

CAYMAN ISLANDS



REGISTERED LAND (AMENDMENT) BILL, 2026

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A BILL FOR AN ACT TO AMEND THE REGISTERED LAND ACT (2018 REVISION) TO STREAMLINE THE PROVISIONS IMPACTING CHARGES OF LAND; TO PROVIDE FOR A MORE INFORMED PRE-LENDING AND PRE-ACTION PROCESS; AND FOR INCIDENTAL AND CONNECTED PURPOSES

PUBLISHING DETAILS

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Memorandum of OBJECTS AND REASONS

This Bill seeks to amend the Registered Land Act (2018 Revision) (the “principal Act”) in order to streamline the provisions that impact charges of land and to provide for a more informed pre-lending and pre-action process in order to —

- (a) ensure that a chargee and a chargor act fairly and reasonably with each other when a credit facility that is secured by a charge over land is created and registered; and
- (b) encourage greater pre-action engagement between the chargee and chargor to enable the parties to explore terms for the resolution of any default in a timely and effective manner.

Clause 1 provides the short title and commencement of the legislation.

Clause 2 amends section 2 of the principal Act by inserting, in the appropriate alphabetical sequence a definition of the words “owner-occupied residential premises”.

Clause 3 amends section 64 of the principal Act by repealing and substituting subsection (1) to state that a proprietor may, by an instrument in the prescribed form, charge his or her land, lease or charge to secure the payment of an existing, a future or a contingent debt or other money or money’s worth or the fulfilment of a condition. This amendment seeks to remove focus from the Special Acknowledgement at this stage and places emphasis on the right of the proprietor to charge the proprietor’s property.

Clause 3 also amends section 64 of the principal Act by repealing and substituting subsection (2) to make it clear that any money secured by a charge is payable three months after the service of a demand in writing unless a later date for repayment is specified in the charge instrument. Currently, the default date for repayment is three months after service of the demand, but the charge instrument can specify any date, including one that is less than three months after service of the demand.

Clause 3 further amends section 64 of the principal Act by inserting after subsection (3) a new subsection (3A). The amendments require a charge that is presented for registration to be accompanied by a signed Secured Lending Information Form and a signed Special Acknowledgement in order to be registered. The Secured Lending Information Form, which appears in the newly inserted Schedule 1, contains an explanation of the material terms a chargee should consider before entering into a credit facility that will be secured over owner-occupied residential premises. Currently, section 64 requires a chargor to sign a Special Acknowledgement to confirm that the chargor understands the implications of failing to meet the chargor’s obligations under a charge. The amended pre-lending process is designed to ensure that chargors receive additional information, including, but not limited to, details of the chargor’s obligations, the chargee’s rights and the circumstances in which repayments may increase. This Special Acknowledgement is required to be included in the charge instrument. The amendments to section 64 require the Secured



Lending Information Form and the Special Acknowledgement to be separate documents in the form specified in the newly inserted Schedules 1 and 2. The amendments require the Secured Lending Information Form and the Special Acknowledgement to be executed by the chargor and submitted with the charge for registration.

Clause 4 amends section 67(d) of the principal Act by expanding the range of natural disasters that must be covered by insurance over the charged land or building to include damage by earthquakes, flood and any other catastrophic event, in addition to the existing requirement to insure against hurricanes and fires.

Clause 4 also amends section 67(f) of the principal Act by extending the period for which the chargor can lease charged land without the consent of the chargee, from one year to two years. The principal Act requires leases longer than two years to be registered. This amendment seeks to bring consistency with respect to the maximum allowable duration of the lease before consent of the chargee is required.

Further, clause 4 amends section 67(g) of the principal Act to clarify that the charged land or lease must not be transferred without the consent of the chargee and that the registration of any further secured lending over the land requires the written consent of the chargee.

Clause 5 inserts a new section 69A into the principal Act to require a chargee to give the chargor written notice of any interest rate change on money secured by a charge, whether made by a registered variation under section 69 or under variable-rate terms in the charge or related loan agreement. The notice must state the previous and new rates, the effective date and any prescribed information, and be given at least 30 days before an increase or on or before the effective date for a reduction. It also confirms that routine variable-rate movements do not require registration.

Clause 6 amends section 70 of the principal Act, which deals with the right of redemption. The clause amends section 70 of the principal Act by repealing and substituting subsection (1) to clarify that a chargor may redeem the charged land, lease or charge at any time before it has been sold under section 75 on payment of all money due and owing under the charge, on fulfilment of any obligation secured by the charge and on payment of any costs or expenses properly incurred by the chargee in exercising any power conferred on the chargee by section 72. This amendment recognises that it is an obligation that is secured and not a condition.

Clause 6 also amends section 70 of the principal Act by amending subsection (2) as it relates to the chargor redeeming the charged land, lease or charge before the date of repayment specified in the charge. This subsection is punitive in nature in that it requires the chargor to pay the interest that is due for the remaining unexpired period of the charge. The amendment to subsection (2) requires the chargor to either give three months' notice of his or her intention to redeem or pay the equivalent of three months' interest on the balance of the sum secured, in addition to any other charges due under the charge.

Additionally, clause 6 amends section 70(3) of the principal Act, which relates to the chargor redeeming the charged land, lease or charge after the date of repayment specified in the charge, by reducing the notice period required of the chargor to advise of an intention



to redeem the charged land, lease or charge from three months to one month. As a consequence, the interest payable is also amended from three months' interest to one month's interest.

Clause 7 amends section 72 of the principal Act. Section 72 specifies the chargee's remedies in the event of a default in payment by the chargor or another breach by the chargor of the agreement between the chargee and the chargor. It allows the chargee to serve notice of the default or other breach on the chargor and, if the chargor does not remedy the breach within three months of receiving the notice, the chargee may either appoint a receiver of the income of the charged property or sell the property.

