

# *The Family Farm Credit Act*

*Repealed*

by [Chapter 8 of the \*Statutes of Saskatchewan, 2015\*](#)  
(effective May 14, 2015)

*Formerly*

[Chapter F-5 of \*The Revised Statutes of Saskatchewan, 1978\*](#)  
(effective February 26, 1979) as amended by the [Statutes of  
\*Saskatchewan, 1988-89, c.42; 1989-90, c.54; 2004, c.10;\*](#)  
and [2014, c.E-13.1.](#)

## **NOTE:**

This consolidation is not official. Amendments have been incorporated for convenience of reference and the original statutes and regulations should be consulted for all purposes of interpretation and application of the law. In order to preserve the integrity of the original statutes and regulations, errors that may have appeared are reproduced in this consolidation.

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## CHAPTER F-5

### An Act to provide Assistance to Farmers in the Establishment and Development of Family Farms as Economic Farm Units

#### Short title

1 This Act may be cited as *The Family Farm Credit Act*.

#### Interpretation

2 In this Act:

- (a) **“borrower”** means a person to whom a loan is made or may be made under this Act;
- (b) **“company”** means Co-operative Trust Company of Canada;
- (c) **“economic farm unit”** means a farm capable of producing income sufficient to support the operator of the farm and his family, if any, and to repay moneys borrowed to establish the unit within the term of the loan;
- (d) **“family farm”** means a farming enterprise managed by a farmer in respect of which the necessary labour is performed primarily by him and his family, if any;
- (e) **“farmer”** means a person whose principal occupation is farming or whose principal occupation will be farming if granted a loan;
- (f) **“farming”** includes the tillage of the soil, stock raising, operating a dairy and poultry raising;
- (g) **“live stock”** means horses, cattle, sheep, swine or live poultry;
- (h) **“minister”** means the member of the Executive Council to whom for the time being the administration of this Act is assigned.

R.S.S 1978, c.F-5, s.2; 1988-89, c.42, s.39.

#### Purpose of Act

3 The purpose of this Act is to make long term credit available to farmers to assist in the establishment and development of family farms as economic farm units and in the transfer of family farms from members of one generation to members of a later generation and to assist in the enlargement or conversion of family farms that are uneconomic farm units into economic farm units.

R.S.S 1978, c.F-5, s.3.

#### Designation of company for purposes of Act

4 The company is designated as the agency that may make loans to farmers for the purposes and subject to the conditions hereinafter set forth.

R.S.S 1978, c.F-5, s.4.

**c. F-5****FAMILY FARM CREDIT****Extension of powers of company**

**5** Notwithstanding anything in *An Act to incorporate Co-operative Trust Company Limited*, being chapter 114 of the statutes of 1952, the company may make loans to persons who qualify therefor under this Act and may issue securities for the purpose of raising moneys to be used in making such loans.

R.S.S 1978, c.F-5, s.5.

**Guarantee and purchase by province of securities issued by company**

**6** The Lieutenant Governor in Council may authorize the Minister of Finance:

- (a) to guarantee on behalf of the province the payment of the principal of and interest on securities issued by the company for the purpose of raising moneys to be used in making loans under this Act;
- (b) to purchase any such securities for the purpose of assisting in the raising of such moneys.

R.S.S 1978, c.F-5, s.6.

**Agreement for reimbursement of company by province in respect of losses**

**7(1)** The Lieutenant Governor in Council may authorize the Minister of Finance to enter into and execute on behalf of the province, on such terms and conditions as may be approved by the Lieutenant Governor in Council, an agreement or agreements between the province and the company providing for the reimbursement of the company by the province for losses incurred by the company in the course of making loans to farmers for the purposes and subject to the conditions set forth in this Act, provided that the aggregate amount of such reimbursement shall not exceed ten per cent of the aggregate of the principal amounts advanced by way of loans by the company under this Act during the period ending on the thirty-first day of March, 1966, and, in any case, shall not exceed \$1,000,000.

**(2)** Any payment by the province pursuant to an agreement or agreements entered into under subsection (1) shall be a charge upon and shall be paid out of the general revenue fund.

R.S.S 1978, c.F-5, s.7; 2004, c.10, s.17.

**Power of company to make loans**

**8** In order to provide assistance in any of the matters mentioned in section 3 the company may, out of the moneys at its disposal from time to time and realized through the sale of securities mentioned in section 6, make a loan to a farmer for any of the following purposes and no others:

- (a) the purchasing of land by the borrower;
- (b) the construction, repair or alteration of, or the making of additions to, any farm buildings on land owned or purchased by the borrower;
- (c) the making of permanent improvements to farm lands owned or purchased by the borrower, for the purpose of increasing the productive value of the land or promoting the conservation of the soil thereof;

- (d) the purchasing of farm equipment;
- (e) the purchasing of live stock;
- (f) the paying off and discharging of mortgages, encumbrances and other charges or liens against or on land owned or purchased by the borrower.

