

This is an unofficial translation based on the official Act No. 454 of 10 June 2003. Only the Danish document has legal validity.

Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act

We, Margrethe II, by the grace of God Queen of Denmark hereby witness:
Folketinget has adopted and We with Our consent hereby enact the following Act:

Part 1 *Scope*

1.-(1) This Act shall apply to mortgage-credit bonds and other securities issued by mortgage-credit institutions and to mortgage-credit loans provided on the basis thereof. Furthermore, the Act shall apply to the issue of mortgage-credit bonds in Denmark by foreign credit institutions and to mortgage-credit loans provided on the basis thereof.

(2) For activities of foreign credit institutions, see subsection (1), 2nd clause hereof, only sections 2-19 and sections 34-43 below shall apply. For foreign credit institutions in a group with Danish mortgage-credit institutions, sections 20 and 21 below shall, however, also apply.

Part 2 *Mortgage-credit loans*

Security for mortgage-credit loans

2.-(1) Mortgage-credit loans shall be granted against registered mortgages in real property according to the rules in this part of this Act.

(2) Mortgage-credit loans shall not be granted against security in the form of owner's mortgages or all-moneys mortgages. However, where chattels are also mortgaged as security for mortgage-credit loans, all-moneys mortgages may be used for the chattel mortgage.

Terms and repayment profiles

3.-(1) The maximum term of the loan shall be 30 years, see however subsection (2) hereof. When stipulating the term and repayment profile of the loan, the expected decrease in the value of the mortgage and the lending limits applying to the mortgage shall be taken into consideration, see section 5 below.

(2) The maximum term shall be 35 years for loans for non-profit rental housing, youth housing, and private housing co-operatives where loans are granted on the basis of a pledge of public subsidies or support under the Danish Non-Profit Rental Housing and Subsidised Private Cooperative Housing, etc., Act.

4.-(1) Loans granted to year-round owner-occupied housing and weekend dwellings shall not be granted, notwithstanding the security provided, so that the loan is amortised slower than for a 30-year loan repaid in instalments of a fixed percentage share of the principal over the term of the loan (annuity loan), see however subsection (2) hereof.

(2) The requirement in subsection (1) hereof, may, within the term of the loan, be derogated from for a period of up to 10 years, observing section 3(1), 2nd clause above.

Lending limits etc.

5.-(1) Within a lending limit of 80 per cent of the value of the property, loans may be granted for the following categories of property:

- 1) Owner-occupied all-year residences,
- 2) Private co-operative housing,
- 3) Private housing for letting,
- 4) Non-profit rental housing,
- 5) Youth housing,
- 6) Housing for the elderly etc., and
- 7) Properties for social, cultural, and educational purposes.

(2) Within a lending limit of 70 per cent of the value of the property, loans may be granted for agricultural holdings and forestry property, market gardens etc.

(3) Within a lending limit of 60 per cent of the value of the property, loans may be granted for the following categories of property:

- 1) Recreational dwellings,
- 2) Office properties and retailing properties,
- 3) Industrial properties and craftsman's properties,
- 4) Collective energy-supply plants.

(4) Within a lending limit of 40 per cent of the value of the property, loans may be granted for other properties, including unbuilt-on plots.

6. Notwithstanding section 5 above, loans exceeding the lending limit may be granted, if they are guaranteed by a public authority for that part of the loan, which exceeds the lending limit.

7.-(1) Notwithstanding section 5 above, loans exceeding the lending limit may be granted to repay mortgage-credit loans in own credit institutions as well as to repay priordebts. Loans pursuant to the 1st clause hereof shall be authorised with cash proceeds corresponding to no more than the repayment amount plus costs in relation with the repayment and granting of the loans.

(2) Loans may only be granted in accordance with subsection (1) hereof, provided the security is not hereby substantially reduced.

(3) Subsection (1) hereof shall apply correspondingly to repayment of mortgage-credit loans in other credit institutions provided the valuation used for authorisation of the original loan is based on approved acquisition prices according to the Danish Non-Profit Rental Housing and Subsidised Private Cooperative Housing, etc., Act, the Danish Act on residential housing, or the Danish Act on dwellings for elderly people and disabled people.

(4) For loans granted to repay loans in certain social (non-profit) housing estates, see the Danish Act on the refinancing etc. of certain social (non-profit) housing estates, outstanding payable instalments plus accumulated interest may be included in the basis for authorisation of the loan.