Clause 7 also inserts several new subsections into section 72 that introduce measures that must be taken before the chargee may exercise the power to appoint a receiver or sell the land.

The new subsection (2A) specifies the particulars that must be included in the notice of default or breach served on the chargor under existing subsection (1). These particulars include —

- (a) in the case of a default in payment —
 - (i) the date of the default in payment of the principal, interest and other charges;
 - (ii) the amount of principal, interest and other charges due;
 - (iii) the period of time within which the default must be remedied; and
 - (iv) the action to be taken if the default is not remedied; and
- (b) in the case of any other breach other than a default —
 - (i) the nature of the breach;
 - (ii) the action required to remedy the breach and the date by which that action must be taken;
 - (iii) the sum required to be paid as compensation for the breach, and the date before which the compensation must be paid;
 - (iv) the consequences of failure to comply with the notice; and
 - (v) whether the chargor is permitted to remedy the breach at any time after the expiry of the notice and prior to the exercise of the power of sale.

The new subsection (2B) adds a requirement that, in the case of owner-occupied residential premises, the chargee must provide the chargor with a Pre-Action Information Form and Pre-Action Questionnaire, which appear in the newly inserted Schedules 3 and 4 respectively, which may be served on the chargor along with the notice of default served under section 72(1). The Pre-Action Information Form provides chargors with important information when a chargor is deemed by a chargee to be in default of performance or observance of any agreement in the charge. The Pre-Action Questionnaire provides an opportunity for the chargor to provide the chargee with details of the chargee's financial affairs, along with supporting evidence, and requests proposals from the chargor for

remedying the breach, which the chargee shall review when considering potential resolution.

The new subsection (2C) requires the chargor to complete and return the Pre-Action Questionnaire to the chargee within twenty-one days after receiving it.

The new subsection (2D) provides that if the chargor fails to complete and return the Pre-Action Questionnaire within twenty-one days, or unreasonably fails or refuses to provide information to, or otherwise cooperate with, the chargee, the chargee is entitled to discontinue any communications with the chargor regarding potential resolution of the default and is entitled to exercise the chargor's rights prescribed under section 72.

The new subsection (2E) provides that the chargee must provide the chargor with notice in writing advising the chargor that the chargee proposes to either enter or not to enter into an agreement with the chargor to vary the conditions of the charge, or to provide relief from the notice served under subsection (1), or to enter another agreement and to provide the chargor with the proposed terms of variation of the charge or of the other agreement.

The new subsection (2F) provides that a chargee shall provide the chargor with details of any proposal that has been offered to the chargee under subsection (2E), which will remain open for fourteen days, and inform the chargor in writing that the chargor should consider obtaining independent legal and professional financial advice before committing to the terms of any such agreement.

The new subsection (2G) states that, notwithstanding the outcome of a chargee's decision under new subsection (2E), the chargee shall not take any steps prior to three months following the service of the notice served pursuant to subsection (1) and fourteen days after the service of a notice under subsection (2E).

The new subsection (2H) provides that a chargee shall not be restricted from exercising the chargee's rights under section 72 where a chargor has not responded to a notice served under subsection (2F)(a) which was served on the chargor not less than fourteen days prior and has not been accepted by the chargee.

The new subsection (2I) prevents the chargee from taking steps to enforce any of the chargee's rights prescribed under subsection (2) until after the determination of any application to the court made by the chargor under section 77.

The new subsection (2J) permits the chargor to elect, by written notice delivered to the chargee, to amortise any fees incurred in connection with the proceedings, including legal and administrative fees, over the remaining term of the charge.

Clause 7 also amends section 72(3) of the principal Act to add an additional limitation on the right of the chargee to sue for money secured by a charge by requiring that, in the case of owner-occupied residential premises, the chargee must first comply with the relevant requirements set out in section 72.

Clause 8 amends section 75 of the principal Act by repealing and substituting subsection (1) to expand the methods through which a chargee may exercise a power of sale to also include listing and marketing on a multiple listing system subject to such reserve price



which shall be the average of three independent valuations of the property and any conditions of sale as the chargee thinks fit. Currently, the principal Act only allows for sale by auction.

Clause 8 also inserts a new subsection (1C), which specifies that the chargee is entitled to recover possession of the charged land where a bid has been accepted at a public auction or an agreement to sell the charged land has been made following the listing and marketing of the charged land on a public multiple listing system.

Clause 8 further inserts a new subsection (1D) which requires the chargee, within fourteen days of a sale under the power of sale, to notify the chargor in writing of the sale price, whether the debt was satisfied, any remaining balance, related sale costs, the applicable interest rate, and repayment terms, including the option to amortise outstanding fees over the remaining loan term.

Clause 9 inserts a new section 77A to permit the chargee or chargor to apply to the court for directions in certain circumstances and subject to specified conditions. A chargor of owner-occupied residential premises may apply for directions or relief from the court where the chargee has not acted in accordance with subsection 75(1) or (1A) by failing to act in good faith and have regard to the interests of the chargor, if the chargor first provided the chargee with a completed Pre-Action Questionnaire and received a decision in writing from the chargee. A chargee of owner-occupied residential premises may apply to the court for directions on any question in relation to the exercise of the chargee's powers under section 72, The new section 77A also specifies the court's powers on an application for directions.

Clause 10 amends section 153 of the principal Act by repealing and substituting paragraph (d) to add a requirement to publish a notice in a widely circulating local newspaper for two consecutive editions if it cannot be served in the ordinary way. The Act currently only permits the notice to be displayed on the land affected and published in the Gazette.