R.S.S 1978, c.F-5, s.8.

**Temporary use of moneys not required for loans**

**9** Subject to the regulations, moneys in the hands of the company for the purposes of this Act and not immediately required for the purpose of making loans under section 8 may be deposited or invested under the company's Act of incorporation.

R.S.S 1978, c.F-5, s.9.

**Conditions respecting loans**

**10** The following conditions apply with respect to loans made under this Act:

- 1 Not more than \$25,000 shall be lent to any one borrower;
- 2 Moneys lent shall be secured by such mortgages on land or chattel mortgages on live stock and other chattels of the borrower as the company deems necessary to provide adequate security;
- 3 Moneys lent may be made available to the borrower in a lump sum or in instalments;
- 4 No loan shall be made unless it is reasonably expected that the farm unit to be established as a result of the loan will constitute an economic farm unit;
- 5 No loan shall be made for an amount in excess of eighty per cent of the value of the security given for the loan whether it is land only or chattels only or land and chattels;
- 6 No loan shall be made where part of the land comprising the economic farm unit to be established is held by the borrower under lease unless the lease is for a term not shorter than the term of the loan;
- 7 Except as herein otherwise provided:
  - (a) every loan shall be repayable in such instalments as may be agreed upon between the company and the borrower and as are sufficient to repay the loan at the expiration of such period, not exceeding thirty years from the date on which the loan is made, as may be agreed upon;
  - (b) repayment of all or any part of a loan may be made on any day on which an instalment is due, subject to such conditions as may be set forth in the mortgage;
- 8 No loan shall be made to a borrower who is under eighteen years of age, and no loan shall be made to a borrower who is over forty years of age unless the period within which the loan is to be repaid expires on or before the day on which the borrower will attain the age of seventy years;

**c. F-5****FAMILY FARM CREDIT**

9 Unless the company otherwise agrees, buildings on land given as security for a loan shall, while any part of the loan remains unpaid be insured against fire for their full insurable value, and the contract of insurance shall be assigned to the company as collateral security;

10 Live stock and other chattels given as security, and crops on land given as security, for a loan shall be insured against such risks and for such amount as the company may specify.

R.S.S 1978, c.F-5, s.10.

**Duty of company to obtain information respecting applicant for loan**

11 In respect of every application for a loan under this Act the company shall obtain satisfactory evidence through an interview with the applicant or in such other manner as may be practicable:

- (a) as the applicant's age;
- (b) that the applicant is a resident of Saskatchewan and has resided in Saskatchewan continuously during the period of three years immediately preceding the date of the application;
- (c) that the applicant is of good character;
- (d) that the applicant has had such farming experience and training as will enable him to operate a farm and to make proper use of the proceeds of the proposed loan;
- (e) as to the applicant's plans for the future operation and development of his farm if the loan is granted;
- (f) that the net appraised value of the assets of the applicant do not exceed \$35,000.

R.S.S 1978, c.F-5, s.11.

**Appraisal of security**

12(1) Wherever practicable the company shall, before making a loan, cause the property on the security of which the loan is to be made to be appraised by a competent valuator, who may, but need not, be an employee of the company.

(2) The following conditions apply with respect to an appraisal pursuant to subsection (1):

- 1 land shall be valued on the basis of its value for farming purposes and as far as possible on the productive value as shown by experience;
- 2 live stock and other chattels shall be valued at not more than the current sale value thereof.

R.S.S 1978, c.F-5, s.12.

**Interest rate**

**13** Subject to the approval of the Lieutenant Governor in Council, the company shall from time to time determine the rate of interest payable by borrowers under this Act, and the rate so fixed shall, as nearly as may be practicable, be the rate necessary to cover the cost of money to the company and the cost of administration with respect to loans under this Act.

R.S.S 1978, c.F-5, s.13.

**Charges payable by borrower**

**14(1)** Every borrower shall agree to pay when due all assessments and taxes against the property given as security, the insurance premiums payable in respect of the insurance mentioned in paragraphs 9 and 10 of section 10, and if default is made in payment of any sum to be paid pursuant to the agreement the company may pay the sum and add it to the amount unpaid in respect of the loan.

**(2)** The cost of appraising the security given for a loan shall be a charge against the borrower.

R.S.S 1978, c.F-5, s.14.

**Life insurance**

**15(1)** The company shall cause the borrower's life to be insured, under a creditors' group life insurance contract made in accordance with *The Saskatchewan Insurance Act*, for an amount determined by the company not exceeding the amount outstanding from time to time in respect of the loan.