Disbursement against guarantee etc.

8.-(1) If the requirements for disbursement of the loan are otherwise met, loans may be granted even though the mortgage is encumbered with endorsements barring registration as requested, provided there is security that these endorsements will be withdrawn.

(2) If the requirements for disbursement of the loan are otherwise met, loans may be granted without a registered mortgage, provided there is security that a registered mortgage will be provided.

(3) If the requirements for disbursement of the loan are otherwise met, loans may be granted even though the mortgagor does not have registered title to the property, provided there is security that the debtor/mortgagor will ultimately receive title to the property.

(4) If the requirements for disbursement of the loan are otherwise met, loans may be granted without the document mentioned in section 11(3) below, provided there is security that said document will be provided.

(5) Loans may be granted for home building and rebuilding and extension etc. on the basis of the expected value of the property (prefinancing loan), provided there is security that the loan will be repaid in part or in full, if at the end of the time limit for completion of the building the loan could not have been granted at the amount agreed.

(6) The Danish Financial Supervisory Authority may lay down regulations regarding the granting of loans etc. in pursuance of subsections (1)-(5) hereof.

9.-(1) With regard to the security basis of the liabilities of the mortgage-credit institution the following mortgages may be replaced by corresponding claims on the Danish Treasury: mortgages for loans in non-profit rental housing which are refinanced pursuant to the Danish Restructuring of Loans, etc. on Non-profit Rental Housing Act, as well as mortgages which are taken over by the Agency for Governmental Management pursuant to the Countering of Freezing of Unconvertible Mortgage-credit Loans, etc. Act. Such a claim on the Danish Treasury may be repaid early in total or in part by submission from the Danish Treasury to the mortgage-credit institution of mortgage-credit bonds corresponding to the relevant loans.

(2) Holders of rights over bonds where the security basis falls within the scope of and is amended by subsection (1) hereof shall not submit claims for redemption of said bonds and shall not submit any other claims against the mortgage-credit institution in this respect.

Valuation of properties and mortgage-credit loan authorisation

10.-(1) The mortgage-credit institution shall set an estimated value on the real property to be used for the loan authorisation.

(2) Said value shall fall within the amount that an experienced buyer with knowledge about price conditions and market conditions for the relevant type of real property would be deemed to be willing to pay for said property (market value). Conditions which occasion a particularly high price shall not be taken into consideration during valuation.

(3) The mortgage-credit institution shall in its valuation take into account any risk of changes in market conditions or structural conditions.

(4) Mortgage-credit institutions may in the following incidents derogate from subsections (2) and (3) above:

- 1) The approved acquisition price may be used in the valuation of properties, which are mortgaged on the basis of said price in pursuance of the Danish Non-Profit Rental Housing and Subsidised Private Cooperative Housing, etc., Act. The use of said acquisition price

requires that a public authority has provided the institution with the guarantees, which the Danish Non-Profit Rental Housing and Subsidised Private Cooperative Housing, etc., Act authorises.

- 2) The reacquisition price, net of the condition of the property, may serve as the basis for a valuation of properties for social, cultural, and educational purposes, provided it is considered reasonable when taking into account the property's operating results, potential alternative uses, and market conditions in general. The reacquisition price shall not, however, serve as basis for the valuation of properties that are operated according to commercial principles.
- 3) The reacquisition price, net of the condition of the property, may serve as the basis for a valuation of industrial properties and craftsman's properties, and collective energy-supply plants, if considered reasonable when taking into account the mortgagor's creditworthiness and the cash-generating ability of the operation. It is a prerequisite, that the owner of the property, or a company associated with the owner, uses more than half of the property.

11.-(1) Loans may be granted against real property owned by the mortgagor. All title holders shall be registered as debtors/mortgagors on the mortgage, cf., however, subsections (2) and (3) hereof.

(2) The provision in subsection (1), 2nd clause hereof may be derogated from, provided the loan is granted in accordance with special legislation within agriculture.

(3) Loans may be granted on the basis of an undivided share in real property, provided registered documentation of a registered exclusive right of use appurtenant to said undivided share exists. All title holders of the undivided share shall be registered as debtors on the mortgage.

(4) In addition to land and buildings, fixtures and fittings, cf. section 38 of the Danish Land Registration Act, as well as fixtures and fittings as specified in section 37(1) of the Danish Land Registration Act, which fall within the scope of a registered mortgage on the property, may be included in the basis for valuation of the property.