Clause 11 amends the principal act in order to permit the amendment of the schedules by an Order of the Cabinet.

Clause 12 amends the principal Act by inserting new Schedules 1, 2, 3 and 4. Schedule 1 contains the Secured Lending Information Form, Schedule 2 contains the Special Acknowledgment, Schedule 3 contains the Pre-Action Information Form and Schedule 4 contains the Pre-Action Questionnaire.

Clause 13 deals with savings and transitional provisions. That clause provides that where, prior to the commencement of this amending legislation, a charge already exists or a transaction is in progress to create a charge on terms already offered by a chargee, the charge or the transaction shall continue to be dealt with and shall be completed or otherwise determined as if this amending Act had not come into force.

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ENACTED by the Legislature of the Cayman Islands.

Short title and commencement

1. (1) This Act may be cited as the Registered Land (Amendment) Act, 2026.
- (2) This Act shall come into force on such date as may be appointed by Order made by the Cabinet and different dates may be appointed for different provisions of this Act and in relation to different matters.

Amendment of section 2 of the Registered Land Act (2018 Revision) - definitions

2. The *Registered Land Act (2018 Revision)*, in this Act referred to as the “principal Act”, is amended in section 2 by inserting, in the appropriate alphabetical sequence, the following definition —
 - “ **owner-occupied residential premises**”, in relation to land subject to a charge, means premises which satisfy the following requirements —

- (a) the chargor is a natural person;
- (b) the premises are occupied by the chargor as the chargor's primary place of residence in the Islands or are intended to be so occupied upon completion of the purchase or construction of the premises; and
- (c) the loan application form for the loan secured by the charge contains a statement by the chargor that the premises are, or are to be, the chargor's primary place of residence in the Islands;.”

Amendment of section 64 - form and effect of charges

3. The principal Act is amended in section 64 as follows —

- (a) by repealing subsections (1) and (2) and substituting the following subsections —
 - “(1) A proprietor may, by an instrument in the prescribed form, charge the proprietor's land or lease or charge to secure the payment of —
 - (a) an existing, a future or a contingent debt;
 - (b) other money or money's worth; or
 - (c) the satisfaction of a condition or the fulfilment of an obligation.
 - (2) Any money secured by a charge is payable three months after service of a demand in writing unless a later date for repayment is specified in the charge instrument.”; and
- (b) by inserting after subsection (3), the following subsection —
 - “(3A) A charge presented for registration shall be accompanied by —
 - (a) in the case of owner-occupied residential premises, a Secured Lending Information Form, in the form set out in Schedule 1, signed by the chargor;
 - (b) a Special Acknowledgement in the form set out in Schedule 2, signed by the chargor; and
 - (c) where the chargor is a company —
 - (i) the name of each person who will execute the Secured Lending Information Form and the Special Acknowledgement on behalf of the company;
 - (ii) evidence of the authority of each such person in a form satisfactory to the Registrar, which may include a certified copy of a resolution of the directors or a power of attorney; and
 - (iii) where the company executes under its common seal, the name of the person attesting the affixation of the common seal of the company.”.



Amendment of section 67 - agreements implied in charges

4. The principal Act is amended in section 67 as follows —

- (a) in paragraph (d), by deleting the words “damage by fire or hurricane” and substituting the words “damage by fire, windstorm, earthquake, flood or any other catastrophic event”;
- (b) in paragraph (f), by deleting the words “one year” and substituting the words “two years”; and
- (c) in paragraph (g), by deleting the words “not to transfer the land, lease or charge charged or any part thereof” and substituting the words “not to transfer the charged land, lease or any part thereof, or to agree to the creation or registration of any additional charge over the land without the previous written consent of the chargee and such consent shall not be unreasonably withheld by the chargee.

Insertion of section 69A – notice of interest rate changes

5. The principal Act is amended by inserting after section 69 the following section —

“Notice of interest rate changes

- 69A.**(1) Where, in relation to a charge to which this section applies, the rate of interest payable on any money secured by the charge is varied, the chargee shall give the chargor written notice of the variation.
- (2) Subsection (1) applies whether the variation is effected —
 - (a) by an instrument of variation registered under section 69; or
 - (b) pursuant to a term of the charge or of an agreement relating to the charge including a variable interest rate term.
 - (3) A notice under subsection (1) shall specify —
 - (a) the rate of interest in force immediately before the variation and the varied rate of interest;
 - (b) the date on which the varied rate of interest takes effect; and
 - (c) any other prescribed information.
 - (4) Subject to subsection (5), the notice shall be given not less than thirty days before the date on which the varied rate of interest takes effect.
 - (5) Where the variation results in a reduction in the rate of interest, the notice may be given on or before the date on which the reduction takes effect.
 - (6) Where the rate of interest is varied pursuant to subsection (2)(b), the variation does not of itself constitute a variation of the charge for the purposes of section 69 and does not require registration.

- (7) In this section, “**agreement relating to the charge**” includes a loan agreement or other instrument governing the terms on which the money secured by the charge is advanced.”.

Amendment of section 70 - right of redemption

6. The principal Act is amended in section 70 as follows —

- (a) by repealing subsection (1) and substituting the following subsection —

“(1) Subject to this section, a chargor —

- (a) on payment of all money due and owing under the charge;
- (b) on fulfilment of any obligation secured by the charge; and
- (c) on payment of any costs or expenses properly incurred by the chargee in exercising any power conferred on the chargee by section 72,

may redeem the charged land, lease or charge at any time before it has been sold under section 75, and any agreement or provision which purports to deprive the chargor of this right of redemption is void.

