

# MAINE STATE LEGISLATURE

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EIGHTY-SECOND LEGISLATURE

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S. P. No. 330

S. D. No. 120

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In Senate, February 25, 1925.

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

ROYDEN V. BROWN, Secretary.

Presented by Senator Holley of Somerset.

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STATE OF MAINE

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

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AN ACT Relating to Adjustment of Rate of Interest on Farm  
Loans Granted by the State.

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

Section one, of chapter four, of the public laws of nineteen hundred and twenty-three, is hereby amended by adding to said section the following: 'Provided, that all loans made at the rate of seven per cent between July seventh, nineteen hundred and twenty-one, in pursuance of chapter one hundred and forty-seven, of the public laws of nineteen hundred and twenty-one, and July seventh, nineteen hundred and twenty-three, shall be refunded so that the rate of interest shall be five per cent per annum, said rate

10 of five per cent to apply to all loans made during that  
11 period and now outstanding, and also upon all loans made  
12 during that period and discharged in full since July sev-  
13 enth, nineteen hundred and twenty-one"; so that as amended  
14 said section 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  
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 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 on 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 per annum, payable semi-annually, for the use of the  
3 loan from the date of the loan and thereafter so long as  
4 the loan remains unpaid, and shall assign to the state, so  
5 far as its interests may appear, any policy of insurance  
6 upon buildings on any property mortgaged under this act  
7 during the lifetime of the mortgage. All loans shall be  
8 made for a term of not less than one, nor more than twenty  
9 years, but the principal of the loan, in whole or in part,  
10 at the option of the borrower may be paid on any interest  
11 date occurring not less than one nor more than nineteen  
12 years after the date of the loan, and in any event the whole  
13 shall be payable in twenty years, and when partial pay-  
14 ments are made, the semi-annual charge of five per cent

15 per annum shall be made only upon the unpaid balance of  
16 the principal of the loan.

‘Provided, that all loans made at the rate of seven per cent  
2 between July seventh, nineteen hundred and twenty-one, in  
3 pursuance of chapter one hundred and forty-seven, of the  
4 public laws of nineteen hundred and twenty-one, and July  
5 seventh, nineteen hundred and twenty-three, shall be re-  
6 funded so that the rate of interest shall be five per cent  
7 per annum, said rate of five per cent to apply to all loans  
8 made during that period and now outstanding, and also  
9 upon all loans made during that period and discharged in  
10 full since July seventh, nineteen hundred and twenty-one.’