(5) The basis for valuation of the property may, notwithstanding subsection (4) hereof, include fixtures and fittings which do not fall within the scope of a registered mortgage on the property, cf. sections 37 and 38 of the Danish Land Registration Act, provided this is solely due to the fact that said fixtures and fittings are owned by a person or persons other than the owner of the property and provided a mortgage is established against said fixtures and fittings as security for the loan against said property pursuant to section 47 or section 47b(2) of the Danish Land Registration Act.

(6) Index-linked loans for properties other than collective energy-supply plants may only be granted on the basis of the value of the land and buildings, and fixtures and fittings, cf. section 38 of the Danish Land Registration Act.

12.-(1) The Danish Financial Supervisory Authority shall lay down more detailed regulations on the valuation of properties.

(2) The Danish Financial Supervisory Authority may stipulate limitations on the right to include fixtures and fitting as mentioned in section 11(4) above.

(3) Danish Financial Supervisory Authority may stipulate rules concerning the right to derogate from section 10(2) and (3) above in cases where properties owned by a public authority are mortgaged and where loans are granted against full public guarantee.

13.-(1) Loans shall be authorised in such a manner that the cash proceeds are within the lending limits specified for the relevant property category in sections 5-7 above.

(2) The Danish Financial Supervisory Authority shall lay down rules on loan authorisation.

14.-(1) The Danish Financial Supervisory Authority shall lay down rules regarding which properties shall be classified within the individual property categories as well as rules regarding repayment of loans where a property is transferred to another property category.

(2) Where a property comprises more than one property category, valuation and loan authorisation shall be carried out separately for each property category, see however subsection (3) below.

(3) However, where a property category comprises at least 80 per cent of the total gross floor area of the property, the entire property may be mortgaged in accordance with the rules pertaining to the relevant property category.

15. The mortgage-credit institution's rates for fees, deposits, successive charges for administration, and reserve-fund building for loans to which state subsidy is granted, except for loans within agriculture, shall be authorised by the Minister for Economic and Business Affairs.

Mortgage loans outside Denmark

16. The Financial Supervisory Authority may allow variations in the operation of the provisions of this Act with regard to lending on the Faeroe Islands and Greenland to the extent that such variations are necessitated by the specific conditions prevailing in the said parts of the realm

17.-(1) For loans provided outside Denmark, the Faeroe Islands, and Greenland, sections 4 and 15 above shall not apply.

(2) The Danish Financial Supervisory Authority may allow exemptions from the provisions of section 2(2), 1st clause above in connection with loans provided outside Denmark, the Faeroe Islands and Greenland. The Danish Financial Supervisory Authority may in special cases grant exemptions from the provisions on maximum terms of loans in section 3 above.

(3) The Danish Supervisory Authority may stipulate lower lending limits than are mentioned in section 5 above in connection with a mortgage-credit institution's lending activities outside Denmark, the Faeroe Islands and Greenland.

(4) Mortgage-credit institutions may provide loans outside Denmark, the Faeroe Islands, and Greenland exceeding the lending limits where a public authority, a credit institution, or an insurance company assumes primary liability. If the guarantee has been assumed by a credit institution or an insurance company, the loan may, however, only be granted on the basis of the issue of securities other than mortgage-credit bonds.

PART 3

Issue of mortgage-credit bonds

Exclusive rights

18.-(1) Mortgage-credit institutions authorised to conduct mortgage-credit business in Denmark shall hold exclusive rights to issue mortgage-credit bonds in Denmark.

(2) Notwithstanding subsection (1) hereof, a foreign credit institution may issue mortgage-credit bonds in Denmark, if the institution is authorised under the Danish Financial Business Act to conduct credit-institution activities in Denmark and is in compliance with the following conditions:

- 1) The majority of the activities carried out by the institution shall be lending against mortgages against real property on the basis of the issue of bonds or other securities. If the mortgage-credit institution is in the same group as a Danish mortgage-credit institution, the

institution's activities shall comply with the rules in the Danish Financial Business Act applying to Danish mortgage-credit institutions' activities.