- (1A) For the purposes of this subsection, land, a lease or a charge is deemed to have been sold when an offer has been accepted on the sale of the charged land under section 75, a bid has been accepted at an auction sale or an agreement has been reached for the sale of the land leased or charged.”;

- (b) in subsection (2), by deleting the words “payment to the chargee, in addition to any other money then due or owing under the charge, of interest on the principal sum secured thereby for the unexpired portion of the term of the charge” and substituting the words “or where no date for repayment is specified in the charge, the chargor shall be entitled to do so on giving the chargee three months’ written notice of the chargor’s intention to redeem the charge or, if such notice is not given, on payment to the chargee of three months’ interest on the balance of the principal sum secured by the charge, in addition to any other money then due or owing under the charge”;

- (c) in subsection (3) as follows —

- (i) by deleting the words “three months notice” and substituting the words “one month’s notice”; and
- (ii) by deleting the words “three months’ interest” and substituting the words “one month’s interest”.



Amendment of section 72 - chargee's remedies

7. The principal Act is amended in section 72 as follows —

(a) by inserting after subsection (2) the following subsections —

“(2A) A notice served under subsection (1) shall include the following particulars —

(a) in the case of a default in payment —

(i) the date of the default in payment of the principal, interest and other charges;

(ii) the amount of principal, interest and other charges due;

(iii) the period of time within which the default must be remedied; and

(iv) the action to be taken if the default is not remedied;

(b) in the case of any other breach —

(i) what action is required to remedy the breach and the date by which that action must be taken;

(ii) the sum required to be paid as compensation for the breach, and the date before which the compensation must be paid;

(iii) the consequences of failure to comply with the notice; and

(iv) whether the chargor is permitted to remedy the breach at any time after the expiry of the notice and prior to the exercise of the power of sale.

(2B) In the case of owner-occupied residential premises, before exercising any of the powers under subsection (2), the chargee shall provide the chargor with the Pre-Action Information Form set out in Schedule 3 and the Pre-Action Questionnaire set out in Schedule 4, which shall be served on the chargor along with the notice of default served under section 72(1).

(2C) After the chargee provides the chargor with the Pre-Action Questionnaire required under subsection (2B), the chargor shall complete and return the Pre-Action Questionnaire to the chargee, together with supporting evidence and proposals for remedying the default, within twenty-one days.

(2D) Where the chargor fails to complete and return the Pre-Action Questionnaire within the period specified in subsection (2C), or unreasonably fails or refuses to provide information to, or otherwise cooperate with the chargee, the chargee is entitled to discontinue any communications with the chargor regarding potential resolution of the default.

- (2E) After receiving the completed Pre-Action Questionnaire from the chargor, the chargee, having considered the content of the Pre-Action Questionnaire, along with any supporting evidence and proposals that have been provided by the chargor, as well as having considered the chargee's lending or refinancing policies, shall serve on the chargor notice in writing, either —
- (a) notifying the chargor that the chargee proposes to enter into an agreement with the chargor to vary the conditions of the charge or to provide relief from the notice served under subsection (1), or to enter some other agreement, and to provide the chargor with the proposed terms of the variation of the charge or of the other agreement; or
 - (b) notifying the chargor of the chargee's decision not to enter into an agreement with the chargor to vary the conditions of the charge or to provide relief from the notice served under subsection (1), or to enter some other agreement, and requiring the chargor to comply with the notice served under subsection (1).
- (2F) Where the chargee proposes to enter into an agreement with the chargor and serves notice under subsection (2E)(a), the chargee shall provide the chargor with details of the proposed terms of variation or other agreement, which shall be open for acceptance for fourteen days, and shall inform the chargor in writing that the chargor should consider obtaining independent legal and professional financial advice before committing to the terms of any such agreement.
- (2G) The chargee may only take steps to enforce the chargee's powers under subsection (2) if —
- (a) either —
 - (i) the chargee serves notice on the chargor under subsection (2E)(a) and the chargor does not accept the chargee's proposals within fourteen days of the date of service of the notice;
 - (ii) the chargee serves notice on the chargor under subsection (2E)(b); or
 - (iii) the chargor fails to complete and return the Pre-Action Questionnaire within the period specified in subsection (2C), or unreasonably fails or refuses to provide information to, or otherwise cooperate with the chargee; and
 - (b) three months have elapsed after the service of the notice served under subsection (1).



- (2H) A chargee shall not be restricted from exercising the chargee’s rights under this section where the chargor has not responded to a notice served under subsection (2E)(a), provided that the notice was served on the chargor at least fourteen days before the chargee exercises those rights.
- (2I) Notwithstanding subsection (2G), the chargee shall take no steps to exercise any of the chargee’s rights under subsection (2) until after the determination of any application to the court made by the chargor under section 77.
- (2J) Where a chargee serves a notice on the chargor under subsection (1) and enters into an agreement with the chargor to vary the conditions of the charge or to provide relief from the notice served under subsection (1), or to enter some other agreement, the chargor may elect, by written notice to the chargee, to amortise any fees incurred in connection with the default, including but not limited to legal and administrative fees, over the remaining term of the charge.”; and
- (b) in subsection (3), in the proviso, as follows —
- (i) in subparagraph (i), by deleting the words “has expired; and” and substituting the words “has expired;”;
 - (ii) in subparagraph (ii), by deleting the words “charged property.” and substituting the words “charged property; and”;
 - (iii) by inserting after subparagraph (ii) the following subparagraph —

“(iii) in the case of owner-occupied residential premises, the chargee has complied with the relevant requirements under this section.”.

