

MAINE STATE LEGISLATURE

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NEW DRAFT.

SEVENTY-NINTH LEGISLATURE

SENATE

NO. 294

In Senate, March 29, 1919.

Reported by Mr. Thombs from Committee on Legal Affairs
and laid on table to be printed under joint rules.

P. F. CRANE, Secretary.

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

8 of said amount as may be necessary, is hereby appropriat-
9 ed to be loaned as provided for in this act", and by insert-
10 ing in place thereof the words, 'the reserved land fund,
11 not invested, shall be set aside for loans under this section
12 or for any of the purposes set forth in section three, and
13 the amount of said fund is hereby appropriated for such
14 uses in either of the years nineteen hundred and nineteen
15 or nineteen hundred and twenty'; so that said section as
16 amended 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 applicoions for loans are
5 awaiting consideration, or oftener in their discretion, to
6 consider applications and they shall consider and dispose
7 of 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 in-
14 adequate, they may reduce the amount of the loan to a sum
15 for which they deem the security to be adequate. 1. The
16 commissioners shall require as security for every farm loan
17 a first mortgage on farm real estate of a market value at
18 least double the amount of the loan ; 2. No loan shall be

19 granted to any person who is not an actual resident of this
20 state and a bona fide occupant of the land offered as
21 security; 3. No loan shall be granted upon any land of
22 which the market value is less than ten dollars per acre;
23 4. No loan of less than three hundred or more than five
24 thousand dollars shall be made to any one person, and no
25 person shall be granted separate loans aggregating more
26 than five thousand dollars; 5. The reserved land fund,
27 not invested, shall be set aside for loans under this section
28 or for any of the purposes set forth in section three, and
29 the amount of said fund is hereby appropriated for such
30 uses in either of the years nineteen hundred and nineteen
31 or nineteen hundred and twenty; 6. Loans shall be grant-
32 ed only for the purpose of assisting the borrower to erect
33 necessary dwelling houses and farm buildings, to build
34 silos, to clear his lands of forest growth, for the purchase
35 of live stock and farm machinery and to refund an existing
36 mortgage, but loans shall not be granted to refund an ex-
37 isting mortgage unless the borrower takes an additional
38 amount to be expended for any purposes in this act recited,
39 and then only when in the discretion of the commissioners
40 such loan is advisable; 7. The borrower shall pay a charge
41 of five per cent per annum for the use of the loan at the ex-
42 piration of one year from the date of the loan and annually
43 thereafter so long as the loan remains unpaid; and shall
44 assign to the state, so far as its interest may appear, any
45 policy of insurance upon buildings or any property mort-

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