

No. 58

5th Session, 13th Legislature, Alberta
7 Elizabeth II, 1959

BILL 58

A Bill to provide for the Guarantee by the Province of
Loans to Farmers for Home Improvements

HON. MR. HALMRAST

Explanatory Note

1. This Bill will provide a guarantee by the Province to chartered banks and treasury branches on loans made to farmers for the purpose of improving the farm home.

2. Definitions.

3. Guarantee is given for loss sustained on a loan up to fifty per cent of the amount of the loss.

BILL

No. 58 of 1959

An Act to provide for the Guarantee by the Province of
Loans to Farmers for Home Improvements

(Assented to _____, 1959)

HER MAJESTY, by and with the advice and consent of
the Legislative Assembly of the Province of Alberta,
enacts as follows:

1. This Act may be cited as "*The Farm Home Improvements Act*".

2. In this Act,

- (a) "bank" means a bank incorporated by or under the *Bank Act* (Canada) and a treasury branch of the Treasury Department;
- (b) "farmer" means a person
 - (i) who is in possession of a farm as owner or purchaser or as a lessee under a lease that has an unexpired term of not less than ten years,
 - (ii) whose principal occupation is farming, and
 - (iii) who meets the requirements prescribed by the regulations;
- (c) "farming" includes the production of crops from the soil, livestock raising, poultry raising, dairying and beekeeping;
- (d) "home improvements" means improvements to the home of a farmer situate on a farm and includes
 - (i) water systems, sewage systems, insulation, concrete basements, new floors, new roofs, new siding, painting, interior decorating and remodelling, and
 - (ii) additions to the home where the addition is a bathroom or provides for a bathroom,
but does not include household furnishings, electrical appliances or other things not affixed to the home.

3. Subject to this Act, the Government of Alberta hereby guarantees to pay to any bank that makes a loan to a farmer for home improvements the amount of any loss sustained on the loan up to fifty per cent of the amount of the loss.

4. The loans must not exceed \$2,000.00 at five per cent simple interest and must be repayable by at least two hundred dollars a year. The home improvements must be checked and approved by a person designated by the Minister of Agriculture.

5. (1) Payment of the guaranteed loss shall be made when the bank assigns its rights and powers in respect of the loan to the Province.

(2) If the Province recovers more than the amount paid on the guarantee the excess is to be paid to the bank.

6. The guarantee is not lost where the terms of the loan are varied because of default if the Provincial Treasurer approves the variation.

7. Appointment of inspectors.

8. Regulations may be made prescribing the procedure for checking and approving home improvements and the procedure for making a claim for loss.

4. The guarantee given under section 3 only applies where

- (a) at the time of the making of the loan it is established in the manner prescribed by the regulations that the principal amount of the loan, together with the amount owing in respect of other loans made to the farmer and guaranteed under this Act, does not exceed the sum of two thousand dollars,
- (b) a responsible officer of the bank certifies that he has scrutinized and checked the application and the security for the loan with the care required of him by the bank in the conduct of its ordinary business,
- (c) the home improvements in respect of which the loan is being made are checked and approved in the manner prescribed in the regulations,
- (d) the principal amount of the loan is repayable in instalments of not less than two hundred dollars in each year, and
- (e) the rate of interest charged by the bank on the loan does not exceed five per cent per annum simple interest.

5. (1) Where a bank sustains a loss as a result of a loan guaranteed under this Act and the bank assigns to the Government all its rights and powers in respect of the loan, including any security taken by the bank and any judgment in respect of the loan obtained by the bank, the Provincial Treasurer shall pay to the bank one half of the amount of the loss sustained by the bank on the loan.

(2) After deducting costs the Provincial Treasurer shall pay to a bank that makes an assignment under subsection (1) any moneys recovered by the Provincial Treasurer in respect of the loan and in excess of the payment to the bank.

6. In the event of actual or impending default in the repayment of a loan guaranteed under this Act, a bank may, with the approval of the Provincial Treasurer, alter or revise by way of extension of time or otherwise any of the terms of the loan and such alteration or revision does not discharge the liability of the Government in respect thereof under this Act.

7. The Minister of Agriculture may appoint inspectors for the purpose of this Act.

8. The Lieutenant Governor in Council may make regulations

- (a) declaring any class or type of improvement that benefits a farm home to be a home improvement for the purposes of this Act,
- (b) prescribing requirements as to age, experience, residence and other qualifications required by farmers,

- (c) prescribing procedures for establishing when any conditions precedent to the guaranteeing of a loan under this Act have been satisfied,
- (d) prescribing the times at which and the manner in which home improvements are to be checked and the conditions under which approval may be given,
- (e) prescribing rules for determining when a loss has occurred as a result of a loan guaranteed under this Act and the procedure to be followed by a bank in making a claim for a loss, and
- (f) making provision for any other matter that may be deemed necessary or advisable for carrying out the purpose and intention of this Act.

9. This Act comes into force on the day upon which it is assented to.

No. 58

FIFTH SESSION

THIRTEENTH LEGISLATURE

7 ELIZABETH II

1959

BILL

An Act to provide for the Guarantee
by the Province of Loans to
Farmers for Home
Improvements

Received and read the

First time.....

Second time.....

Third time.....

HON. MR. HALMRAST