- 2) Lending and bond issue carried out by the institution shall be regulated by a balance principle. If the mortgage-credit institution is in the same group as a Danish mortgage-credit institution, the institution shall moreover comply with the provisions laid down in sections 20 and 21 below.
- 3) Mortgage-credit bonds issued by the institution in Denmark shall, under the legislation of the country of domicile of said institution, confer upon the holder the same legal rights as those laid down for holders of mortgage-credit bonds under section 27 below.

Issue of bonds and the balance principle

19. Mortgage-credit bonds shall be negotiable mass debt instruments or securities and shall be admitted for public quotation on a stock exchange.

20.-(1) Funds raised by the issue of mortgage-credit bonds or other securities may solely be used for lending against mortgages on real property, see however subsections (2) and (3) hereof.

(2) The Danish Financial Supervisory Authority may lay down rules that funds may, to a limited extent, be used for purposes other than lending against mortgages on real property.

(3) The Danish Financial Supervisory Authority may in group circumstances permit the issue of mortgage-credit bonds and other securities in a mortgage-credit institution for the purpose of financing mortgage loans in another mortgage-credit institution.

21. The Danish Financial Supervisory Authority may lay down rules on calculations of and limits for:

- 1) the difference between, on the one hand, future payments on mortgage-credit bonds and other securities issued, and on the other hand, future payments on mortgages and financial instruments,
- 2) interest-rate risk caused by the difference mentioned in no. 1 hereof, and
- 3) the difference between, on the one hand, the redemption terms of mortgage-credit bonds and other securities issued and, on the other hand, mortgages and financial instruments.

PART 4

Liability, charges, etc.

22.-(1) Granting of mortgage loans and the issue of mortgage-credit bonds and other securities for the purpose of financing hereof may be carried out in series. Mortgage-credit bonds and other securities may not be issued as part of the same series.

(2) The conditions for a series may stipulate that the holders of mortgage-credit bonds or other securities may only submit their claims against that/those series which is/are jointly and severally liable with said series, see section 24(4) below.

23.-(1) Mortgagors shall be liable for the loan personally and with the mortgaged property towards the series or the mortgage-credit institution in general.

(2) Mortgagors shall not be liable for any other liabilities which the mortgage-credit institution may have incurred.

24.-(1) The conditions for a series may stipulate that mortgagors shall, in addition to the loan, be jointly and severally liable for an amount corresponding to a specific part of the principal of the mortgage less a proportionate share of the funds within the serial reserve fund. Mortgagors shall not incur personal liability for said amount.

(2) A series or a group of series with serial reserve funds may obtain hybrid core capital and subordinate loan capital. The joint and several liability pursuant to subsection (1) hereof shall not be applied against mortgagors to cover claims from contributors of hybrid core capital and subordinate loan capital. The first clause hereof shall not apply to series with repayment obligations opened before 1 January 1973.

(3) A series or a group of series with serial reserve funds shall not be liable for any other liabilities which the mortgage-credit institution may have incurred.

(4) The conditions of a series may stipulate that said series shall be liable for the liabilities of other series. Such conditions shall only be stipulated if said other series include corresponding provisions. Series which are mutually liable under the first clause hereof may only consist of mortgage-credit bonds, see the section 22(1), 2nd clause above.

25.-(1) For series where mortgagors incur joint and several liability, or where a stipulation has been made pursuant to section 22(2) above, the mortgage-credit institution shall establish a serial reserve fund. For other series or groups of series the mortgage-credit institution may choose to establish a serial reserve fund.

(2) The articles of association or the conditions for lending may stipulate that the mortgagors shall, upon complete repayment of the loan, be entitled to receive disbursement of a share of the serial reserve fund.

(3) The sources of income of the series shall consist of interest, etc., on mortgages, capital contributions, administrative charges, and similar sources of income as well as returns on the assets and off-balance-sheet items of the series. The costs of the series shall be interest, etc., on bonds and other securities, disbursements of serial-reserve fund shares, administration costs and similar, losses and provisions for costs in relation to raising and paying interest on hybrid core capital and subordinate loan capital, for likely losses on the assets of the series and items which have not been entered into the balance sheet, as well as its share of the taxes of the mortgage-credit institution.

26.-(1) The funds of the serial reserve fund shall remain separate from the other funds of the mortgage-credit institution.

(2) Funds shall be transferred to a series or a group of series with serial reserve funds from the mortgage-credit institution, if this is necessary in order to meet the solvency requirement of the series or group of series, unless such a transferral means that the mortgage-credit institution will no longer be able to meet its own solvency requirement.

