

MAINE STATE LEGISLATURE

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EIGHTIETH LEGISLATURE

SENATE

NO. 206

In Senate, April 2, 1921.

Came from the House without printing. Under joint rules laid on table for printing.

L. ERNEST THORNTON, Secretary.

STATE OF MAINE

**IN THE YEAR OF OUR LORD ONE THOUSAND
NINE HUNDRED AND TWENTY-ONE**

AN ACT to Amend Section Seven of Chapter Three Hundred and Three of the Public Laws of Nineteen Hundred and Seventeen, as Amended by Chapters One Hundred and Forty-one and Two Hundred and Twenty-three of the Public Laws of Nineteen Hundred and Nineteen, Changing the Conditions under which Loans May Be Granted by Farm Lands Loan Commissioners.

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, as amended
3 by chapters one hundred and forty-one and two hundred
4 and twenty-three of the public laws of nineteen hundred
5 and nineteen, is hereby further amended by striking out

6 section seven of said chapter three hundred and three, and
7 inserting in place thereof the following section, so that said
8 section, as amended, shall read as follows:

‘Sect. 7. The commissioners shall meet twice monthly
2 whenever one or more applications for loans are awaiting
3 consideration, or oftener in their discretion, to consider ap-
4 plications and they shall consider and dispose of all appli-
5 cations in the order in which such applications were re-
6 ceived. The commissioners may grant applications for
7 loans for which sufficient security as hereinafter provided is
8 offered, subject to the approval of the attorney general of
9 the title to the land offered as security. The commissioners
10 may grant applications for the full amount asked or when
11 they consider the security offered to be inadequate, they
12 may reduce the amount of the loan to a sum for which they
13 deem the security to be adequate.

First: The commissioners shall require as security for
2 every farm loan a first mortgage on farm real estate of a
3 market value at least double the amount of the loan;

Second: No loan shall be granted to any person who is
2 not an actual resident of this state and a bona fide occupant
3 of the land offered as security;

Third: No loan shall be granted upon any land of which
2 the market value is less than ten dollars per acre;

Fourth: No loan of less than three hundred or more
2 than five thousand dollars shall be made to any one person,
3 and no person shall be granted separate loans aggregating
4 more than five thousand dollars;

Fifth: The reserved land fund, not invested, shall be set
2 aside for loans under this section, or for any of the purposes
3 set forth in section three, and the amount of said fund is
4 hereby appropriated for such uses.

Sixth: Loans shall be granted only for the purpose of
2 assisting the borrower to erect necessary dwelling houses
3 and farm buildings, to build silos, clear his land of forest
4 growth, for the purchase of live stock and farm machinery,
5 and for any other legitimate agricultural purpose, and also
6 to refund an existing mortgage, but loans shall not be grant-
7 ed to refund an existing mortgage unless the borrower takes
8 an additional amount to be expended for any purposes in
9 this section recited, and then only when in the discretion of
10 the commissioners such loan is advisable;

Seventh: The borrower shall pay a charge of seven per
2 cent per annum for the use of the loan at the expiration
3 of one year from the date of the loan and annually there-
4 after so long as the loan remains unpaid, and shall assign
5 to the state, so far as its interests may appear, any policy
6 of insurance upon buildings on any property mortgaged un-
7 der this act during the lifetime of the mortgage. All loans
8 shall be made for a term of not less than one nor more
9 than twenty years, but the principal of the loan, in whole
10 or in part, at the option of the borrower, may be paid on
11 any interest date occurring not less than one nor more than
12 nineteen years after the date of the loan, and in any event
13 the whole shall be payable in twenty years, and when partial

14 payments are made, the annual charge of seven per cent
15 shall be made only upon the unpaid balance of the principal
16 of the loan.'