

1960

## c 198 Junior Farmer Establishment Act

Ontario

© Queen's Printer for Ontario, 1960

Follow this and additional works at: <http://digitalcommons.osgoode.yorku.ca/rso>

---

### Bibliographic Citation

*Junior Farmer Establishment Act*, SO 1966, c 198

### Repository Citation

Ontario (1960) "c 198 Junior Farmer Establishment Act," *Ontario: Revised Statutes*: Vol. 1960: Iss. 2, Article 73.

Available at: <http://digitalcommons.osgoode.yorku.ca/rso/vol1960/iss2/73>

This Statutes is brought to you for free and open access by the Statutes at Osgoode Digital Commons. It has been accepted for inclusion in Ontario: Revised Statutes by an authorized administrator of Osgoode Digital Commons.

## CHAPTER 198

**The Junior Farmer Establishment Act**

1.—(1) The Ontario Junior Farmer Establishment Loan Corporation, in this Act called "the Corporation", that has as its object the making of loans to assist young qualified farmers in the establishment, development and operation of their farms and that was constituted by *The Junior Farmer Establishment Act, 1952*, is continued. <sup>Corporation continued</sup> 1952, c. 45

(2) The Corporation shall continue to be composed of three members who shall hold office as members during the pleasure of the Lieutenant Governor in Council and who shall be such officers in the public service of Ontario as the Lieutenant Governor in Council from time to time appoints. <sup>Membership</sup>

(3) The three members for the time being of the Corporation shall form and be its board of directors and the Lieutenant Governor in Council shall designate one of them as chairman and one of them as vice-chairman of the board. <sup>Board of directors</sup>

(4) Subject to the regulations, the affairs of the Corporation shall be under the management and control of the board of directors and, in the absence of the chairman or if at any time that office is vacant, the vice-chairman has all the powers and shall perform the duties of the chairman. 1952, c. 45, s. 1 (1-4). <sup>Management</sup>

(5) Two directors constitute a quorum at meetings of the board of directors. 1957, c. 56, s. 1. <sup>Quorum</sup>

2.—(1) Subject to the approval of the Lieutenant Governor in Council, the Corporation may from time to time borrow or raise by way of loan such sums of money as the Corporation deems requisite for its purposes in any one or more, or partly in one and partly in another, of the following ways: <sup>Borrowing powers</sup>

1. By the issue and sale of debentures, bills or notes of the Corporation in such form or forms, in such denomination or denominations, bearing interest at such rate or rates and payable as to principal and interest at such time or times, in such currency or currencies and at such place or places as the Corporation determines.

2. By temporary loan or loans from any chartered bank or banks or from any person either by way of bank overdraft or loan or in any other manner whatsoever as the Corporation determines.

Purposes  
of  
Corporation

(2) The purposes of the Corporation shall, without limiting the generality thereof, include,

- (a) the carrying out of the object of the Corporation mentioned in section 1;
- (b) the payment, refunding or renewal from time to time of the whole or any part of any sum or sums of money raised by way of loan or of any securities issued by the Corporation;
- (c) the repayment in whole or in part of any advances made by Ontario to the Corporation or of any securities of the Corporation issued and delivered to the Treasurer of Ontario in respect of any advances; and
- (d) the payment of the whole or any part of any obligation, liability or indebtedness of the Corporation.

Sale, etc.,  
of Cor-  
poration's  
securities

(3) Subject to the approval of the Lieutenant Governor in Council, the Corporation may sell any debentures, bills or notes of the Corporation either at, or at less or more than, the par value thereof and may charge, pledge or otherwise deal with any such debentures, bills or notes as collateral security.

Authoriza-  
tion

(4) A recital or declaration in a resolution or minute of the Corporation authorizing the issue and sale of debentures, bills or notes of the Corporation to the effect that it is necessary to issue and sell such debentures, bills or notes for the purposes of the Corporation in the amount authorized is conclusive evidence to that effect.

Sealing,  
signing, etc.

(5) Debentures, bills or notes of the Corporation shall be sealed with the seal of the Corporation and may be signed by the chairman or vice-chairman of the Corporation and by the secretary or other officer of the Corporation, and any interest coupon that may be attached to any debenture, bill or note of the Corporation may be signed by the secretary or other officer of the Corporation.

Mechanical  
reproduction  
of seal and  
signature  
authorized

(6) The seal of the Corporation may be engraved, lithographed, printed or otherwise mechanically reproduced on any debenture, bill or note and any signature upon any debenture, bill or note and upon any coupon may be engraved, lithographed, printed or otherwise mechanically reproduced, and the seal of the Corporation when so reproduced has the same force and effect as if manually affixed, and any such signature is for all purposes valid and binding upon the Corporation

notwithstanding that any person whose signature is so reproduced has ceased to hold office. 1957, c. 56, s. 2, *part*.

