

MAINE STATE LEGISLATURE

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SEVENTY-NINTH LEGISLATURE

HOUSE

NO. 171

House of Representatives, Feb. 18, 1919.

Referred to Committee on Judiciary and 500 copies ordered printed. Sent up for concurrence.

CLYDE R. CHAPMAN, Clerk.

Presented by Mr. Barnes of Houlton.

STATE OF MAINE

IN THE YEAR OF OUR LORD ONE THOUSAND
NINE HUNDRED AND NINETEEN

AN ACT to Amend Section Seven of Chapter Three Hundred
Three of the Public Laws of Nineteen Hundred Seventeen,
Changing the Conditions Under Which Loans May Be
Granted by the Farm Lands Loan Commissioner.

Be it enacted by the People of the State of Maine, as follows:

Section seven of chapter three hundred three of the public
2 laws of nineteen hundred seventeen is hereby amended by
3 striking out in the thirteenth and fourteenth lines thereof
4 the words "held under a complete title in fee simple by the
5 borrower," and by striking out the word "and" in the twen-
6 ty-sixth line and adding after the word "stock" in the twen-
7 ty-sixth line, 'and farm machinery and to refund an exist-

8 ing mortgage, but loans shall not be granted to refund an
9 existing mortgage unless the borrower takes an additional
10 amount to be expended for any purposes in this section
11 recited, and then only when in the discretion of the com-
12 missioners such loan is advisable,' and further amended by
13 adding after the word "unpaid" in the twenty-ninth line of
14 said section the words 'and shall assign to the state, so far
15 as its interest may appear, any policy of insurance upon
16 buildings on any property mortgaged under this act during
17 the lifetime of the mortgage,' so that said section as amend-
18 ed shall read as follows:

'Sect. 7. Conditions under which loans may be granted;
2 amount; rate of interest, payment, purposes, fund available,
3 expiration, etc. The commissioners shall meet twice month-
4 ly whenever one or more applications for loans are await-
5 ing consideration, or oftener in their discretion, to consider
6 applications and they shall consider and dispose of all appli-
7 cations in the order in which such applications were re-
8 ceived. The commissioners may grant applications for
9 loans for which sufficient security as hereinafter provided
10 is offered, subject to the approval of the attorney general
11 of the title to the land offered as security. The commis-
12 sioners may grant applications for the full amount asked
13 or when they consider the security offered to be inadequate,
14 they may reduce the amount of the loan to a sum for which
15 they deem the security to be adequate. 1. The commis-
16 sioners shall require as security for every farm loan a first

17 mortgage on farm real estate of a market value at least
18 double the amount of the loan; 2. No loan shall be grant-
19 ed to any person who is not an actual resident of this state
20 and a bona fide occupant of the land offered for security;
21 3. No loan shall be granted upon any land of which the
22 market value is less than ten dollars per acre; 4. No loan
23 of less than three hundred or more than five thousand dol-
24 lars shall be made to any one person, and no person shall
25 be granted separate loans aggregating more than five thou-
26 sand dollars; 5. At least one hundred thousand dollars of
27 the moneys available from the reserved land fund shall be
28 set aside each year for loans under this act and so much of
29 said amount as may be necessary, is hereby appropriated
30 to be loaned as provided for in this act; 6. Loans shall
31 be granted only for the purpose of assisting the borrower
32 to erect necessary dwelling houses and farm buildings, to
33 build silos, to clear his lands of forest growth, for the pur-
34 chase of live stock and farm machinery and to refund an
35 existing mortgage, but loans shall not be granted to refund
36 an existing mortgage unless the borrower takes an addi-
37 tional amount to be expended for any purposes in this act
38 recited, and then only when in the discretion of the com-
39 missioners such loan is advisable; 7. The borrower shall
40 pay a charge of five per cent per annum for the use of the
41 loan at the expiration of one year from the date of the loan
42 and annually thereafter so long as the loan remains un-
43 paid, and shall assign to the state, so far as its interest

44 may appear, any policy of insurance upon buildings on any
45 property mortgaged under this act during the lifetime of
46 the mortgage. All loans shall be made for a term of not
47 less than three nor more than twenty years but the prin-
48 cipal of the loan in whole or in part, at the option of the
49 borrower, may be paid on any interest date occurring not
50 less than three nor more than nineteen years after the date
51 of the loan and in any event the whole shall be payable in
52 twenty years and when partial payments are made the an-
53 nual charge of five per cent shall be made only upon the
54 unpaid balance of the principal of the loan.'