

The Mortgage Interest Reduction Act

REPEALED

FORMERLY

Chapter M-21.1 of the *Statutes of Saskatchewan, 1982-83* (effective July 1, 1982 to June 30, 1989) as amended by the *Statutes of Saskatchewan, 1984-85-86, c.40; 1989-90, c.54; and 1993, c.C-26.1.*

NOTE:

This consolidation is not official. Amendments have been incorporated for convenience of reference and the original statutes and regulations should be consulted for all purposes of interpretation and application of the law. In order to preserve the integrity of the original statutes and regulations, errors that may have appeared are reproduced in this consolidation.

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CHAPTER M-21.1

An Act to establish a Mortgage Interest Reduction Plan

Short title

- 1 This Act may be cited as *The Mortgage Interest Reduction Act*.

Interpretation

- 2 In this Act:

- (a) **“benefit period”** means the period commencing on July 1, 1982, and ending on June 30, 1988;
- (b) **“eligible mortgage”** means a mortgage described in subsection 3(2);
- (c) **“home owner”** means the owner of a principal residence that is subject to a mortgage and includes his heirs, successors or assigns;
- (d) **“maximum interest rate”** means the maximum interest rate described in section 8 that is applicable to the time when the interest rate on a mortgage is determined;
- (e) **“minister”** means the member of the Executive Council to whom for the time being the administration of this Act is assigned;
- (f) **“mortgage”** means:
 - (i) a charge on the principal residence of a home owner created for securing:
 - (A) the purchase price of the principal residence of the home owner;
 - (B) the cost of improvements to the principal residence of the home owner, where the improvements were commenced on or before April 26, 1982; or
 - (C) a charge that is substituted for one described in paragraph (A) or (B) without increasing the total amount of indebtedness;that is evidenced in writing and registered:
 - (D) against the principal residence in accordance with *The Land Titles Act*; or
 - (E) as a security interest in the Personal Property Registry; or
 - (ii) an agreement for the sale of a principal residence evidenced in writing in respect of which a caveat is filed in accordance with *The Land Titles Act*;

but does not include a charge created with respect to a principal residence that was sold and purchased by the home owner or his spouse on or after April 26, 1982;

- (g) “**mortgagee**” includes a vendor under an agreement for the sale of land and the holder of a security interest registered in the Personal Property Registry;
- (h) “**prescribed**” means prescribed in the regulations;
- (i) “**principal residence**” means a residence on land in Saskatchewan in which a home owner, his spouse or his wholly dependent children are permanently resident that is:
 - (i) a dwelling, including the land appurtenant to the dwelling not exceeding 65 hectares; or
 - (ii) a unit or additional unit in a condominium plan or a replacement plan, as the case may be, as referred to in *The Condominium Property Act, 1993*, including the owner’s share in the common property as shown on that plan.

1982-83, c.M-21.1, s.2; 1984-85-86, c.40, s.3;
1993, c.C-26.1, s.115.

Eligibility

3(1) Subject to the other provisions of this Act and to the regulations, where the interest rate payable on a home owner’s mortgage on his principal residence exceeds an annual interest rate of 13.25%, he is eligible for interest reimbursement payments in the amount calculated in accordance with section 4 for the lesser of:

- (a) the duration of the benefit period; and
 - (b) the term of the mortgage.
- (2) An eligible mortgage consists of that portion of the difference between:
- (a) the total amount owing by a home owner in proportion to his interest in the principal residence at the time he becomes eligible for interest reimbursement payments under this Act on his first and any subsequent mortgages on his principal residence, considered in order of the time of their registration under *The Land Titles Act* and in the Personal Property Registry; and
 - (b) an amount determined by multiplying the total amount of all mortgages on a home owner’s principal residence by the proportion by which his interest payments are tax deductible pursuant to the *Income Tax Act* (Canada), as amended from time to time;

that is less than or equal to \$50,000.

(3) A home owner and his spouse are entitled to interest reimbursement payments in respect of no more than one principal residence.

1982-83, c.M-21.1, s.3.

Amount of interest reimbursement payments

4(1) A home owner described in section 3 is entitled to interest reimbursement payments in a monthly amount equal to the difference between:

- (a) the lesser of:
 - (i) the principal and interest component of the actual monthly amount required to be paid with respect to his eligible mortgage; and
 - (ii) the monthly amount that would comprise the principal and interest component of the payment on his eligible mortgage if interest were calculated at the maximum interest rate;

less any amounts, deducted in the prescribed manner, that are received by him with respect to his mortgage from other prescribed government sources; and

- (b) the monthly amount that would comprise the principal and interest component of the payment on his eligible mortgage at an annual interest rate of 13.25%.

(2) Where the payments on an eligible mortgage are fixed but the interest rate is variable, a home owner is entitled to interest reimbursement payments:

- (a) in a monthly amount calculated in accordance with subsection (1) as if the interest rate were fixed at the level that would yield the fixed monthly payment; and
- (b) adjusted in the prescribed manner based on the actual interest rate paid by him.

