

The Saskatchewan Farm Loans Act

being

Chapter 159 of the *Statutes of Saskatchewan, 1930*
(effective February 1, 1931).

FOR HISTORICAL REFERENCE ONLY

NOTE:

This consolidation is not official. Amendments have been incorporated for convenience of reference and the original statutes and regulations should be consulted for all purposes of interpretation and application of the law. In order to preserve the integrity of the original statutes and regulations, errors that may have appeared are reproduced in this consolidation.

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CHAPTER 159

An Act to provide for Loans to Agriculturists upon the Security of Farm Mortgages

Short title

1 This Act may be cited as *The Saskatchewan Farm Loans Act*.

R.S.S. 1920, c.127, s.1; R.S.S. 1930, c.159, s.2.

“The Saskatchewan Farm Loan Board”

2 There shall be a board called “The Saskatchewan Farm Loan Board,” consisting of one commissioner and two other members appointed as hereinafter provided; such board shall be a body politic and corporate with perpetual succession and a common seal.

R.S.S. 1920, c.127, s.2; R.S.S. 1930, c.159, s.2.

Head office

3 The head office of the board shall be at the city of Regina.

R.S.S. 1920, c.127, s.3; R.S.S. 1930, c.159, s.3.

Powers of board

4 The board may:

- (a) lend money to agriculturists on the security of first mortgages on farm lands;
- (b) invest disposable funds by depositing the same with any chartered bank, or in any other manner in which trustees are permitted by law to invest trust funds
- (c) acquire and hold real estate for the purposes of the board and to dispose thereof when no longer required for such purposes;
- (d) borrow money for the purpose of carrying out the objects of the board, to hypothecate, pledge and mortgage its real and personal property, and to sign bills, notes, contracts and other evidences of debt or securities for moneys borrowed by the board for the purposes aforesaid:
- (e) do all things necessary or incidental to the business of lending money on farm property.

R.S.S. 1920, c.127, s.4; R.S.S. 1930, c.159, s.4.

Administration

5(1) The affairs of the board shall be administered by its members who shall be appointed by the Lieutenant Governor in Council.

(2) The Public Service Commission may appoint a secretary and such legal and clerical help, inspectors and other officers or employees as are required.

R.S.S. 1920, c.127, s.5 and s.11(1)(c); R.S.S. 1930, c.159, s.5.

Commissioner's term of office

6 The commissioner shall hold office for ten years from the date of his appointment unless sooner removed for cause by the Lieutenant Governor in Council upon an address from the Legislative Assembly; but he may at any time be suspended from office for cause assigned and another person temporarily appointed by the Lieutenant Governor in Council to act as commissioner until the Legislative Assembly at its next session has considered and taken action in the premises.

R.S.S. 1920, c.127, s.6; R.S.S. 1930, c.159, s.6.

Member's term of office

7 The other members of the board shall hold office during the pleasure of the Lieutenant Governor in Council.

R.S.S. 1920, c.127, s.7; R.S.S. 1930, c.159, s.7.

Remuneration

8 The commissioner shall be the managing member of the board, and both he and the other members shall receive such remuneration as may be determined by the Lieutenant Governor in Council.

R.S.S. 1920, c.56, s.1; R.S.S. 1930, c.159, s.8.

Execution of instruments

9 All transfers, assignments, discharges, deeds, securities or other instruments of whatever nature and kind shall be deemed to be duly executed by and on behalf of the board if its corporate seal is affixed thereto and attested by the commissioner or acting commissioner and countersigned by the secretary or acting secretary, and when so executed all such instruments shall be deemed to have been validly and effectually executed by and on behalf of the board.

R.S.S. 1920, c.127, s.10; R.S.S. 1930, c.159, s.9.

Duties of board

10(1) It shall be the duty of the board:

- (a) to approve or reject applications for loans;
- (b) to make provision for keeping an accurate account of the business of the board;
- (c) subject to the provisions of *The Land Titles Act*, to settle the form of all mortgages or other evidences of security taken by the board;
- (d) to do all things which come within the corporate capacity of the board, and to make all regulations necessary for the proper transaction of business.

(2) The commissioner shall perform such of the duties and exercise such of the powers of the board as are imposed upon or delegated to him from time to time by the board.

(3) All acts done and all regulations made by the board under the provisions of clauses (b), (c) and (d) of subsection (1) and subsection (2) shall be subject to the approval of the Lieutenant Governor in Council.

R.S.S. 1920, c.127, s.11; R.S.S. 1930, c.159, s.10.

Loans on first mortgage only

11 No loan shall be made by the board except upon the security of a first mortgage on farm land situated in the province:

Provided, however, that the board may, in its discretion, lend upon the security of land the title to which is incumbered by a lien, charge or incumbrance in the nature of a tax, levy or assessment, having priority to the mortgage in favour of the board and being, under any law of the province, a continuing charge for a period of years;

Provided also that the board may, in its discretion, blanket an existing mortgage or incumbrance for the purpose or with the intention of paying off such existing mortgage or incumbrance.

