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## CHAPTER 224

### CHATTEL BUILDINGS SECURITY

*An Act to facilitate the making of Loans on the Security of Chattel Buildings.* 1913-1.  
1954-64.

[17th January, 1913] Commence-  
ment.

1. This Act may be cited as the Chattel Buildings Security Act. Short title.

2. Where a chattel building is mortgaged by deed, the Bills of Sale Act shall not apply to the transaction but the rights and liabilities of all persons in reference thereto shall be governed by the rules of the common law and of equity and by such rules as are herein laid down. Bills of Sale Act not to apply to mortgage by deed of chattel. Cap 306.

3. (1) Every such deed shall be proved and recorded in the Registration Office. Deed to be recorded.

(2) Where any such deed is omitted to be recorded within three months after its execution if executed in the Island or within twelve months if executed elsewhere and any person being ignorant of such deed is induced to lend money by way of mortgage by deed on the security of such building and causes his deed to be proved and recorded in the Registration Office, the mortgage so omitted to be recorded shall be null and void as against such subsequent mortgagee, but not otherwise.

(3) Every such mortgage may be discharged by a receipt or release duly proved and recorded in the Registration Office.

4. Every such mortgage, when duly proved and recorded, shall, as regards the building thereby charged, rank prior to all judgments of all courts, whether confessed or obtained before or confessed or obtained after such mortgage, and it shall not be necessary to institute any interpleader or other proceedings for the purpose of protecting or saving such charge. Mortgage to rank prior to all judgments.

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**5.** A building comprised in any such mortgage duly proved and recorded shall not be deemed to be in the possession, order or disposition of the mortgagor within the meaning of the Bankruptcy Act.

Mortgaged building not to be deemed in the order or disposition of mortgagor. Cap. 303.

**6.** A building so mortgaged shall remain liable to any distress under a warrant for the recovery of taxes or local government rates and any distress for rent accrued within one year previous to such distress.

Warrant for recovery of taxes or rent to remain valid notwithstanding mortgage.

**7.** (1) To realize any such mortgage, the mortgagee may deliver to the Chief Marshal the mortgage or a copy thereof certified in the manner provided by section 13 of the Evidence Act, with an affidavit endorsed thereon or attached thereto stating the sum which is due under the mortgage, and with an order in writing to the Chief Marshal to levy on and sell such building.

Realising of mortgage.

Cap. 121.

(2) Every such mortgage or copy so delivered shall have the same effect as a writ of execution on a judgment, and the Chief Marshal shall proceed on and deal with the same, and the provisions of the Chief Marshal Act, relating to writs of execution and the attachment and sale of goods thereunder and the rules of court relating to claims to goods or chattels taken in execution shall apply in the same manner in every respect as if the mortgage or copy were a writ of execution.

Cap. 111.

(3) In applying the above-mentioned rules of court, any claim with respect to the building mortgaged shall be lodged in the court ordinarily having jurisdiction to the extent of the sum alleged to be due under such mortgage, provided that, where such sum is within the civil jurisdiction of a magistrate's court, the claim shall be lodged in the magistrate's court for District A.

1954-64.

**8.** Nothing in this Act shall be taken to authorise a trustee to invest trust money on the security of a chattel building.

No power to trustee to invest on security of chattel building.