Amendment of section 75 - power of sale

- 8.** The principal Act is amended in section 75 by repealing subsection (1) and substituting the following subsections —

“(1) A chargee exercising a power of sale shall act in good faith and have regard to the interests of the chargor, and in doing so shall comply with the requirements of section 72, and may sell or concur with any person in selling the charged land, lease or charge, or any part thereof, together or in lots, by —

- (a) public auction; or
- (b) listing and marketing the charged property for sale on a public multiple listing system,

subject to a reserve or listing price which shall be the average of two independent valuations of the property or, where those two valuations differ by more than fifteen percent, the average of three

independent valuations and any conditions of sale as the chargee thinks fit.

- (1A) If the charged land remains on the market two years after it is first listed for auction or sale, the chargee shall —
- (a) obtain three new independent valuations of the property and adjust the reserve or listing price accordingly; and
 - (b) do so every three years until the land is sold.
- (1B) The chargor is entitled to bid for the purchase of the charged land in any public auction or purchase the charged land.
- (1C) A chargee is entitled to recover possession of the charged land —
- (a) on or after the completion of a sale of the charged land where —
 - (i) a bid has been accepted at a public auction; or
 - (ii) there is an agreement to sell the charged land following the listing and marketing of the charged land on a public multiple listing system; or
 - (b) before the completion of a sale referred to in paragraph (a), pursuant to an order of the court made on the application of the chargee.
- (1D) After the land has been transferred under a power of sale, the chargee shall, within fourteen days of the transfer, inform the chargor, in writing, of the following —
- (a) the price at which the land was sold;
 - (b) whether the sale price satisfied the principal, interest and other charges secured by the charge;
 - (c) the balance outstanding on the charge, if any;
 - (d) the details and amount of any costs arising from the sale of the land which have been added to the account; and
 - (e) the interest rate to be charged on the remaining balance, if any.”.

Insertion of section 77A - application to the court

9. The principal Act is amended by inserting after section 77 the following section —

“Application to the court

- 77A.**(1) A chargor may, at any time after receiving a notice from a chargee under section 72(2E), apply to the court for directions or relief or both where the chargee has failed to comply with the chargee’s requirements under section 72.
- (2) A chargor may apply to the court for directions or relief or both where the chargee has failed to comply with subsection 75(1) or (1A).



- (3) The chargee may apply to the court for directions on any question in relation to the exercise by the chargee of any of the chargee's powers under section 72, 73, 74 or section 75.
- (4) The chargee shall not make an application under subsection (3) unless the chargee has complied with section 72.
- (5) On an application made by the chargee under subsection (3), the court may —
 - (a) give directions with respect to the reserve price or other terms or conditions of the sale of the charged land; and
 - (b) give directions with respect to the chargee obtaining reasonable access to any premises on the charged land for the purpose of inspection or showing the premises to prospective purchasers or for any other purpose in connection with the chargee's efforts to sell the charged land or where appropriate, requiring the chargor to deliver up possession of the charged land to the chargee.”.

Amendment of section 153 - service of notices

- 10.** The principal Act is amended by repealing section 153 and substituting the following section—

“Service of notices

- 153.** A notice under this Act shall be deemed to have been served on or given to any person if —

- (a) served on the person personally;
- (b) served on an attorney holding a power of attorney whereunder such attorney is authorised to accept such service;
- (c) sent by registered post to the person's last known postal address in the Islands or elsewhere and a receipt purporting to have been signed by the person has been received in return; or
- (d) where service cannot be effected under paragraphs (a), (b) or (c), by —
 - (i) publishing it in a widely circulating local newspaper for two consecutive editions;
 - (ii) displaying it in a prominent place on the land affected and by publishing it in three consecutive issues of the *Gazette*; or
 - (iii) sending an electronic mail to the email address last notified in writing by the person to be served for the purpose of receiving notices under this Act, and, unless

the sender receives an electronic notification of delivery failure on or before the next business day after the day on which the electronic mail is sent, the notice shall be deemed to have been served on that next business day.”.

Insertion of section 161A - amendment of schedules

11. The principal Act is amended by inserting after section 161 the following section —

“Amendment of schedules

161A.Cabinet may by Order amend the schedules.”.

Insertion of Schedules 1, 2, 3 and 4 - Secured Lending Information Form, Special Acknowledgement, Pre-Action Information Form and Pre-Action Questionnaire

12. The principal Act is amended by inserting after section 164 the following Schedules—

“SCHEDULE 1

(section 64(3A)(a))

SECURED LENDING INFORMATION FORM

This form is provided in accordance with the provisions of the Registered Land Act (2018 Revision) (the "Act") to provide borrowers with information about the terms on which a loan is being offered by a lender where that loan is to be secured over owner-occupied residential premises. This information must be provided prior to any agreement for a credit facility being entered into between a lender and borrower.

The contents of this information form should be carefully considered together with the specific terms and conditions offered by a lender to a borrower for a credit facility (the “**Facility Agreement**”).

1. **The Facility Agreement will clearly set out the following material terms on which a lender is providing secured lending —**

- (a) the applicable interest rate for borrowing;
- (b) whether the rate of interest is fixed or variable;
- (c) if the rate of interest is fixed, when (if at all) it will convert to a variable rate of interest;
- (d) the duration of the loan;
- (e) whether the loan is repayable on demand or if it has a fixed repayment date;



- (f) whether the monthly instalments comprise both principal and interest or interest only; and
- (g) whether any lump-sum payments are payable and, if so, the amount of each such payment and the date on which it falls due.
- (h)

2. **What factors may result in an increase of the amount payable by the borrower?**

The Facility Agreement will provide details of the circumstances that may lead to a borrower being responsible for additional charges or increased payments. This typically includes, but is not limited to, the following events:

- (a) an increase in the loan's interest rate;
- (b) if the borrower defaults on the repayment obligations contained in the Facility Agreement charges may be incurred such as., late charges, administrative charges, interest penalties, legal expenses;
- (c) if the borrower defaults on any other obligations contained in the Facility Agreement (such as maintaining or insuring the property), the lender may take reasonable steps to remedy those defaults in order to protect its security, including engaging professionals to maintain the property or paying insurance premiums to insure the property, and any costs reasonably incurred by the lender shall be added to the loan balance;
- (d) unpaid interest is added to the outstanding principal balance of the loan, which causes interest to be recalculated on a higher principal balance, increasing the overall cost of lending; and
- (e) payment holidays (also known as moratoriums), which are only available to borrowers under the terms of a Facility Agreement, may lead to interest accruing and being added to the outstanding principal balance of the loan, which causes interest to be recalculated on a higher principal balance, increasing the overall cost of lending.