R.S.S. 1920, c.127, s.12; R.S.S. 1930, c.159, s.11.

Expenditure of loans

12 Every loan shall be expended on or used for the purpose of reimbursing a borrower for moneys already expended on:

- (a) purposes which in the opinion of the board constitute permanent improvements to the property mortgaged as security: or
- (b) purposes which in the opinion of the board will assist in the productive development of such property; or
- (c) the payment of liabilities, which in the opinion of the board have been incurred for any of the aforesaid purposes; or
- (d) in special cases with the approval of the board, and upon such conditions as it deems advisable, the acquisition of land for agricultural purposes.

R.S.S. 1920, c.127, s.13; R.S.S. 1930, c.159, s.12.

Amount of loans

13(1) No loan shall be made for an amount greater than fifty per cent. of the board's valuation of the property offered as security. The board may nevertheless exercise all the rights, powers and privileges conferred upon mortgagees under and by virtue of any *Seed Grain Advances Act* or any Act of a similar nature heretofore or hereafter passed, notwithstanding that such exercise may result in an advance exceeding the limit mentioned.

(2) No loan shall be made to a member of the Legislative Assembly, but in case any person has obtained a loan from the board when not a member of the Assembly, such loan shall not disqualify him from being subsequently elected as a member thereof or from sitting and voting therein.

R.S.S. 1920, c.127, s.14; 1920, c.55, s.1; R.S.S. 1930, c.159, s.13.

Term of loans

14 All loans shall be made for a term of thirty years.

R.S.S. 1920, c.127, s.15; R.S.S. 1930, c.159, s.14.

Repayment of loans

15 Every loan shall be repayable in equal annual instalments of principal and interest and there shall be indorsed upon every mortgage a table showing the number, the due date and the amount of all payments of principal and interest to be made by the borrower under the terms of the mortgage, and a triplicate of the mortgage duly certified to by the proper registrar of land titles shall be furnished to the borrower by the board immediately after the registration thereof.

R.S.S. 1920, c.127, s.16; R.S.S. 1930, c.159, s.15.

Interest on loans

16 The rate of interest to be charged by the board on its loans shall be such as is estimated to be sufficient to pay the interest on and the cost of raising the money to be advanced to the board by the Provincial Treasurer under the provisions of this Act, the expense of conducting the business of the board and other necessary incidental expenses.

R.S.S. 1920, c.127, c.17; R.S.S. 1930, c.159, s.16.

Procedure where amount repaid exceeds instalment next accruing due

17 A borrower may at any time upon the due date of any payment of principal or interest on his loan make a payment equal to or larger than the payment then next accruing due; when any sum so paid is more than sufficient to meet the next accruing payment the excess shall be credited first upon the last deferred payment of principal, then so far as it will extend on the next latest deferred payment and so on while any part of the principal remains unpaid; but such payment shall not relieve the borrower making it from meeting his immediately subsequent payments punctually as they fall due.

R.S.S. 1920, c.127, s.18; R.S.S. 1930, c.159, s.17.

Regulations regarding repayment

18 All payments made under the provisions of section 17 shall be accepted by the board upon such terms and conditions as are provided by regulations of the board for the purpose, all such regulations to be subject to the approval of the Lieutenant Governor in Council.

R.S.S. 1920, c.127, s.19; R.S.S. 1930, c.159, s.18.

Remedies against defaulting mortgagor

19 In the event of a mortgagor failing to apply the proceeds of any loan to the purposes agreed upon between himself and the board, or in the event of any mortgagor allowing his property to depreciate in value to such an extent as may in the opinion of the board prejudice the board's security under the mortgage, the board may, in addition to any other remedy provided by law or in the mortgage, declare the whole or any portion of the unpaid balance of principal and interest on such mortgage immediately due and payable, and thereupon the board shall possess and may exercise all rights given to it as mortgagee of a mortgage in arrears by law or by the terms of the mortgage.

R.S.S. 1920, c.127, s.20; R.S.S. 1930, c.159, s.19.

Working capital of board

20 The working capital of the board shall consist of such moneys as are advanced to the board from time to time by the Provincial Treasurer under the authority of the Lieutenant Governor in Council.

R.S.S. 1920, c.127, s.21; R.S.S. 1930, c.159, s.20.

Provision of working capital

21 In order to provide the funds required for the purpose of advancing to the board the working capital referred to in section 20, the Lieutenant Governor in Council may authorise the Provincial Treasurer from time to time to raise by way of loan upon the credit of the province such sum or sums of money, not to exceed in the whole \$15,000,000 and for that purpose to issue bonds, debentures, inscribed stock or such other securities of the province as the Lieutenant Governor in Council deems advisable.

R.S.S. 1920, c.127, s.22; 1920, c.55, s.2; R.S.S. 1930, c.159, s.21.

