

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

NEW DRAFT

EIGHTY-FIRST LEGISLATURE

HOUSE

NO. 44

House of Representatives, Feb. 6, 1923.

Reported by Mr. Conant from Committee on Agriculture and
ordered printed under joint rules.

CLYDE R. CHAPMAN, Clerk.

Presented by Mr. Hamilton of Caribou.

STATE OF MAINE

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

AN ACT to Amend Section Seven of Chapter Three Hundred
and Three of the Public Laws of 1917, as Amended by
Chapters One Hundred and Forty-one and Two Hundred
and Twenty-three of Public Laws of 1919 and by Chapter
One Hundred and Forty-seven of the Public Laws of 1921,
Relating to Amount of Loan, Rate of Interest on Farm Land
Loans and the General Provisions on which the Loan is
Made.

Emergency Preamble. Whereas the farmers of this state,
owing to low prices for their commodities, poor crops and
unusually high freight rates are enduring a financial hardship

never before known in the history of the state, which condition threatens the destruction of the farm industries; and

Whereas, to some extent, a loan by the state under the following act would be of great assistance to the farmers;

It is therefore the judgment of the legislature that these facts create an emergency within the meaning of section sixteen of article thirty-one of the Constitution of the state of Maine, and therefore require the following legislation as an immediate necessity for the preservation of the public peace, health and safety.

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

Section 1. Section seven of chapter three hundred and 2 three of the public laws of nineteen hundred and seventeen, 3 as amended by chapters one hundred and forty-one and two 4 hundred twenty-three of the public laws of nineteen hun- 5 dred and nineteen, as amended by chapter one forty-seven 6 of the public laws of 1921, is hereby further amended by 7 striking out the word "five" in the first line and the word 8 "five" in the third line of paragraph four of said section 9 and substituting therefor the word 'ten' in said first line 10 and the word 'ten' in the third line; and omitting all the 11 words in paragraph six of said section after the word 12 "mortgage" in the fifth line of said section; and striking 13 out the word "seven" in the first line of the seventh para- 14 graph of said section and inserting in place thereof the 15 word 'five,' and inserting after the word "annum" in said 16 first line the words 'payable semi-annually': by striking out

17 the words "at the expiration of one year" in the second
18 line; by striking out the word "annually" in the third line;
19 by striking out the word "annual" in the eleventh line and
20 inserting in place thereof the word 'semi-annual'; and by
21 striking out the words "seven per cent" in the twelfth line
22 and inserting in place thereof the words 'five per cent per
23 annum,' so that said section as amended shall read as
24 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
4 application 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
8 is offered, subject to the approval of the attorney general
9 of the title to the land offered as security. The commis-
10 sioners may grant applications for the full amount asked
11 or when they consider the security offered to be inadequate,
12 they may reduce the amount of the loan to a sum for which
13 they 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
2 is not an actual resident of this state and 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 ten thousand dollars shall be made to any one person,
3 and no person shall be granted separate loans aggregating
4 more than ten thousand dollars.

'Fifth. The reserved land fund, not invested, shall be set
2 aside for loans under this section, or for any of the pur-
3 poses set forth in section three, and the amount of said
4 fund is 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.

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

12 the loan, and in any event the whole shall be payable in
13 twenty years, and when partial payments are made, the
14 semi-annual charge of five per cent per annum shall be made
15 only upon the unpaid balance of the principal of the loan.

‘When Effective. In view of the emergency expressed in
2 the preamble hereof, this act shall take effect when ap-
3 proved.