3. A debenture, bill or note of the Corporation may be made redeemable in advance of maturity at such time or times, at such price or prices and on such terms and conditions as the Corporation determines at the time of the issue thereof. 1957, c. 56, s. 2, *part*. Securities of Corporation may be made redeemable in advance

4. Where a debenture, bill or note of the Corporation is defaced, lost or destroyed, the board of directors may provide for its replacement on such terms as to evidence and as to indemnity as the board requires. 1952, c. 45, s. 6. Lost debentures

5.—(1) The Lieutenant Governor in Council may authorize the Treasurer of Ontario to guarantee payment by the Province of any debentures, bills or notes issued by or of any temporary loan made to the Corporation under the authority of this Act. Guarantee of payment by Province

(2) The form of guaranty and the manner of execution shall be determined by the Lieutenant Governor in Council. Form of guaranty

(3) Every guaranty given or purporting to be given under the authority of this section is binding upon the Province and is not open to question upon any ground whatsoever. Validity of guaranty

(4) A debenture, bill or note issued by or temporary loan made to the Corporation, payment whereof is guaranteed by the Province under this section, is valid and binding upon the Corporation, its successors and assigns according to its terms, and the validity of any debenture, bill or note or temporary loan so guaranteed is not open to question on any ground whatsoever. 1952, c. 45, s. 7. Guaranteed debentures, etc., to be indefeasible

6. Notwithstanding anything in any other Act, debentures issued by the Corporation are at all times a lawful investment for municipal, school and trust funds. 1952, c. 45, s. 8. Trustees, etc., investments in debentures

7. The books and accounts of the Corporation shall be audited annually by the Provincial Auditor or such other auditor as the Lieutenant Governor in Council designates, and such auditor shall make an annual report of the audit to the Treasurer of Ontario, and the Treasurer shall table the report in the Assembly if it is in session or, if it is not, then at the next ensuing session. 1952, c. 45, s. 9. Audit

8. The Corporation shall make an annual report in writing to the Treasurer of Ontario showing in detail the number and amount of loans made by it during the last preceding fiscal Annual report



year, and containing such other particulars as the Treasurer requires, and the Treasurer shall table the report in the Assembly if it is in session or, if it is not, then at the next ensuing session. 1952, c. 45, s. 10.

**Committees**

**9.** The Corporation, with the approval of the Lieutenant Governor in Council, may appoint committees, each of which shall be composed of two or more persons, one of whom is or has been a practical farmer, to consider and report to the Corporation upon applications and upon problems that may arise in connection with loans already made. 1952, c. 45, s. 11.

**Purposes  
of loans**

**10.** Out of the moneys at its disposal from time to time, the Corporation may make loans for the following purposes and no other:

1. The acquisition of land for agricultural purposes.
2. The erection and improvement of farm houses and farm buildings.
3. To pay off charges existing against land at the time of acquisition by the borrower under a will or by descent.
4. To pay off encumbrances.
5. To consolidate outstanding liabilities incurred for productive agricultural purposes.
6. For the purpose of providing drainage.
7. To purchase live stock.
8. For such purposes relating to the establishment, development and operation of the applicant's farm as the Corporation approves. 1952, c. 45, s. 12.

**Qualifica-  
tions of  
applicants  
for loans**

**11.** An applicant for a loan under this Act may be required to appear in person before the board of directors of the Corporation or a committee and shall submit evidence to the satisfaction of the board or committee,

- (a) that he is of the full age of twenty-one years and not more than thirty-five years of age;
- (b) that he has been resident in Ontario for at least three years immediately preceding his application;
- (c) that he has had a minimum of three years experience in farming and has displayed the ability and capacity necessary to operate a farm;
- (d) that he is industrious and of good character; and

- (e) that he is actually farming, or intends to farm, on a full-time basis on the land upon the security of which the loan is applied for. 1952, c. 45, s. 13.

**12.**—(1) Before making a loan under this Act, the Corporation shall secure a report from a competent valuator as to the value of the security offered by the applicant. Valuator's report

(2) The land and buildings shall be valued on the basis of their value for agricultural purposes. 1952, c. 45, s. 14 (1, 2). Mode of valuing

(3) The buildings upon the land shall be insured to their full insurable value or for such lesser amount as is acceptable to the Corporation. 1952, c. 45, s. 14 (3); 1957, c. 56, s. 3. Insurance

**13.** Where the Corporation is satisfied that the conditions of this Act and the regulations have been complied with, the Corporation may make a loan to the applicant to the extent of 65 per cent of the value of the security as shown by the valuator's report. 1952, c. 45, s. 15; 1957, c. 56, s. 4. Extent of loan

**14.** No loan shall exceed \$15,000, and every loan shall be secured by a first mortgage upon the lands farmed or to be farmed by the borrower or by the spouse of the borrower or by both of them. 1952, c. 45, s. 16; 1956, c. 33, s. 2. Limitation as to loan and security therefor

**15.** At the time of or subsequent to the making of a loan, the Corporation may accept as collateral security therefor a life insurance policy or an assignment thereof, a chattel mortgage, or any other security that the Corporation deems proper. 1952, c. 45, s. 17. Collateral security

