

# *The Saskatchewan Farm Loans Act*

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Chapter 127 of *The Revised Statutes of Saskatchewan, 1920*  
(assented to November 10, 1920).

FOR HISTORICAL REFERENCE ONLY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 127

### 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*.

1917, c.25, s.1; R.S.S. 1920, c.127, s.1.

#### “The Saskatchewan Farm Loan Board”

2 There shall be a board to be 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.

1917, c.25, s.2; R.S.S. 1920, c.127, s.2.

#### Head office

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

1917, c.25, s.3; R.S.S. 1920, c.127, s.3.

#### Powers of board

4 The board shall have power:

- (a) to lend money to agriculturists on the security of first mortgages on farm lands;
- (b) to 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) to acquire and hold real estate for the purposes of the board and to dispose thereof when no longer required for such purposes;
- (d) to 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) to do all things necessary or incidental to the business of lending money on farm property.

1917, c.25, s.4; R.S.S. 1920, c.127, s.4.

#### Administration

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

1917, c.25, s.5; R.S.S. 1920, c.127, 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.

1917, c.25, s.6; R.S.S. 1920, c.127, s.6.

**Member's term of office**

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

1917, c.25, s.7; R.S.S. 1920, c.127, s.7.

**Remuneration of commissioner**

8 The commissioner shall be the managing member of the board and shall receive such remuneration as is determined by the Lieutenant Governor in Council.

1917, c.25, s.8; R.S.S. 1920, c.127, s.8.

**Allowance to members**

9 The other members shall receive no salary but shall be entitled to a per diem allowance, together with such other allowance to cover travelling and subsistence when engaged upon the business of the board as may be provided by the Lieutenant Governor in Council.

1917, c.25, s.9; R.S.S. 1920, c.127, s.9.

**Execution of instruments**

10 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.

1917, c.25, s.10; 1918-19, c.76, s.2; R.S.S. 1920, c.127, s.10.

**Duties and powers of board**

11(1) It shall be the duty of the board and it shall have power:

- (a) to approve or reject applications for loans;
- (b) to make provision for keeping an accurate account of the business of the board;
- (c) to employ and fix the remuneration of a secretary and such legal and clerical help, inspectors and other officers or employees as are required;
- (d) 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;
- (e) 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), (d) and (e) of subsection (1) and subsection (2) shall be subject to the approval of the Lieutenant Governor in Council.

1917, c.25, s.11; R.S.S. 1920, c.127, s.11.

**Loans on first mortgage only**

**12** 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.

1917, c.25, s.12; 1919-20, c.71, s.1; R.S.S. 1920, c.127, s.12.

**Expenditure of loans**

**13** 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.

1918-19, c.76, s.3; R.S.S. 1920, c.127, s.13.

**Amount of loans**

**14(1)** No loan shall be made for an amount greater than 50 per centum of the board's valuation of the property offered as security.

**(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.

1917, c.25, s.14; 1917 (sess. 2), c.65, s.2; R.S.S. 1920, c.127, s.14.

**Term of loans**

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

1917, c.25, s.15; R.S.S. 1920, c.127, s.15.

**Repayment of loans**

**16** Every loan made by the board 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 rate 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.

1917, c.25, s.16; R.S.S. 1920, c.127, s.16.

**Interest on loans**

**17** 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.

1917, c.25, s.17; R.S.S. 1920, c.127, s.17.

**Procedure where amount repaid exceeds instalment next accruing due**

**18** 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.

1917, c.25, s.18; R.S.S. 1920, c.127, s.18.

**Regulations regarding repayment**

**19** All payments made under the provisions of section 18 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.

1917, c.25, s.19; R.S.S. 1920, c.127, s.19.

**Remedies against defaulting mortgagor**

**20** 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.

1917, c.25, s.20; R.S.S. 1920, c.127, s.20.

**Working capital of board**

**21** 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.

1917, c.25, s.21; R.S.S. 1920, c.127, s.21.

**Provision of working capital**

**22** In order to provide the funds required for the purpose of advancing to the board the working capital referred to in section 21, the Lieutenant Governor in Council shall have power to 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 \$10,000,000 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.

1917, c.25, s.22; 1917 (sess. 2), c.65, s.3; R.S.S. 1920, c.127, s.22.

**Saskatchewan Loans Act to apply**

**23** 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.

1917, c.25, s.23; R.S.S. 1920, c.127, s.23.

**Security for advances**

**24** 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 duly and sufficiently to secure the repayment by the board of the principal and interest of the said advances.

1917, c.25, s.24; R.S.S. 1920, c.127, s.24.

**25** 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 made 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.

1917 (sess. 2), c.65, s.25; R.S.S. 1920, c.127, s.25.

**Power to borrow pending disposal of securities**

**26** 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.

1917, c.25, s.26; R.S.S. 1920, c.127, s.26.

**System of accounting**

**27** The system of accounting, bookkeeping and recording adopted by the board shall be subject to the approval of the 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.

1917, c.25, s.27; R.S.S. 1920, c.127, s.27.

**Financial year**

**28** 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 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.

1917, c.25, s.28; R.S.S. 1920, c.127, s.28.

**Board to deposit moneys received**

**29** 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.

1917, c.25, s.29; R.S.S. 1920, c.127, s.29.

**Repayments of principal**

**30** All sums of principal repaid to the board by borrowers 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) relented 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.

1917, c.25, s.30; R.S.S. 1920, c.127, s.30.

**Bonding of employees**

**31** 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.

1917, c.25, s.31; R.S.S. 1920, c.127, s.31.