

**CHAPTER 35**

## EMERGENCY RELIEF GUARANTEE FUND

**EMERGENCY RELIEF GUARANTEE FUND  
REGULATIONS, 2000***S.I. 5/2000  
S.I. 69/2000*

## (SECTION 16)

*[Commencement 21st January, 2000]*

1. These Regulations may be cited as the Emergency Relief Guarantee Fund Regulations, 2000.

Citation.

2. An application for a guaranteed loan shall be made by the borrower to an approved lender in the forms ERG-1 and ERG-2 specified in the Schedule.

Application for guaranteed loan.

Schedule.

3. (1) An approved lender who is prepared to make a guaranteed loan to a borrower shall submit to the Minister a copy of the borrower's loan application referred to in regulation 2.

Submission of application.

(2) If the Minister approves the application with or without an amendment, an undertaking to Guarantee shall be issued to the approved lender Schedule. in the form ERG-3 specified in the Schedule.

4. Where a borrower pursuant to section 23 of the Act does not possess documentary title in respect of the property upon which his premises is situated and the guaranteed loan has been approved by the Minister, the borrower shall sign an agreement with the approved lender in the form ERG-4 specified in the Schedule.

Defects in title.

5. An approved loan shall be made at not less than par by the approved lender to the borrower, and the borrower shall not be subject to a charge in the nature of a discount or commission.

No discount of commission.

6. When the approved loan has been made to the borrower, the approved lender shall forward to the Minister the request for a loan guarantee within ninety days after the last advance to the borrower by the approved lender.

Request for issue of loan guarantee.

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Issue of loan  
guarantee.

7. (1) Upon receipt of the request for a loan guarantee the Minister shall issue to the approved lender a loan guarantee in the form ERG-5 specified in the Schedule.

(2) When the loan guarantee has been issued by the Minister under paragraph (1), the approved lender may lodge the agreement, mortgage deed and promissory note duly executed in connection with the approved loan with the Minister who shall thereupon stamp the same with an official stamp bearing the words “Guaranteed by the Government of the Commonwealth of The Bahamas” and return it to the approved lender.

(3) The approved lender shall upon receipt of the agreement, mortgage deed and promissory note endorse thereon the words “Emergency Relief Guaranteed Loan” and record it in the Registry of Records.

Monthly  
Instalment.

8. The monthly instalment to be paid by the borrower shall be sufficient to amortize the principal and interest of the approved loan in accordance with the terms and conditions of the loan.

Prepayment of  
principal.

9. Where during the term of a guaranteed loan, prepayment of the principal is made by the borrower, the approved lender shall waive the interest charges payable in lieu of any notice provided in the agreement, mortgage deed and promissory note relating to the guaranteed loan.

Term of  
prepayment not  
to be altered.

10. Except as provided in regulation 11, and where there are changes in the prime rate or a payment due under the guaranteed loan has been delayed by not more than two months and the maturity date has been extended for a period of not longer than three months from the original maturity date, an approved lender shall not alter the terms of repayment of a guaranteed loan nor permit any derogation in the rights of the approved lender against any mortgaged premises by way of postponement, partial discharge or otherwise without the written approval of the Minister.

Collateral or  
security not to be  
released without  
approval of  
Minister

11. An approved lender shall not, without prior written approval of the Minister, release any collateral, security or personal covenant taken as further security for a guaranteed loan which was subject to the taking of such further security.

12. Within sixty days after the end of each quarter, March, June, September and December of each year, the approved lender shall deliver to the Minister a list of all loans in arrears that are administered by the approved lender and the amount outstanding in respect of each loan in form ERG-6 specified in the Schedule.

Notice of outstanding on loans.

Schedule.

**SCHEDULE**

**ERG-1**

**LOAN APPLICATION FORM**

THE EMERGENCY RELIEF GUARANTEE FUND ACT, 1999

Approved Lender’s Name: .....	Purpose of Loan:
Branch: .....	<input type="checkbox"/> repair damaged property
	<input type="checkbox"/> replacement of destroyed property

2. Applicant Details

Name of applicant: .....	Name of co-applicant: .....
Street Address: .....	Street address: .....
P. O. Box: .....	P. O. Box: .....
Date of Birth: .....	Date of birth: .....
Nationality: .....	Nationality: .....
Marital Status: <input type="checkbox"/> single <input type="checkbox"/> married <input type="checkbox"/> divorced <input type="checkbox"/> other	Marital Status: <input type="checkbox"/> single <input type="checkbox"/> married <input type="checkbox"/> divorced <input type="checkbox"/> other

Number of Dependants:

.....