(3) The mortgage-credit institution may stipulate provisions in the articles of association or the terms of the loan that funds shall be transferred from a series or a group of series with serial reserve funds to the mortgage-credit institution, if the serial reserve fund is or becomes larger than required.

(4) The Danish Financial Supervisory Authority shall lay down more detailed rules regarding series.

27.-(1) If a mortgage-credit institution is pronounced bankrupt, the funds of the series, less costs for the processing of the insolvent estate, including costs for the liquidator, staff, etc., shall be used to satisfy claims from holders of mortgage-credit bonds and other securities of the relevant series or groups of series with serial reserve funds, as well as claims for interest accrued on said claims from the time of the pronouncement of bankruptcy. The claims specified in section 25(2) above shall be

satisfied subsequently. Any remaining funds shall be included in the assets available for distribution, see section 32 of the Danish Bankruptcy Act.

(2) If a mortgage-credit institution is pronounced bankrupt, the funds of the institution, less costs for the processing of the insolvent estate etc., including costs for liquidator, staff, etc., shall be used to satisfy claims from holders of mortgage-credit bonds and other securities, which are not issued in series with serial reserve funds as well as claims for interest accrued from the time of the pronouncement of bankruptcy. However, funds which are disbursed pursuant to the first clause of this subsection shall constitute no more than mortgages corresponding to the mortgage-credit bonds and other securities, plus an amount corresponding to eight per cent of the risk-weighted value of said mortgages. Any remaining funds shall be included in the assets available for distribution, see section 32 of the Danish Bankruptcy Act.

28. The issue of a bankruptcy order against a mortgage-credit institution may not be submitted as cause for premature repayment of financial obligations by holders of mortgage-credit bonds or other securities and it shall not deprive the mortgage-credit institution's debtors of the right to repay mortgage loans in part or in full in accordance with the terms of repayment pertaining to the relevant loans.

29.-(1) The insolvent estate may not disburse payments to satisfy claims submitted by holders of mortgage-credit bonds or other securities at an earlier time than the time when the mortgage-credit institution was entitled to make payment.

(2) The insolvent estate may not terminate loan agreements which are secured by means of registration of mortgages in real property to a greater extent than the mortgage-credit institution was entitled to terminate such agreements.

(3) The insolvent estate may not alter fees, charges, etc.

30. Set-off from a claimant as specified in section 42 of the Danish Bankruptcy Act may not be carried out to satisfy a claim payable to the mortgage-credit institution.

31. The assets available for distribution shall be used to satisfy claims pursuant to the rules in Part 10 of the Danish Bankruptcy Act. However, claims submitted by holders of mortgage-credit bonds or other securities, as well as claims submitted for interest accrued from the time of the pronouncement of bankruptcy on said claims, shall be satisfied *pari passu* after fulfilling the requirements specified in section 96 of the Bankruptcy Act, but before the claims specified in section 97 of the Bankruptcy Act.

32.-(1) In cases of suspension of payments the mortgage-credit institution shall, as far as possible, continue to fulfil its financial obligations in accordance with claims from holders of mortgage-credit bonds and other securities on the due date for payment, unless the appointed supervisory authority decrees otherwise. With the consent of the appointed supervisory authority, the mortgage-credit institution may raise a loan in order to finance the payments mentioned in the first clause of this subsection and provide security for such loans in assets except from mortgages belonging to the series or group of series with serial reserve funds for which the payment takes place.

(2) In cases of bankruptcy, the liquidator shall continue or resume as far as possible the fulfilment of the mortgage-credit institution's obligations in the form of payments of interest and instalments for holders of mortgage-credit bonds and other securities. To the extent funds are inadequate, interest shall be paid before drawing is carried out. The liquidator may raise loans for payments to holders of mortgage-credit bonds and other securities and provide security for such loans in assets

except from mortgages belonging to the series or group of series with serial reserve funds for which the payment takes place.

33. Funds shall not be transferred between series with serial reserve funds and the mortgage-credit institution subsequent to application for suspension of payments or pronouncement of bankruptcy.

PART 5 *Supervision*

34.-(1) The Danish Financial Supervisory Authority shall supervise compliance with the provisions of this Act and with rules laid down pursuant to this Act.

(2) The Danish Financial Business Council shall be involved in supervision of credit institutions within the competence area of the Council as stipulated in the Danish Financial Business Act.

