

New Building society laws

WESTERN BUREAU

IN DECEMBER 1995 new laws governing building societies came into effect, largely as a result of the rapid growth in the number of societies since 1990. A range of new laws were passed, which provided the Bank of Jamaica (BoJ) with new regulatory and supervisory powers to watch over the societies.

In a bid to ensure that building societies put their saving funds in mortgages and housing finance, the BoJ stipulated savings ratios. The central bank wanted societies in 1995 to hold above 40 per cent of savings fund money in mortgages. In 1996 this should have jumped to above 50 per cent and for 1997 more than 60 per cent. Having met these criteria the societies also had to lodge one per cent of the cash reserves with the BoJ.

The Hanover Benefit Building Society (HBBS), one of four Mutual societies at the time, could not meet the \$25 million capital base it needed to qualify for continued existence, according to Chairman Percival Miller.

To solve its difficulties HBBS decided on merging with Jamaica National Building Society, one of the three remaining mutual's along with Victoria Mutual and Jamaica Savings & Loan. After a short courtship the societies formally merged on February 29, 1996 under the watchful eyes and with the blessings of the two societies' members.

Here are the profiles of the couple who will on Thursday February 27 celebrate one year of wedded bliss.

PROFILE OF THE BRIDE

NAME: Hanover Benefit Building Society.

AGE: 103 years old.

MEMBERSHIP: 4,400 savers and 52 mortgagers

ASSETS AS AT JANUARY 1996: in excess of \$47 million. \$41 million savings fund. Reserves exceeded \$4.750 million.

ADDRESS: Mosley Drive in Lucea, Hanover.

CHAIRMAN: Hon Percival A. Miller (Custos of the Parish).

PROFILE OF THE GROOM

NAME: Jamaica National Building Society. The product of a series of mergers pioneered by the Westmoreland Building Society, incorporating the St James Benefit, St Ann Benefit, St Thomas Mutual, Jamaica Permanent and St MaryUs Benefit Building Societies.

AGE: 121 years old.

MEMBERSHIP: 37,000 (with several thousand based overseas).

ASSETS AS AT JANUARY 1996: Asset base in excess of \$8.5 billion.

MARKET SHARE: More than 26.5 per cent Pretax surplus of \$225 million (March 1995) More than \$1 billion disbursed in loans over 1994-96 (46 per cent loan to asset ratio - well over the 15 per cent BoJ requirement).

ADDRESS: 17 branches in 12 parishes. Its International operations span the United Kingdom, Canada and the USA.

CHAIRMAN: Oliver Clarke

STAFF: Senior management team of 9 supported by a middle management group of 35 led by General Manager and CEO Lanny Reynolds.

OFFSPRINGS

Jamaica National Building Society offers a wide range of service through five of its subsidiaries.

* Jamaica National Real Estate and Development Company Limited (JNREDCO).

* Investment Managers Limited - The investment arm IN - provides leasing and non mortgage loans.

* Jamaica National Overseas (UK) Limited in London and Birmingham.

* Jamaica National Overseas (Canada) Limited in Toronto; and,

* Jamaica National Overseas (New York) Incorporated in Brooklyn.

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