1982-83, c.M-21.1, s.4.

Application

5(1) A home owner shall apply for interest reimbursement payments on the form provided by the minister within one year following the first month in respect of which reimbursement is sought.

(2) The mortgagee shall provide and verify any information that is required by a home owner with respect to his mortgage for the purposes of this Act.

(3) No mortgagee shall charge a fee for any services described in subsection (2).

1982-83, c.M-21.1, s.5.

Provision of information

6(1) A home owner who receives interest reimbursement payments under this Act shall:

- (a) immediately notify the minister of any change in his circumstances that affects his eligibility for interest reimbursement payments or the amount of those payments; and
- (b) immediately provide or authorize the release of any prescribed information on the request of the minister.

(2) Where a home owner contravenes subsection (1), all interest reimbursement payments that he has received are deemed to be an overpayment and, subject to subsections (3) and (4), he is not entitled to receive any interest reimbursement payments until he provides proof to the satisfaction of the minister of his eligibility for those payments.

(3) Where the minister determines that a home owner is not eligible for interest reimbursement payments, the minister shall send to the home owner by registered mail a written notice:

- (a) stating the reasons for the determination;
- (b) advising the home owner of his right to appeal the determination in accordance with subsection (4); and
- (c) advising the home owner of the manner in which overpayments may be recovered from the home owner pursuant to section 7.

(4) A home owner who is aggrieved by a decision of the minister relating to his eligibility for interest reimbursement payments may appeal to a judge of Her Majesty's Court of Queen's Bench for Saskatchewan within 30 days of the day on which he receives the written notice described in subsection (3).

1982-83, c.M-21.1, s.6.

Manner of payment

7(1) Interest reimbursement payments to a home owner pursuant to this Act are to be made in the manner prescribed in the regulations.

(2) Where an overpayment to a home owner results for any reason, the overpayment is a debt due to Her Majesty and may be recovered:

- (a) by deducting the amount of the overpayment from future interest reimbursement payments for which the home owner is eligible; or
- (b) by filing a certificate of the minister certifying the amount of the overpayment, together with interest at the prescribed rate to the date of the certificate, with the local registrar of the Court of Queen's Bench at any judicial centre.

(3) A certificate filed pursuant to clause (2)(b) has the same force and effect as if it were a judgment obtained in Her Majesty's Court of Queen's Bench for Saskatchewan for the recovery of a debt in the amount specified in the certificate, together with any reasonable costs and charges with respect to its filing.

1982-83, c.M-21.1, s.7.

Maximum interest rate

8(1) At the prescribed times and in the prescribed manner the minister shall determine the maximum interest rate applicable to any specific period of time on the basis of the average of the interest rates charged for mortgages during that time.

(2) The minister shall cause to be published in the Gazette the maximum interest rate determined with respect to each week during the benefit period and with respect to any period of time prior to the benefit period that he considers appropriate.

(3) **Repealed.** 1989-90, c.54, s.5.

1982-83, c.M-21.1, s.8; 1989-90, c.54, s.5.

Calculation of interest

9 Whenever interest is required to be calculated for the purposes of this Act it is to be calculated at the rate of interest specified and compounded semi-annually not in advance.

1982-83, c.M-21.1, s.9.

Offence and penalty

10(1) Any person who contravenes this Act or the regulations or who makes a statement on any form required to be submitted under this Act that is false in any material respect is guilty of an offence and liable on summary conviction:

- (a) in the case of an individual, to a fine of not more than \$500;
- (b) in the case of a corporation that is a mortgagee, to a fine of not more than \$50,000;
- (c) in the case of a corporation other than one described in clause (b), to a fine of not more than \$5,000.

(2) In a prosecution for a contravention of this Act or the regulations, a certificate of the person having charge of the appropriate records stating that interest reimbursement payments were made to the person charged and stating the amount of those payments is admissible in evidence and, in the absence of proof to the contrary, is proof of the contents of the certificate without proof of the signature or official capacity of the person signing the certificate.

1982-83, c.M-21.1, s.10.

Regulations

11(1) For the purpose of carrying out this Act according to its intent, the Lieutenant Governor in Council may make regulations:

- (a) defining, enlarging or restricting the meaning of any word or expression used in this Act;
- (b) designating any class of mortgages or home owners as being ineligible for interest reimbursement payments;
- (c) prescribing any matter or thing that is required or authorized by this Act to be prescribed in the regulations.

(2) Notwithstanding any other Act or law, any regulations made under this Act may be made retroactive to a day not earlier than July 1, 1982.

1982-83, c.M-21.1, s.11.

Appropriation

12 Sums required for the purposes of this Act are to be paid out of moneys appropriated by the Legislature for the purpose.

1982-83, c.M-21.1, s.12.

Coming into force

13 This Act comes into force on the day of assent but is retroactive and is deemed to have been in force on and from July 1, 1982, and remains in force until June 30, 1989.

1982-83, c.M-21.1, s.13; 1984-85-86, c.40, s.4.