c) make loans for the purpose of constructing or improving mobile home parks,

upon the terms and conditions prescribed by the regulations.

36. Consequential.

37. Consequential.

38. Consequential