

MAINE STATE LEGISLATURE

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SEVENTY-NINTH LEGISLATURE

SENATE

NO. 195

In Senate, March 12, 1919.

Referred to Committee on Legal Affairs and 500 copies ordered printed. Sent down for concurrence.

P. F. CRANE, Secretary.

Presented by Senator Ames of Washington.

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 and Three, Public Laws of Nineteen Hundred and Seventeen, Relating to the Farm Lands Loan Commissioners of Maine.

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

Section seven of chapter three hundred and three of the
2 public laws of nineteen hundred and seventeen, is hereby
3 amended by striking out in the twenty-first, twenty-second,
4 twenty-third and twenty-fourth lines of said section the
5 following words: "At least one hundred dollars of the
6 moneys available from the reserved land fund shall be set
7 aside each year for loans under this act and so much of

8 said amount as may be necessary, is hereby appropriated
9 to be loaned as provided for in this act," and by inserting
10 in place thereof the words, 'the reserved land fund, not
11 invested, shall be set aside for loans under this section or
12 for any of the purposes set forth in section three, and the
13 amount of said fund is hereby appropriated for such uses
14 in either of the years nineteen hundred and nineteen or
15 nineteen hundred and twenty'; so that as amended said
16 section shall read as follows:

'Sect. 7. Conditions under which loans may be granted;
2 amount; rate of interest, payment, purposes, fund avail-
3 able, expiration, etc. The commissioners shall meet twice
4 monthly whenever one or more applications for loans await-
5 ing consideration, or oftener in their discretion, to con-
6 sider applications and they shall consider and dispose of
7 all applications in the order in which such applications
8 were received. The commissioners may grant applications
9 for loans for which sufficient security as hereinafter pro-
10 vided is offered, subject to the approval of the attorney
11 general of the title to the land offered as security. The
12 commissioners may grant applications for the full amount
13 asked or when they consider the security offered to be
14 inadequate, they may reduce the amount of the loan to a
15 sum for which they deem the security to be adequate.
16 1. The commissioners shall require as security for every
17 farm loan a first mortgage on farm real estate of a market
18 value at least double the amount of the loan held under a

19 complete title in fee simple by the borrower; 2. No loan
20 shall be granted to any person who is not an actual resi-
21 dent of this state and a bona fide occupant of the land
22 offered as security; 3. No loan shall be granted upon any
23 land of which the market value is less than ten dollars
24 per acre; 4. No loan of less than three hundred or more
25 than five thousand dollars shall be made to any one per-
26 son, and no person shall be granted separate loans aggre-
27 gating more than five thousand dollars; 5. The reserved
28 land fund, not invested, shall be set aside for loans under
29 this section or for any of the purposes set forth in section
30 three, and the amount of said fund is hereby appropriated
31 for such uses in either of the years nineteen hundred and
32 nineteen or nineteen hundred and twenty; 6. Loans shall
33 be granted only for the purpose of assisting the borrower
34 to erect necessary dwelling houses and farm buildings, to
35 build silos, to clear his lands of forest growth and for the
36 purchase of live stock; 7. The borrower shall pay a charge
37 of five per cent per annum for the use of the loan at the
38 expiration of one year from the date of the loan and an-
39 nually thereafter so long as the loan remains unpaid. All
40 loans shall be made for a term of not less than three nor
41 more than twenty years but the principal of the loan in
42 whole or in part, at the option of the borrower, may be
43 paid on any interest date occurring not less than three nor
44 more than nineteen years after the date of the loan and
45 in any event the whole shall be payable in twenty years

46 and when partial payments are made the annual charge of
47 five per cent shall be made only upon the unpaid balance
48 of the principal of the loan.'