(3) The Danish Financial Supervisory Authority may order that matters which are contrary to the provisions laid down in this Act and rules issued pursuant to this Act shall be rectified. If a mortgage loan is provided contrary to the provisions of this Act or rules issued pursuant to this Act, the Danish Financial Supervisory Authority may make requirements on the mortgage-credit institution as well as the mortgagor to reduce the loan, so that the provisions mentioned above are complied with.

(4) The Danish Financial Supervisory Authority may in special cases utilise third-party assistance.

35. The Danish Financial Supervisory Authority may obtain information on real property from other public authorities for the supervision of compliance with this Act.

36.-(1) The Danish Financial Supervisory Authority may lay down rules regarding reporting by the mortgage-credit institution of:

- 1) outstanding amounts, losses and write-downs on lending and properties taken over as foreclosures on mortgages,
- 2) large commitments measured against the institution's balance-sheet and large write-downs measured against the sum of the institution's Tier 1 and Tier 2 capital (reporting to 0.1 per cent), and
- 3) mortgage loan offers.

37.-(1) Only mortgage-credit institutions against which a decision has been made by the Danish Financial Supervisory Authority shall be considered a party in relation to the Danish Financial Supervisory Authority, see however subsection (2) hereof.

(2) A member of the board of directors, an auditor, a managing director or another senior employee of a mortgage-credit institution shall be considered as parties if a decision by the Danish Financial Supervisory Authority pursuant to this Act and its rules is directed against the relevant party.

PART 6 *Appeals*

38.-(1) Decisions made by the Danish Financial Supervisory Authority under this Act or rules issued pursuant to this Act may be brought before the Danish Commerce and Companies Appeals

Board by the person or legal person against whom said decision is directed no later than 4 weeks after the person concerned has been notified about the decision.

(2) Orders issued by the Danish Financial Supervisory Authority on payment of loans granted contrary to the provisions of this Act or rules issued pursuant to this Act may be brought before the courts no later than four weeks after notification of such a decision was given to the person concerned. Decisions which have been brought before the Danish Trade and Industry Appeals Board may be brought before the courts no later than four weeks after the Danish Trade and Industry Appeals Board has notified the person concerned of the decision made by the Appeals Board.

PART 7

Penalties

39.-(1) Unless a more severe penalty is due under other legislation, non-compliance with the provisions of the following sections is punishable by fine or imprisonment of up to four months: section 2(1) and (2), 1st clause, sections 3-8, sections 10 and 11, section 13(1), section 14(2) and (3), section 17(3) and (4), sections 18-20, section 22(1), 2nd clause, section 25(1), 1st clause, and section 26(1) and (2).

(2) In regulations issued under this Act, fines may be stipulated for any non-compliance with the provisions of said regulations.

(3) Limited companies etc. (legal persons) may be subject to criminal liability according to the rules in Part 5 of the Criminal Code.

(4) The period of limitation for non-compliance with the provisions in this Act or regulations issued pursuant to this Act shall be 5 years.

40.-(1) If the board of directors or the board of management of a mortgage-credit institution fail to comply within the proper time with the duties and obligations imposed on them under this Act or under rules issued pursuant to this Act towards the Danish Financial Supervisory Authority, the Danish Financial Supervisory Authority may as a coercive measure impose daily or weekly fines on the persons concerned.

(2) The Danish Financial Supervisory Authority may as a coercive measure impose daily or weekly fines on the board of management or board of directors of a mortgage-credit institution, if said boards fail to comply with orders issued by the Danish Financial Supervisory Authority on payment of loans granted contrary to the provisions of this Act or rules laid down pursuant to this Act.

PART 8

Entry into force and transitional provisions

41.-(1) This Act shall enter into force on 1 January 2004. Section 4, however, shall enter into force on 1 October 2003.

(2) Section 25 of the Danish Mortgage Credit Act shall be repealed on 1 October 2003, see Consolidated Act no. 57 of 20 January 2003. On 1 January 2004 the following sections or subsections shall be repealed: section 1(4) and (5), section 3, section 24, sections 26-28, 40-45, 47-49, 52, 54-59, 97, section 100(4), section 102(2), section 103, section 103a, and section 105 of the Danish Mortgage Credit Act.

