

# MAINE STATE LEGISLATURE

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NEW DRAFT

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**EIGHTY-SECOND LEGISLATURE**

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**S. P. No. 570**

**S. D. No. 241**

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In Senate, March 24, 1925.

Reported by Senator Buzzell from Committee on Agriculture  
and laid on table to be printed under joint rules.

ROYDEN V. BROWN, Secretary.

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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 nine-  
2 teen hundred and twenty-three, is hereby amended by add-  
3 ing to said section the following: 'Provided, that all loans  
4 made at the rate of seven per cent between July seventh,  
5 nineteen hundred and twenty-one in pursuance of chapter  
6 one hundred and forty-seven, of the public laws of nine-  
7 teen hundred and twenty-one, and July seventh, nineteen  
8 hundred and twenty-three, may be reissued so that the rate  
9 of interest thereon shall be five per cent per annum, from

10 the date of such reissue'; so that as amended said section  
11 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 loans  
7 for which sufficient security as hereinafter provided is of-  
8 fered, 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 on which  
2 the market value is less than ten dollars per acre;

'Fourth. No loan of less than three hundred or more than  
2 ten thousand dollars shall be made to any one person, and  
3 no person shall be granted separate loans aggregating more  
4 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 fund  
4 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 the  
4 loan remains unpaid, and shall assign to the state, so far  
5 as its interests may appear, any policy of insurance upon  
6 buildings on any property mortgaged under this act during  
7 the lifetime of the mortgage. All loans shall be made for  
8 a term of not less than one, nor more than twenty years,  
9 but the principal of the loan, in whole or in part, at the  
10 option of the borrower may be paid on any interest date  
11 occurring not less than one nor more than nineteen years  
12 after the date of the loan, and in any event the whole shall  
13 be payable in twenty years, and when partial payments are  
14 made, the semi-annual charge of five per cent per annum  
15 shall be made only upon the unpaid balance of the principal  
16 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, may be re-  
6 issued so that the rate of interest thereon shall be five per  
7 cent per annum, from the date of such reissue.'