

Bill No. 22 of 1933.

A BILL TO AMEND THE ALBERTA CO-OPERATIVE
RURAL CREDIT ACT.

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NOTE.

Section 2 of the Bill amends the existing provisions of section 50 so as to permit of advances being made by instalments and in case the Society desires it, the amount advanced may be placed to the joint account of the borrower and the Society to ensure the compliance by the borrower with any conditions prescribed by the Society as to the manner in which the loan is to be expended.

Section 3 of the Bill modifies the existing provisions as to the renewal of loans by providing for temporary renewals of loans falling due before the thirty-first day of January in any year.

Section 4 of the Bill extends the time for filing notices of liens from ten days to twenty days after the making of any loan.

Section 5 of the Bill makes express provision as to the interest chargeable on loans made through sugar-beet societies and for the creation of sinking funds, and for the management and disposition thereof.

Section 6 of the Bill amends a mis-reference, and makes a similar amendment as to the time for filing liens as that made by section 3 of the Bill.

R. ANDREW SMITH,
Legislative Counsel.

(This note does not form any part of the Bill and is offered merely as a partial explanation of some of its provisions.)

BILL

No. 22 of 1933.

An Act to amend The Alberta Co-operative Rural Credit Act.

(Assented to _____, 1933.)

HIS 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 Alberta Co-operative Rural Credit Act Amendment Act, 1933.*"

2. *The Alberta Co-operative Rural Credit Act*, being chapter 66 of the Statutes of Alberta, 1931, is hereby amended as to section 50 thereof by striking out the same and by substituting therefor the following:

"50.—(1) Upon the receipt of the application approved by the supervisor, the secretary-treasurer shall—

"(a) arrange with the lender for the making of the approved loan, and upon such arrangement being made, deposit one copy of the approved application with the lender who may thereupon advance to the borrower the amount of the approved loan, either in one sum or in such installments, payable at such time or times, as the secretary-treasurer shall from time to time direct;

"(b) before the making of any advance to a borrower, obtain from the borrower a note payable to the order of the Society for the full amount of the sum so advanced, or any installment thereof, payable at some time not earlier than the first day of September nor later than the thirty-first day of January then next, with interest at the rate set out in the application, and if it is a term of granting the loan that some other person or persons shall endorse such note by way of guarantee, obtain all such required endorsements, and if requested so to do by the lender, endorse and guarantee the note or notes in the name and on behalf of the Society and deliver the same to the lender.

"(2) Upon the delivery of any note in respect of any approved loan in compliance with this section, the lender may advance the full amount secured by the note either by placing the same to the credit of the borrower or, if so directed by the secretary-treasurer in writing, to the joint account of the borrower and the Society, and upon so doing

the lender shall have no responsibility to see that the moneys so advanced are used by the borrower or by the Society and the borrower for the purpose or purposes for which they were advanced.

“(3) If any borrower is dissatisfied with any directions given by the secretary-treasurer as to any installments by which any advance is to be made, the borrower may appeal to the directors who may, by resolution, give such directions as to the installments by which any advance is to be made to the borrower and the time or times for the payment of such installments as it shall deem proper, and the secretary-treasurer shall act upon the directions so given.”

3. The said Act is further amended as to section 59 thereof by striking out the same and by substituting therefor the following:

“**59.**—(1) In any case in which a borrower satisfies the directors that he is unable to repay any loan or any renewal of any loan other than a temporary renewal upon the due date, if the due date is earlier than the thirty-first day of January, the directors may in their discretion and upon the application of the borrower, grant a temporary renewal of the whole or any part of the past due indebtedness to a date not later than the thirty-first day of January next after the due date.

“(2) In any case in which a borrower satisfies the directors that he is unable to repay any loan or any renewal of any loan or any temporary renewal of any loan or any part thereof upon the due date, the directors may in their discretion and upon the application of the borrower grant a renewal of the whole or any part of the past due indebtedness, to a date not later than the thirty-first day of January next after the date upon which such indebtedness became past due.

“(3) All the provisions of this Act with reference to an application for an original loan shall apply to every application for a renewal other than a temporary renewal except that every application shall be marked with the word ‘renewal,’ and shall be kept distinct from any original application made by the same borrower.

“(4) Upon the temporary renewal or renewal of any loan pursuant to this section, all liens, charges, securities or other remedies whatsoever, wheresoever and howsoever taken or created for securing the repayment of the original loan shall continue in full force and effect.”

4. The said Act is further amended as to section 62 thereof by striking out the words “Within ten days after the making of any loan” where the same occur in subsection (1) thereof, and by substituting therefor the words “Within twenty days after the making of any advance.”

5. The said Act is further amended by inserting therein, immediately after section 78 thereof, the following new section:

“**78a.**—(1) In respect of every loan made pursuant to this Part of this Act, the rate of interest payable by a

borrower guaranteed by a society formed under this Part shall not be more than seven and one-half per centum per annum of which not more than six per centum shall be retained by the lender.

“(2) The difference between the interest which may be retained by the lender and the interest payable by the borrower shall be dealt with by the lender as follows:

“(a) The difference between the interest payable to the lender and interest at the rate of six and one-half per centum shall be paid to the Minister to be held by him as part of the Sinking Fund of the guaranteeing society;

“(b) The difference, if any, between the interest payable by the borrower and the portions thereof payable to the lender and to the Minister respectively shall be paid to the society for its own use and benefit.

“(3) Any sums received by the Minister on account of the Sinking Fund of a society formed under this Part shall be available for and may be applied by the Minister in defraying any losses sustained by that society in respect of any loan guaranteed by the Minister pursuant to this Act at such times and in such manner as the Minister may from time to time direct, and in accordance with such regulations as he may from time to time prescribe.

“(4) Every sinking fund shall be invested in such securities as the Minister may direct, and shall form no part of the General Revenue Fund.

“(5) Upon the winding up of any society formed under this Part, the Sinking Fund of that society shall, subject to the payment of all the obligations of the society guaranteed by the Minister pursuant to this Act, be payable to the society for its own use and benefit.”

6. The said Act is further amended as to section 79 thereof—

(a) by striking out the words “paragraphs (a) and (b) of section 63 of this Act,” and by substituting therefor the words “paragraphs (a), (b) and (c) of section 63 of this Act”;

(b) by striking out the words “ten days” where the same occur therein, and by substituting therefor the words “twenty days.”

7. This Act shall come into force on the day upon which it is assented to, and thereupon section 5 of this Act shall be deemed to have been in force at all times from and after the first day of July, 1931.

No. 22

THIRD SESSION
SEVENTH LEGISLATURE
23 GEORGE V
1933

B I L L

An Act to amend The Alberta Co-
operative Rural Credit Act.

Received and read the

First time.....

Second time.....

Third time.....

HON. MR. REID

EDMONTON:
W. D. McLEAN, KING'S PRINTER
1933