Ages:

.....

Type of property:

- freehold       commercial
- leasehold     residential
- other

3. Employment details

	Applicant	Co-applicant
Name of Employer:		
Address of Employer:		
Years with present Employer:		
Position held:		
Monthly salary:		
Name of previous Employer:		
Years with previous Employer:		

4. Details of work to be done

Lot #: ..... Subdivision: ..... Island: ..... Current owner of property: ..... Property occupied at time of damage: ..... Brief description of work to be done: ..... To be completed by: .....
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## 5. Cost Estimates

Building	\$
Furnishings	\$
Insurance	\$
Other (specify)	\$
Connections (water, sewer, electricity)	\$
Total	\$ .....
Down payment available	\$
Loan requirement	\$ .....
	\$

## 6. Financial Status

Assets		Liabilities	
Cash in bank(s)	\$	Accounts Payable (describe)	\$
Bonds & Securities	\$	Loans outstanding (describe)	\$
Cash surrender value (life insurance)	\$	Automobile(s) instalment payment(s)	\$
Automobile(s) make & year	\$	Mortgage loan owing	\$
Real estate owned	\$	Other installment pay- ments	\$
Other assets	\$.....		\$ .....
Total	\$	Total	\$



10. Ministry’s comment

[Empty rectangular box for Ministry's comment]

.....  
Minister’s Signature Date

**ERG-2**

**SALARY VERIFICATION FORM**

THE EMERGENCY RELIEF GUARANTEE FUND ACT, 1999

Instructions: Please complete section A and have your employer complete section B. Return in a sealed envelope to the approved lender.

**SECTION A**

Applicant’s Name: .....  
Surname Forename(s)

Employer: .....

Address of Employer: .....  
Street and Postal Address

Applicant’s Signature: .....  
Date

**SECTION B**

Please complete the following questions with reference to the above employee and return to the employee in an envelope with your signature across the seal.

Basic salary/wages (per annum) \$ .....  
Bonus \$ .....  
Allowances \$ .....  
Total Salary \$ .....  
Employee’s title in company \$ .....  
Total number years in company \$ .....

I ..... certify that the above information is true and correct.  
(Full Name)

Employer’s Signature: ..... Date: .....

Official Position: .....

**ERG-3**

**UNDERTAKING-TO-GUARANTEE**

THE EMERGENCY RELIEF GUARANTEE FUND ACT, 1999

To: ..... Date: .....  
 Approved Lender U.T.G. No.: .....  
 Lender's Reference: .....

Borrower's Name(s): .....

Borrower's Address: .....

We hereby undertake to issue a guarantee in respect of a loan to the above-mentioned borrower in accordance with and subject to the Emergency Relief Guarantee Fund Act, as well as the Emergency Relief Guarantee Fund Regulations,

in the amount of \$ .....  
 TOTAL \$ .....

The Monthly Debt Service based on: ..... Year(s) amortisation is as follows:

Principal and interest at .....	%	\$ .....	monthly
Insurance — Life		\$ .....	monthly
Insurance — Hazard		\$ .....	monthly
Other		\$ .....	monthly
TOTAL		\$ .....	

The Lending value of security is:

Land	\$ .....
Building/Plant	\$ .....
Tool and Equipment	\$ .....
TOTAL	\$ .....

The dwelling house/business is to be operational within ..... months of this date and the loan funds have been applied as specified in the Loan Application Form ERG-1.

.....  
 Minister Responsible For  
 Disaster Preparedness



**ERG-4**

**PROMISSORY NOTE**

(Issued pursuant to section 23 of the Emergency Relief Guarantee Fund Act, 1999)

**THE EMERGENCY RELIEF GUARANTEE FUND ACT, 1999**

Borrower’s address .....

Date: .....

