

Acts of the General Assembly of Her Majesty's Province of New-Brunswick passed in the year 1839. Fredericton, NB: John Simpson, Printer to the Queen's Most Excellent Majesty, 1839.

2 Victoria – Chapter 28

An Act to authorize the Sale of Mortgaged Premises by the Court of Chancery, and directing the application of the proceeds thereof. Passed 23d March 1839.

I. Be it enacted by the Lieutenant Governor, Legislative Council and Assembly, That whenever a Bill shall be filed in the Court of Chancery for the foreclosure or satisfaction of a Mortgage, the Court shall have power to decree a sale of the Mortgaged premises, or such part thereof as may be sufficient to discharge the amount due on the Mortgage and the costs of suit.

II. And be it enacted, That all sales of Mortgaged Premises, under the decree of the Court of Chancery, shall be made by a Master under the direction of the said Court, and the conveyances shall be executed by such Master, which shall vest in the purchaser the same estate, and no other or greater, than would have vested in the Mortgagee if the equity of redemption had been foreclosed, and such deed shall be as valid as if the same were executed by the Mortgagor and the Mortgagee, and shall be an entire bar against each of them, and against all parties to the suit in which such decree for sale was made, and against their heirs respectively, and all claiming under their heirs: and every such conveyance having been first duly acknowledged or proved, according to the provisions of the Laws relating to the Registry of Deeds, may be registered in the Registry Office of the County where the lands lie, and such conveyance so registered, or a copy thereof, may be given in evidence in any Court of Law or Equity in this Province, in like manner with and under the same rules and restrictions as another registered Deed, and when so given in evidence shall be deemed and taken to be evidence that all the proceedings on which such conveyance is founded were rightly had and done.

III. And be it enacted, That the proceeds of every sale made under the decree of the Court of Chancery as aforesaid, shall be applied to the discharge of the debts adjudged by such Court to be due and of the costs awarded; and in case there shall be any surplus, it shall be brought into Court for the use of the Mortgagor or of the person who may be entitled thereto, subject to the order of the Court.

IV. And be it enacted, That when any Bill shall be filed for the foreclosure or satisfaction of any Mortgage upon which there shall be due any interest or portion only of the principal, the Bill may be ordered to be dismissed, upon the defendants bringing into Court, at any time before the decree, the principal and interest due, with costs; and in case the same shall be brought into Court after a decree, and before a sale, further proceedings thereupon shall be stayed; but the decree shall stand as a security for such further sums as may thereafter fall due on the Mortgage, and upon any subsequent default of payment thereof, may be enforced by the further order of the Court for the sale of the Mortgaged premises, or of such part thereof as shall be necessary from time to time, until the amount secured by the Mortgage and the costs of the proceedings thereon, shall have been fully paid and satisfied.

V. And be it enacted, That if in any of the foregoing cases it shall appear to the Court, that the Mortgaged premises are so situated that the sale of the whole will be most beneficial to the parties, the decree shall in the first instance be entered for the sale of the whole premises accordingly; and in such case the proceeds of such sale shall be applied as well to the payment of the amount due and of the costs of suit, as towards the residue of the sum not due at the time of such sale; and if such residue do not bear interest, then the Court may direct the same to be paid with a deduction of the rebate of legal interest, for the time during which such residue shall not be due and payable.

VI. And be it enacted, That in case of subsequent incumbrances affecting any mortgaged premises which may be sold under the decree of the said Court by virtue of this Act, the residue of the proceeds which may remain after the discharge of the first Mortgage thereon shall be subject, under the order and direction of the said Court, to the claims of the holders of such subsequent incumbrances according to their due priority, whether the same be due and payable or otherwise, subject to the like rebate of interest in case of sums not payable, when the same do not bear interest, as is provided in the fifth section of this Act.

VII. And be it enacted, That all sales of any Mortgaged premises made under the authority of this Act, shall be made by public auction, of which not less than three months notice shall be given.