**(2)** The cost of the insurance shall be a charge against the borrower.

**(3)** Subsection (1) does not apply where any part of the loan remains unpaid after the borrower attains the age of 70 years.

R.S.S 1978, c.F-5, s.15.

**Records to be kept by borrower**

**16** Every borrower shall keep records showing the financial condition of his farming enterprise, and the company shall have the right to examine such records.

R.S.S 1978, c.F-5, s.16.

**Duty of borrower in default to furnish information**

**17** If the borrower makes default in payment of any sum due in respect of his loan he shall furnish the company with such information respecting his operations as may be requested by the company.

R.S.S 1978, c.F-5, s.17.

**c. F-5****FAMILY FARM CREDIT****Supervision of expenditure of loan**

**18(1)** The company shall take all such steps as may be necessary to supervise the expenditure by a borrower of the moneys lent to him in order to ensure that the moneys are duly expended for the purpose for which they were lent.

(2) A record of the supervision shall be entered in the accounts of the company relating to the borrower.

R.S.S 1978, c.F-5, s.18.

**Powers of company where moneys lent improperly used, etc.**

**19** If any money lent under this Act has not been, or is not being, used for the purpose for which it was lent, or is not being carefully and economically expended, or if the security for the loan has depreciated in value through any negligence on the part of the borrower, the company may refuse to make any further advance and may declare the amount advanced with accrued interest to be due and payable immediately, and thereupon the borrower shall forthwith repay the moneys borrowed with accrued interest and in default of payment the company shall have the like remedies for the recovery of the moneys as if they were due and payable pursuant to the mortgage.

R.S.S 1978, c.F-5, s.19.

**Counselling borrowers**

**20(1)** The company shall, to the extent deemed practicable, make available to any borrower a counselling service for the purpose of advising the borrower as to the manner in which moneys lent are to be used and as to the operation of his farm.

(2) If a borrower is in default the company may require him to accept the counselling service mentioned in subsection (1) until the default is remedied.

R.S.S 1978, c.F-5, s.20.

**Postponement of principal**

**21** If the income of a borrower is reduced in any year due to causes beyond his control to such an extent that he is unable to make a payment on the loan, the company may grant a postponement of the payment of the principal sum due in that year and, notwithstanding paragraphs 7 and 8 of section 10, the term of the loan may be extended accordingly.

R.S.S 1978, c.F-5, s.21.

**Advisory committee**

**22(1)** The Lieutenant Governor in Council shall appoint three persons who may sit with the board of directors or the investment committee of the company when consideration is being given to operations of the company under this Act.

(2) The persons appointed under subsection (1) shall advise the board of directors with respect to its policy and procedure in connection with loans under this Act, and shall submit such reports to the Lieutenant Governor in Council as may be deemed necessary or advisable.

R.S.S 1978, c.F-5, s.22.



**Records of company**

**23(1)** The company shall maintain separate books and records in respect of all transactions under this Act.

(2) The books and records mentioned in subsection (1) shall be open to inspection by the Minister of Finance or any person designated by him at all reasonable hours.

R.S.S 1978, c.F-5, s.23.

**Returns**

**24** The company shall at such times as the Minister of Finance may specify send to him returns showing the loans made under this Act and setting forth such other information as the Minister of Finance may require.

R.S.S 1978, c.F-5, s.24.

**Regulations**

**25(1)** For the purpose of carrying out the provisions of this Act according to their intent and of supplying any deficiency therein the Lieutenant Governor in Council may make regulations not inconsistent with the spirit of this Act which shall have the same force and effect as if incorporated therein.

(2) **Repealed.** 1989-90, c.54, s.5.

R.S.S 1978, c.F-5, s.25; 1989-90, c.54, s.5.

**Annual report**

**26(1)** The minister shall, in accordance with section 13 of *The Executive Government Administration Act*, submit annually to the Lieutenant Governor in Council a report showing the total amount of the securities guaranteed and of securities purchased by the Minister of Finance under this Act, the total amount of payments made by the province pursuant to an agreement or agreements entered into under subsection (1) of section 7 and the loans made by the company under this Act and setting forth such other information as the Lieutenant Governor in Council may require.

(2) The report required by subsection (1) shall be laid before the Legislative Assembly in accordance with section 13 of *The Executive Government Administration Act*.

R.S.S 1978, c.F-5, s.26; 2014, c.E-13.1, s.62.

**Agreements with Canada**

**27** The minister, with the approval of the Lieutenant Governor in Council may, on behalf of the Government of Saskatchewan, enter into an agreement with the Government of Canada under any Act of the Parliament of Canada, pursuant to which the Government of Canada will make available to the Government of Saskatchewan moneys to be used for the purposes of that Act and this Act in addition to moneys available to the company for the purposes of this Act.

R.S.S 1978, c.F-5, s.27.