3. **Are there any early repayment charges?**

The Facility Agreement will set out whether any charges will be applied to the loan account if a borrower repays the loan sooner than the date specified in the Facility Agreement, and, if so, how those charges will be calculated.

4. **What is the difference between legal title being held as joint proprietors and tenants in common?**

If there is only one owner (whether an individual, a company or a trust), the purchaser does not need to elect how to legally own the property.

Where there is more than one purchaser who will be registered as the owner of a property, Cayman Islands law requires the purchasers to confirm whether they wish to own the property as joint proprietors or tenants in common.

As joint proprietors, owners will hold equal and undivided shares in the property. Any dealings with the property must be carried out collectively, with all owners consenting. On death, the interest of a deceased owner will pass to the surviving owner(s), regardless of the content of any valid will or the rules of intestacy, being the legal rules that apply to the distribution of the assets of a deceased if the deceased does not have a valid will.

As tenants in common, purchasers each own a separate agreed share with each purchaser's respective proportional ownership is then recorded on the land register for the property. On death, the share of the deceased owner will pass to the beneficiary or beneficiaries, either in accordance with any valid will or the rules of intestacy.

The above information is general in nature and the decision on how property should be held is subject to each purchaser's personal circumstances. If a borrower requires further information or advice about the implications of holding property as a joint proprietor or a tenant in common having regard to the borrower's personal circumstances, the borrower should seek independent legal and professional financial advice.

5. What other credit options are available in the market?

Alternative options for credit may be available from the lender who has offered the Facility Agreement and other lenders within the Cayman Islands financial services market, subject to a borrower's credit worthiness. This includes, but is not limited to, secured and unsecured loans, overdraft facilities and credit cards. Borrowers are encouraged to consider the lending options that best fit the borrower's personal circumstances prior to entering into any credit agreement and are encouraged to seek the borrower's own independent legal and professional financial advice.

6. What refinancing options are available?

There are a variety of credit facilities available from Cayman Islands institutional banks and other lenders, including refinancing products to restructure existing secured and/or unsecured loan(s) and other forms of debt. These are available subject to the lending policy of the lender in force at the relevant time, as well as a borrower's personal financial circumstances and credit worthiness. If you would like to learn about a lender's refinancing options, you should contact your existing loan officer to explore refinancing with your current lender and consider contacting other lenders to compare the refinancing products for which you are qualified in order to consider what option is best in your personal circumstances.



7. **What are the lender’s rights where a legal charge has been registered over the property?**

When a Facility Agreement has been accepted by a borrower, the borrower will be required to execute a legal charge (“**Legal Charge**”). The Legal Charge will incorporate the terms of the Facility Agreement and contain additional covenants and rights, which will be registered at Cayman Islands Lands & Survey, giving the lender security over the property in question.

A Legal Charge will contain a variety of rights that a lender can exercise, including —

- (a) to receive the agreed monthly (or other periodic) loan repayment;
- (b) to demand a copy of insurance policies related to the property;
- (c) to approve the form, content and coverage sum of insurance policies;
- (d) to receive formal acknowledgement from the insurer that the lender’s interest in the policy, as the mortgagee, has been noted and accepted;
- (e) to inspect the property;
- (f) to demand copies of leases that have been entered into in relation to the property;
- (g) to be notified of any structural alteration to the property; and
- (h) any additional rights referred to in the Facility Agreement.

If the borrower has failed to comply with the terms and conditions of the Legal Charge and after serving the proper notices giving prior warning to the borrower, the lender may, in its absolute discretion, exercise a statutory power to market and sell the property or to appoint receivers over the property. Receivers are usually professionals appointed by the lender, empowered to take control over the property, collect income generated from it and manage the property’s expenses until such time that the arrears are cleared. During this period, receivers are responsible for making payment of expenses including strata fees, repairs and payments of interest and capital due under the charge.

The proceeds from any sale are used to pay off all amounts owed to the lender, which would include the outstanding balance of the loan, any additional charges pursuant to the terms of the Facility Agreement and any expenses incurred by the lender arising as a result of the borrower’s default. If the sale proceeds are not sufficient to repay the total outstanding amount owed to the lender, the lender has the right to pursue the borrower for any balance outstanding.

8. **What is the period of default after which the lender’s right of sale arises?**

If a borrower defaults in paying the principal sum, or any interest, or any other periodical payment in full, or in the performance of any agreement expressed or implied in the Legal Charge, and the default continues for one month, the lender may serve the borrower with a written notice (the “**Default Notice**”) under section 72(1)

of the Registered Land Act (2018 Revision) (the “**RLA**”) to pay the money owing or to perform and observe the agreement, as the case may be. If the default relates to a failure to pay a monthly instalment, in part or in full, the default can be remedied by payment of the arrears.

