Revised Regulations of Anguilla: P20-11

PENSIONS ACT (R.S.A. c. P20)

PENSIONS (LOAN IMPLEMENTATION) REGULATIONS

Note: These Regulations are enabled under section 69(2)(a) of the Pensions Act, R.S.A. c. P20.

TABLE OF CONTENTS

SECTION

1. Interpretation
2. Lending limit
3. Qualification to borrow
4. Application
5. Financing areas
6. Interest rate
7. Calculating interest and principal
8. Approval of loans
9. Closing
10. Payment terms
11. Refinance
12. Denial of loans
13. Change of circumstances
14. Bankruptcy
15. Repaid loans
16. Citation

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Interpretation

1. In these Regulations, "Board" means the Public Service Pension Board.

Lending limit

2. (1) The maximum amount of assets allocated to loans shall not exceed 40% of the reserves of the Fund.

(2) The Board shall not grant a loan to any contributor which is more than 75% of his contribution to the Fund.

(3) Notwithstanding subsection (2), where a contributor has contributed to the Fund for at least 10 continuous years, the Board may grant a loan to said contributor, which is up to 100% of his contribution to the Fund.

(R.A. 24/2019, s. 2)

Qualification to borrow

3. A person who wishes to apply for a loan must be a contributor to the Fund and must have made contributions thereto for at least 24 months.

Application

4. An applicant for a loan shall complete the Pension Fund Personal Loan Application Form and submit a Government issued picture identification for verification purposes.

Financing areas

5. Loans may be disbursed for the following purposes—

(a) dental expenses;

(b) down payment for the purchase of real estate;

(c) educational expenses;

(d) funeral expenses;

(e) home renovation and or repairs;

(f) medical expenses;

(g) tax debt; and

(h) other personal expenses.

Interest rate

6. (1) The interest rate payable shall be 7.5% which is inclusive of all administrative costs.

(2) Notwithstanding subsection (1), the Board may by unanimous decision adjust the interest rate applicable to new loans.

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Calculating interest and principal

7. (1) In respect of the month when the loan comes into effect where the effective date is after the first day of that month, interest on the loan for that month shall be pro-rated. Thereafter both monthly interest and the outstanding principal shall be calculated in accordance with the loan amortization schedule.

(2) In respect of any loan, interest payments will accrue until the loan is repaid.

Approval of loans

8. (1) Loans shall be granted to borrowers at the discretion of the Board.

(2) In the performance of its function under subsection (1), the Board shall not be subject to the direction or control of any person or authority.

Closing

9. Prior to disbursement of funds, an applicant shall execute the necessary documents as determined by the Board, which shall include a Promissory Note and a salary deduction authorisation.

Payment terms

10. (1) Loan repayments shall be made over a maximum of 5 years, and in the case of an applicant who is still in the public service within the retirement age applicable to the applicant, shall be deducted from the borrower's salary at source.

(2) Amounts borrowed shall be paid over the periods stated below—

Loan Amount EC$	**Repayment Period**
$1000	**1 year**
$1001 - $5,000	**2 - 3 years**
$5001 - $10,000	**3 - 4 years**
$10,001 and over	**5 years.**

(3) Loans may be prepaid at any time without penalty.

Refinance

11. The Board may decide to refinance an outstanding loan.

Denial of loans

12. (1) Loans may be declined by the Board where the applicant does not meet the requirements established by the Board for the grant of loans.

(2) The requirements shall be uniform, available in print and applied to all applicants in a transparent way.

(3) Notwithstanding subsections (1) and (2), an application shall be denied where the applicant has previously defaulted on a loan.

Change of circumstances

13. (1) Where a borrower is no longer in the public service, the full amount outstanding becomes due and payable and it shall be a first charge on all amounts payable to the borrower by the Government.

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(2) Where a borrower who is in the public service is given leave without pay for more than 2 months, the borrower shall make arrangements for the servicing of the loan and any arrangement must be documented in a manner satisfactory to the Board.

(3) Where a borrower referred to in subsection (2) fails to satisfy the requirements of that subsection, the loan becomes due and payable and he may not proceed on leave before the loan is paid.

Bankruptcy

14. Loans shall not be given to undischarged bankrupts.

Repaid loans

15. When a loan is fully paid, the borrower shall be issued a statement to that effect and notification given to any institution from which salary deductions were made to stop the deduction.

Citation

16. These Regulations may be cited as the Pensions (Loan Implementation) Regulations, Revised Regulations of Anguilla, P20-11.

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