(3) The provisions of the Danish Mortgage-Credit Institutions Act, see Consolidated Act no. 571 of 15 August 1989, and the Danish Index-linked Mortgage Loans Act, see Consolidated Act no. 572 of 15 August 1989, shall continue to apply to loans granted pursuant to these Acts. Section 1(5), and section 4(10), 2nd clause, and (12), 2nd clause above, shall continue to apply correspondingly to the preferential position for loans granted pursuant to the provisions of the Danish Index-linked Mortgage Loans Act.

(4) Provisions in the Danish Mortgage Credit Act concerning loan terms and preferential positions which have now been repealed shall continue to apply to loans granted pursuant to these provisions. The regulation of loans in section 23(3) of the Danish Mortgage Credit Act, as drafted in section 6, no. 1 in Act no. 414 of 26 June 1998 on the amendment of the Danish Securities Trading etc. Act, and certain other Acts, (the distribution of tasks/competencies between the Danish Securities Council and the Danish Financial Supervisory Authority, netting, currency spot transactions for investment purposes, amended investment regulation for children's savings accounts, and home savings accounts, bankruptcy procedures etc.) shall, however, also apply to loans granted before the entry into force of said Act.

(5) The rules previously applying in section 21, sections 23-24, section 28, and sections 30-32 of the Danish Mortgage Credit Act, see Consolidated Act no. 708 of 8 September 1997, as amended by section 6 of Act no. 414 of 26 June 1998 and by section 2 of Act no. 491 of 1 July 1998, shall continue to apply to housing, to which a pledge of public subsidies or support has been notified no later than 1 January 1999 under the Danish Non-Profit Rental Housing and Subsidised Private Cooperative Housing, etc., Act, previous housing Acts, or the previous Danish Act on dwellings for elderly people and disabled people, provided the loans are granted on the basis of the notified pledge of subsidies.

(6) The rules previously applying in section 39(1)-(6) of the Danish Mortgage Credit Act, see Consolidated Act no. 708 of 8 September 1997, as amended by section 6 of Act no. 414 of 26 June 1998 and by section 2 of Act no. 491 of 1 July 1998, shall continue to apply, and the previously applying rules in section 21, sections 23 and 24, see Consolidated Act no. 708 of 8 September 1997, as amended by section 6 of Act no. 414 of 26 June 1998 and by section 2 of Act no. 491 of 1 July 1998, shall continue to apply as regards to the loan purposes dealt with in section 39(1)-(6) of this Act to which a pledge of subsidies or support has been notified by the local council no later than 1 January 2002.

(7) Section 4a of the Danish Financial Institute for Agriculture etc. Act, see Consolidated Act no. 699 of 5 November 1987, as amended by Act no. 373 of 6 July 1988 and by Act no. 850 of 20 December 1989, shall continue to apply to loans granted by the Danish Agricultural Mortgage Bank in connection with refinancing of mortgage loans etc. in agricultural properties.

(8) Sections 20a-20d of the Danish Mortgage-Credit Institutions Act, see Consolidated Act no. 571 of 15 August 1989, shall continue to apply.

(9) Executive Orders issued in pursuance of the provisions mentioned in subsection (2) hereof shall remain in force. However, Executive Order no. 646 of 27 August 1998 on bankruptcy proceedings etc. for mortgage-credit institutions shall be repealed.

42.-(1) The outstanding amount due to the Danish Treasury after redemption of a state guarantee granted under section 28c of the Danish Mortgage-Credit Institution Act, see Consolidated Act no. 571 of 15 August 1989, may be collected, with added interest and costs, by means of statutory debt collection.

(2) The Agency for Governmental Management may collect the amounts specified in subsection (1) hereof by withholding wages, etc., from the person concerned in accordance with the rules stipulated for the collection of personal taxes in the Danish Taxation at Source Act.

(3) The Minister for Food, Agriculture and Fisheries may stipulate more detailed rules on procedures regarding withholding of wages.

(4) The Agency for Governmental Management may procure from taxation authorities and other public authorities such information on the person concerned as is necessary to carry out withholding of the amounts specified in subsection (1) hereof, including information on income and property.

(5) Appeals against decisions made by the Agency for Governmental Management under subsections (1)-(4) hereof may be submitted to the Minister for Finance.

43. This Act shall not apply to the Faeroe Islands.

Christiansborg Slot, 10 June 2003

Margrethe R.

/Bendt Bendtsen