On demand [on the .....day of .....] I/[we jointly and severally] promise to pay to [the approved lender] the sum of [\$ .....] received [with interest thereon at % per annum] on the ..... day of ..... for the repair or replacement of a dwelling house/business owned by [the borrower] and damaged or destroyed by [a disaster declared by the Minister] on the ..... day of ..... by Order published in the *Gazette*.

In default of payment ..... payable under this note, the whole sum is to become immediately due and payable.

.....  
Signature of borrower

.....  
Signature of the approved lender

**ERG-5**

**EMERGENCY RELIEF LOAN GUARANTEE**

**THE EMERGENCY RELIEF GUARANTEE FUND ACT, 1999**

The Minister responsible for disaster preparedness (hereinafter called the Minister), pursuant to the Emergency Relief Guarantee Fund Act and its undertaking-to-guarantee No..... dated ..... 20 ....., hereby guarantees ..... (hereinafter called the approved lender) a loan made and secured as follows:

Name of Borrower: .....

Address of Borrower: .....

Purpose of Loan Guarantee: .....

Property Description: .....

Guaranteed Loan No.: .....

Amount of Loan: ..... Interest Rate ..... % .....

Amount Guaranteed: .....

Period of Guarantee: ..... years Maturity Date ..... 19 .....

Title Defects if any: .....

.....

NOTE: In accordance with the terms and conditions of the Fund you are asked to read carefully and take note of the following:

1. The Rate of Interest: The maximum rate of interest which the qualified borrower may be charged under the loan guarantee programme shall in the case of residential property be at a rate not exceeding the prime rate and in the case of any other property be at a rate not exceeding the prime rate plus one per centum.
2. Extensions, Restructuring: All applications for the extension, or restructuring of loan guarantees should be received by the Minister not later than 14 days prior to the intended date of renewal, extension or restructuring.
3. Obligations of the approved lender: The approved lender shall as far as possible, ensure that the loan granted under the Emergency Relief Guarantee Fund Act is used for the intended purpose. The approved lender shall refer to the Minister for approval of any changes in the terms and conditions of a loan guaranteed under the Emergency Relief Guarantee Fund Act including any changes which may affect the security of terms of repayment. The approved lender shall submit such returns or furnish such information as the Minister may require in connection with any loan guaranteed under the Emergency Relief Guarantee Fund Act. The approved lender shall comply with any reasonable instructions given by the Minister for the purpose of administering the Emergency Relief Guarantee Fund Act.
4. Revocation and Termination: The Minister may take such action as is deemed fit and proper, including the revocation of the guarantee, if the approved lender fails to report without delay, all cases of misrepresentation of information and misuse of funds by the borrower.
5. Where it is drawn to the attention of the Minister that the Borrower in respect of whom a loan is guaranteed under the Emergency Relief Guarantee Fund Act has defaulted on the loan, all reasonable efforts should be made to recover the loan and if such efforts have failed, the Minister shall settle the amount outstanding on the guarantee within a period not exceeding two months.
6. Where the liability in respect of the loan guaranteed is assigned or conveyed without the approval of the Minister, the guarantee in respect of the loan guaranteed under the Emergency Relief Guarantee Fund Act shall be terminated from the date of such assignment or transfer, unless the Minister makes a declaration to the contrary in writing.
7. Special conditions (if any): The guaranteed loan extended to the qualified borrower is guaranteed by the Emergency Relief Guarantee Fund Act subject to the following conditions: .....

For clarification and details of any of the above-mentioned or other matters you are invited to contact the Minister at your earliest convenience.

**ERG-6****QUARTERLY REPORT ON BORROWERS IN ARREARS<sup>1</sup>****THE EMERGENCY RELIEF GUARANTEE FUND ACT, 1999**

Name of Borrower	Loan Guarantee Policy Number	Maximum Limit of Loan Guarantee	Maturity Date	Days Past Due	Amount in Arrears	Out-standing Balance	Recovery Efforts

To: Minister  
P. O. Box  
Nassau, Bahamas

Name of Approved Lender: .....

Branch Office: .....

Authorised Signature: .....

Date: .....

<sup>1</sup> Declarations must be submitted at the end of each quarter i.e. March, June, September, December