**16.**—(1) Except as hereinafter provided, a loan made under this Act is repayable in annual instalments of principal and interest sufficient to discharge the debt at the end of such period as is agreed upon, but no loan shall be made for more than twenty-five years. Loan, how repayable

(2) The first three annual instalments of principal and interest may be graduated so that the first instalment is less than the second, the second less than the third and the third less than the subsequent instalments, which shall be equal. Graduated annual instalments

(3) Payments on account of the loan, in addition to those provided for in the mortgage or agreement, may be made at any time. 1952, c. 45, s. 18 (1-3). Payments may be accelerated

(4) The Corporation may accept a release of the equity of redemption existing by virtue of a mortgage to it and may sell any property that it has thus acquired to any person at such price and upon such terms as it deems proper. Sale of property acquired by release of equity of redemption

Consolidation of indebtedness

(5) The Corporation may grant such extension of time for the payment of principal and interest to any borrower and to any purchaser under an agreement for sale as the Corporation deems advisable and may, at any time at its discretion, consolidate the total indebtedness owing by any mortgagor or purchaser to the Corporation, inclusive of accrued interest and moneys paid for taxes, insurance, fees and disbursements to the date of consolidation, and alter the provisions of the mortgage and the agreement for sale so that the consolidated indebtedness with interest may be repayable in annual instalments for the balance of the term of the mortgage and agreement for sale or for such longer term, but not more than twenty years from the date of the mortgage or agreement for sale, as the Corporation deems proper.

Increase in loans

(6) Where a loan has been made under this Act and the borrower applies for an increase in the loan upon the same security, the Corporation may, if it is satisfied that the conditions of this Act and the regulations have been complied with, make a new loan to the applicant to the extent of 65 per cent of the value of the security as shown by the valuator's report. 1957, c. 56, s. 5.

Mortgages, how made  
R.S.O. 1960, c. 374

**17.** Every mortgage made under this Act shall be made in accordance with *The Short Forms of Mortgages Act*, and may contain such further covenants, provisoes and conditions as the Corporation deems proper, and the Corporation has and may exercise all the rights, powers and remedies with respect to any mortgage made under this Act as a mortgagee has under the laws of Ontario. 1952, c. 45, s. 19.

Sale of mortgaged land

**18.** It shall be a term of a mortgage taken as security for a loan under this Act that upon the sale of the land mortgaged, the loan shall, at the option of the Corporation, immediately become due and payable. 1952, c. 45, s. 20.

Preparation of notices, mortgages, etc.

**19.** All notices, mortgages, discharges or other documents under this Act shall be prepared by the Corporation or by a person designated by the Corporation. 1952, c. 45, s. 21.

Where money misapplied

**20.** If at any time in the opinion of the board of directors of the Corporation any money advanced under this Act has not been or is not being applied for the purpose for which it was advanced, or is not being carefully and economically expended, or if the security depreciates in value, the Corporation may refuse to make any further advance and call in the whole amount then advanced and all interest thereon and declare the same to be immediately due and payable, whereupon the borrower shall at once repay the same with interest at the rate set forth in the mortgage, and in default of payment



the Corporation has the like remedies for recovery of the same as if the time for repayment thereof had fully arrived. 1952, c. 45, s. 22.

**21.** The Corporation from time to time shall secure reports as to the condition of any securities taken by it for loans under this Act and as to the progress and prospects of the borrowers, and for this purpose any governmental agency may co-operate with the Corporation by rendering assistance of an educational or other nature that appears calculated to facilitate the success of the borrower. 1952, c. 45, s. 23.

Corporation to secure reports as to conditions of securities

**22.—(1)** The Lieutenant Governor in Council may authorize the Treasurer of Ontario,

Sale of Corporation's securities to Province and provincial advances to Corporation authorized

(a) to purchase any debentures, bills or notes of the Corporation; and

(b) to make advances to the Corporation in such amounts, at such times and on such terms and conditions as the Lieutenant Governor in Council deems expedient.

(2) The moneys required for the purposes of subsection 1 shall be paid out of the Consolidated Revenue Fund. 1957, c. 56, s. 6.

Idem

**23.** The Lieutenant Governor in Council may make regulations governing,

Regulations

(a) the management, control and administration of the affairs of the Corporation;

(b) the manner in which applications for loans are to be made and the form thereof;

(c) the fees and expenses payable by applicants and borrowers under this Act;

(d) the terms and conditions of loans;

(e) any matter necessary or advisable to carry out effectively the intent and purpose of this Act. 1952, c. 45, s. 24; 1957, c. 56, s. 7.

**24.** This Act shall be administered by the member of the Executive Council to whom it is assigned by the Lieutenant Governor in Council. 1952, c. 45, s. 25.

Administration of Act

**25.** The cost of administration of this Act shall be paid out of the moneys appropriated therefor by the Legislature. 1952, c. 45, s. 26; 1956, c. 33, s. 3.

Cost of administration



