**LOAN (STATE DEVELOPMENT) ACT**

ARRANGEMENT OF SECTIONS

SECTION

1. Short title.
2. Power to raise loan.
3. Application of loan.
4. Repayment.
5. Certain development programmes approved.
6. Repeal.

LOAN (STATE DEVELOPMENT) ACT

**An Act to authorise the borrowing of a sum not exceeding three million pounds  
from Her Majesty's Government for purposes in connection with the Develop-  
ment Programmes of State Governments, and to repeal the Loan (State Devel-  
opment) Act 1960**.

[1960 No. 28.]

*[8th September, 1960]*

[Commencement.]

**1. Short title**

This Act may be cited as the Loan (State Development) Act.

**2. Power to raise loan**

The Government of the Federal Republic of Nigeria may from time to time raise a  
sum or sums of money not exceeding in the whole the sum of three million pounds ster-  
ling by means of a loan made by the Secretary of State with the approval of Her Maj-  
esty's Treasury in accordance with section 2 of the Colonial Development and Welfare  
Act, 1959.

**3.Application of loan**

The sum or sums raised under the provisions of this Act shall be appropriated and ap-  
plied for lending, in accordance with such terms and conditions as may be approved by  
the Minister of the Government of the Federation charged with responsibility for matters

relating to finance and economic development to the Government of any State, if a law  
has been enacted by the House of Assembly of that State-

*(a)*empowering the Government of that State to borrow money from the Govern-  
ment of the Federal Republic of Nigeria;

*(b)*providing for repayment by equal annual instalments of principal and interest  
combined to extinguish the loan within an appropriate period; and

*(c)*providing that the purposes to which any such loans may be applied shall be  
limited to meeting in whole or part capital expenditure comprising part of a  
development programme set out in the Capital Estimates and approved by the  
House of Assembly of that State.

**4. Repayment**

The sum or sums raised under the provisions of this Act shall be repaid by equal an-  
nual instalments of principal and interest combined to extinguish the loan within a period  
to be agreed between the said Minister and the Secretary of State, and such payments  
shall commence on the first anniversary of the date of issue of any such loan or loans.

**5.Certain development programmes approved**

It is hereby declared that the development programmes set out in the Capital Esti-  
mates approved by the House of Assembly of the Northern States and the Capital Esti-  
mates approved by the Houses of Assembly of the Eastern States for the year commenc-  
ing 1 st April, 1960, are approved by the National Assembly of the Federal Republic of  
Nigeria for the purposes of section 2 of the said Act.

**6**. **Repeal**

The Loan (State Development) Act, 1960, is repealed.  
[No. 9 of 1960.]

       LOAN (STATE DEVELOPMENT) ACT

**SUBSIDIARY LEGISLATION**

*No Subsidiary Legislation*