Saskatchewan Loans Act to apply

22 The aforesaid sums of money shall be raised as provided by *The Saskatchewan Loans Act*, and may be borrowed for any term or terms not exceeding forty years and at such rate of interest as the Lieutenant Governor in Council determines; and the said sums shall be raised upon the credit of the consolidated fund of Saskatchewan and shall be chargeable thereon.

R.S.S. 1920, c.127, s.23; R.S.S. 1930, c.159, s.22.

Security for advances

23 All advances made to the board by the Provincial Treasurer shall be made upon such terms and conditions as are determined by the Lieutenant Governor in Council, and the board is hereby authorised to execute any bond, obligation or other instrument of any nature whatsoever which the Lieutenant Governor in Council may deem requisite to secure the repayment by the board of the principal sum and interest of the said advances.

R.S.S. 1920, c.127, s.24; R.S.S. 1930, c.159, s.23.

Conditions governing advances

24(1) Subject to the provisions of subsection (2) the total amount of advances made by the Provincial Treasurer for the purposes of this Act to the board shall not exceed the aggregate amount of the mortgages held by it, and, upon the proceeds of the securities issued by the Provincial Treasurer being advanced to the board, mortgages to an amount at least equal in value to the amount of the said advances shall be assigned or hypothecated to the Provincial Treasurer by the board as security for the said advance, and any instrument executed by the board upon the making of any such advance shall contain due provision for such assignment or hypothecation, and provision shall be made therein for the substitution from time to time of other mortgages for such of those under assignment or hypothecation as may be discharged; it being the intention of this Act that all advances to the board out of the proceeds of securities shall at all times be protected or secured by the total amount of mortgages held by the board in addition to any other security which may be taken by the Provincial Treasurer from the board.

(2) Where the title to land is held by the board, the Provincial Treasurer may advance to the board such sums as it deems necessary to provide for maintaining the property in good condition, and for payment of taxes due or accruing due thereon and premiums of insurance against loss by fire, by hail or by cyclone, wind storm or tornado. As security for repayment of such advance the board shall deposit with the Provincial Treasurer the duplicate certificate of title to the land in respect of which the advance is made.

R.S.S. 1920, c.127, s.25; 1921-22, c.55, s.2; R.S.S. 1930, c.159, s.24.

Power to borrow pending disposal of securities

25 Pending the issue and disposal of any securities provided for by this Act the Provincial Treasurer may from time to time, subject to the approval of the Lieutenant Governor in Council, borrow from the consolidated fund of the province or from any person, bank or corporation such sum or sums of money as are required for advances to the board to be used by the board as its working capital until such securities have been disposed of and their proceeds advanced to the board.

R.S.S. 1920, c.127, s.26; R.S.S. 1930, c.159, s.25.

System of accounting

26 The system of accounting, bookkeeping and recording adopted by the board shall be subject to the approval of the accounting Provincial Auditor and the accounts, books and records shall be audited at suitable intervals by the Provincial Auditor or by an auditor approved by him and the costs of such audit shall be borne by the board.

R.S.S. 1920, c.127, s.27; R.S.S. 1930, c.159, s.26.

Financial year

27 The financial year of the board shall end on the thirty-first day of December in each year and as soon as possible thereafter a financial statement setting forth the position of the board and the results of the previous year's business shall be prepared and audited and a copy shall be forwarded together with a report concerning the work of the board during the previous year to the Lieutenant Governor in Council, to be laid before the Legislative Assembly within fifteen days from the commencement of the session next following the end of the year for which such report is made.

R.S.S. 1920, c.127, s.28; R.S.S. 1930, c.159, s.27.

Board to deposit moneys received

28 All moneys received by the board or any of its officers on behalf of the board shall be deposited forthwith in such chartered bank or banks as the Lieutenant Governor in Council determines, and shall be paid out under regulations made by the board by cheques signed by such officers as the board appoints.

R.S.S. 1920, c.127, s.29; R.S.S. 1930, c.159, s.28.

Repayments of principal

29 All sums of principal repaid to the board by borrowers of principal shall be kept separate in its books from other moneys received and shall be disposed of subject to the approval of the Lieutenant Governor in Council, but only to be used for the following purposes:

- (a) relaned under the provisions of this Act; or
- (b) expended in the purchase of bonds issued under the provisions of this Act; or
- (c) used or deposited in such other manner as may be provided to meet the obligations of the board.

R.S.S. 1920, c.127, s.30; R.S.S. 1930, c.159,
s.29.

Bonds furnished by commissioner and employees

30 The commissioner and each of the officers or employees of the board whose duty it is to receive or handle moneys on behalf of the board shall before entering upon the duties of their respective offices furnish a bond or covenant of some guarantee company to be approved by the Lieutenant Governor in Council to secure the due accounting by them for all moneys that come into their hands which bond shall in each case be in such form and for such amount as shall be approved by the board and the board shall pay the premiums for such guarantee bonds.

R.S.S. 1920, c.127, s.31; R.S.S. 1930, c.159,
s.30.