The Default Notice will set out the nature of the default, the amount required or actions required to remedy the default and the timeframe in which the default must be addressed. Depending on the default in question, the amount required to be repaid may be limited to the arrears or may require repayment of all money secured by the Legal Charge (the balance of the loan, plus all applicable interest, fees and charges payable under the terms of the Facility Agreement and Legal Charge).

Once a Default Notice has been served, the borrower will have three months from the date that it was served to pay the amount specified in the Default Notice or to perform and observe the provisions of the Charge, as the case may be.

At the time that a Default notice is served, the lender must also serve the borrower with a Pre-Action Information Form and a Pre-Action Questionnaire. If the borrower fails to comply with the Default Notice within the three-month period, or an agreement is not reached between the lender and the borrower to suspend the enforcement of the Legal Charge, the lender has a statutory right to sell the property or appoint a receiver in accordance with the provisions of the RLA.



IT IS STRONGLY RECOMMENDED THAT YOU SEEK INDEPENDENT LEGAL AND PROFESSIONAL FINANCIAL ADVICE REGARDING THE FACILITY AGREEMENT AND ANY OTHER QUESTIONS ARISING FROM THE SPECIAL ACKNOWLEDGEMENT. YOU SHOULD ONLY SIGN THE FACILITY AGREEMENT, THE SPECIAL ACKNOWLEDGEMENT AND THIS FORM ONCE YOU FEEL YOU UNDERSTAND THE CONTENTS AND LEGAL EFFECT.

Signature

Print Name

Date

Position (if applicable)

Signature

Print Name

Date

Position (if applicable)

SCHEDULE 2

(section 64(3A)(b))

SPECIAL ACKNOWLEDGEMENT

1. This is to acknowledge that the chargor,

(name of Individual(s) / Company),

of

(address)

understands the effect of section 72 of the Registered Land Act (2018 Revision), as amended from time to time, which allows the chargee to sell the charged property or appoint a receiver over the income of the charged property if the chargor defaults in payment of the principal sum or of any interest or any other periodical payment due under the charge, or in the performance or observance of any agreement expressed or implied in the charge.

2. Before executing the charge, the chargor acknowledges that the chargor —
- (a) received independent legal and professional financial advice in relation to the nature and effect of the charge; or
 - (b) knowingly and voluntarily waived the right to obtain legal and professional financial advice in relation to the nature and effect of the charge.

Signature

Print Name

Date

Position (if applicable)

Signature

Print Name



Date

Position (if applicable)

Company Seal (if applicable)



SCHEDULE 3

(section 72(2B))

PRE-ACTION INFORMATION FORM

This form is provided in accordance with the provisions of the Registered Land Act (2018 Revision) (the “**RLA**”), to provide a borrower of owner-occupied premises with information in the event that a borrower has defaulted on the terms and conditions that were agreed between the borrower and a lender for a credit facility (the “**Facility Agreement**”). The provisions of the Facility Agreement, along with additional covenants and rights, have been incorporated into a legal charge (the “**Legal Charge**”), and registered over residential property.

The borrower has defaulted on the Legal Charge, which together with the **RLA**, provide a statutory process under which the lender can take legal actions resulting from the borrower’s default.

Statutory Notices

The notice(s) (the “**RLA Notices**”) served with this form provide details of the borrower’s default and the actions required to be taken by the borrower to remedy the default in payment (or default in performance of some other obligation). The RLA Notices also detail the rights the lender may exercise if those requirements are not met.

Pre-Action Questionnaire

Under section 72(2B) of the **RLA**, the lender is required to provide a defaulting borrower with a pre-action questionnaire (the “**Questionnaire**”) to engage with the borrower and explore possible resolutions. The Questionnaire attached is to be completed by the borrower and returned to the lender within twenty-one days of receipt, together with supporting evidence, to assist the lender in assessing the circumstances that led to the default and the borrower’s proposals as to how the default can be remedied in a satisfactory manner. A failure to respond within the prescribed timeframe may result in the lender proceeding with enforcement action.

The lender will consider the Questionnaire and supporting evidence together with any proposals put forward by the borrower. The lender will also consider its lending policy, the history of events and any other matters it considers relevant before deciding, in its absolute discretion, what proposals, if any, it is prepared make to the borrower in the circumstances.

The lender will communicate its decision in writing to the borrower, including whether any of the proposals presented by the borrower are acceptable or whether the lender is in a position, having regard to its lending policies, to offer other terms, including a variation of the Facility Agreement, Legal Charge or both, or grounds on which it would be prepared



to agree to not immediately enforce its statutory and contractual rights, as it relates to the repayment of the loan and related charges.

Enforcement of Charge and Sale of the Property

If the borrower remains in default after the expiry of the RLA Notice period and the lender is not satisfied that the borrower is in a position to address the default in a manner acceptable to the lender, the lender may exercise its statutory right to sell the property. In the event of a sale, the proceeds will be used to repay the outstanding loan, together with any charges and expenses that have been incurred by the lender as a result of the borrower's default.

THE BORROWER IS STRONGLY ENCOURAGED TO OBTAIN INDEPENDENT LEGAL AND PROFESSIONAL FINANCIAL ADVICE ARISING FROM THE SERVICE OF THE RLA NOTICE. IT IS ALSO RECOMMENDED THAT BORROWERS CONSIDER ANY GOVERNMENT FORBEARANCE INITIATIVES THAT MAY BE APPLICABLE, SEEK DEBT COUNSELLING AND GENERAL DEBT ADVICE WHICH MAY ASSIST WITH REFINANCING AND TO PREVENT ANY FURTHER DEFAULTS IN PAYMENTS (OR DEFAULT IN PERFORMANCE OF ANY OTHER OBLIGATION).

SCHEDULE 4

(section 72(2B))

PRE-ACTION QUESTIONNAIRE

The information requested in this Questionnaire will be collected and processed by [name of chargee] in its capacity as data controller.

The lawful bases for this processing are that it is necessary:

- (a) for the performance and administration of your facility and related security arrangements;
- (b) for compliance with our legal and regulatory obligations; and
- (c) for our legitimate interests in managing the facility, assessing and responding to any default, and protecting our security.

Your responses, together with any supporting documents you provide, will be used to assess your proposals for dealing with the current default, including any request to vary the facility or security, to agree a new repayment plan, or to consider other options.

The charge may share the information in this Questionnaire, where necessary and appropriate, with our professional advisers (including legal advisers, accountants, valuers and other consultants) and with our service providers involved in the administration, enforcement or restructuring of the facility and related security.

Further details about how the chargee handles personal data, your rights in relation to that data, and how to contact us are set out in our full privacy policy, which is available at [insert web address] or on request.

If there is more than one borrower, you must each complete a questionnaire. You have twenty-one days to fill this out to the best of your ability and return it to the lender. It is important that you attach to this form as much documentary evidence as possible. If answers in this form are not supported by proper evidence, they may not be considered by the lender.

The answers you provide below must be complete and truthful. Once completed, this form and all information provided are subject to the Cayman Islands Data Protection Act (2021 Revision).



A reference to the “Property” in this questionnaire refers to the owner-occupied premises referred to in the notice of default that has been served with this questionnaire. A reference to the "Facility Agreement" in this questionnaire refers to the specific terms and conditions offered by your lender for a credit facility

Questionnaire	
FINANCIAL CIRCUMSTANCES	
Account and Borrower Details	
Borrower 1	
Name	
Account number	
Residential address	
Email address	
Mailing address (P.O. Box) for service of notices and documents	

Is the Property your primary residence?	YES NO
Is the Property your sole property holding?	YES NO
Is the Property raw land or land that is currently under construction?	YES NO

Borrower 2 (if applicable)	
Name	
Account number	
Residential address	
Email address	
Mailing address (P.O. Box) for service of notices and documents	
Is the Property your primary residence?	YES NO
Is the Property your sole property holding?	YES NO



<i>Where applicable, Borrower 2 must fill out a separate questionnaire</i>	
Monthly income	
<p>Please provide details and evidence of your sources of income, including:</p> <ul style="list-style-type: none"> a) Employment status b) Formal employment (including employer name) c) Informal employment d) Seasonal employment e) Rental income f) Department of Financial Assistance or other social assistance g) Pension payments h) Court-ordered support payments i) All other income <p>Attach relevant documents to the back of this questionnaire.</p>	
Total monthly income	

<p>Details of other non-Property related expenses, debt payments and liabilities</p> <p>Please provide details and evidence as to your expenses, debt payments and costs related to:</p> <ul style="list-style-type: none"> a) Transportation b) Education fees c) Medical costs d) Health Insurance e) Life Insurance f) Pension contribution g) Court-ordered periodic payments (i.e., child support, spousal support, debts, other) h) All other expenses (not including Property-related expenses like utilities, maintenance and upkeep) <p>Attach relevant documents to the back of this questionnaire.</p>	
<p>Total monthly expenses and debt payments</p>	



<p>Details of other assets owned, including other real estate</p> <p>Please provide details and evidence of other assets owned, like vehicles, equipment or other properties in the Cayman Islands or elsewhere. Include an estimate or actual value of each of these items.</p> <p>For Cayman Islands real estate, please provide the block and parcels numbers together with a copy of the land register.</p> <p>Please include any expenses related to these other real estate assets (e.g., maintenance and upkeep, insurance).</p> <p>Attach relevant documents to the back of this questionnaire.</p>	
<p>Secured lending in relation to the Property</p> <p>Please provide details and evidence of any other loans, credit facilities, or any other forms of secured lending (whether registered) relating to the Property.</p>	

PERSONAL CIRCUMSTANCES	
<p>Provide any other details that led to the default, including financial circumstances not set out above, that you want the lender to consider.</p> <p>Please provide any appropriate evidence.</p>	
<p>Provide details about any relevant insurance policy that may satisfy the arrears (if applicable).</p> <p>Please attach a copy of any such policy to this questionnaire.</p>	
<p>Please provide one or more of the following proposals for addressing the current default:</p>	



<p>a) A proposal for repayment of the arrears and resumption of payments pursuant to the terms of the existing Facility Agreement, including by way of payment holidays or a specified term of reduced payments</p>	
<p>b) A proposal for repayment of the arrears, or part thereof, by way of extending the term of the loan pursuant to the existing Facility Agreement</p>	
<p>c) A proposal to sell the Property. Attach relevant documents to the back of this questionnaire.</p>	

LENDER USE ONLY	
Circumstances leading to the arrears considered to be:	
(a) Short term (less than 30 days)	<input type="checkbox"/>
(b) Medium term (30 – 90 days)	<input type="checkbox"/>
(c) Long term (more than 90 days)	<input type="checkbox"/>
Financial circumstances assessment:	
Total income of the borrower(s)	
Total assets of the borrower(s)	
Total debts of the borrower(s)	
Personal circumstances of the borrower(s)	
<p>Comments on proposals presented by borrower(s)</p> <p>Please provide a detailed assessment of each proposal provided by the borrower(s)</p>	



<p>If borrower(s) proposals are unacceptable or not viable as presented, what terms are the lender prepared to offer, if any, in the circumstances?</p>	
<p>Additional Comments:</p>	

Statement of Truth

I, _____, the borrower, confirm that the
 (Insert name of borrower)
 information provided in this Questionnaire is true and accurate.

Signature

Print Name

Date

Position (if applicable).”.



