

PRINCIPAL FEATURES OF IMPORTANCE TO PROSPECTIVE BORROWERS UNDER THE MANITOBA FARM LOANS ACT

1. Loans may be made to persons residing or intending to reside on land within the Province.
2. The amount that may be loaned is fifty per cent. (50%) of the appraised value of the land offered as security.
3. The security required is a first mortgage; all encumbrances must be paid off out of amount loaned and leave title clear.
4. The mortgage extends over a period of thirty years, but may be retired at the end of the fifth year, or at any time thereafter by payment of the balance of principal still outstanding.
5. Repayment of loans is made by equal annual payments composed of principal and interest on an amortization plan so that every payment is equal in each and every year and retires the debt at the end of thirtieth year.
6. The rate of interest charged including cost of administration is six (6) per cent. per annum on the amount of unrepaid principal.
7. No loan may be made to any borrower for a greater amount than ten thousand dollars.
8. The loan must be made to make improvements, to increase productiveness, or to pay off prior encumbrances on the land.
9. Every borrower must subscribe for shares in the Capital Stock of the Association to the value of five per cent. (5%) of the amount of loan, and such shares must not be transferred or hypothecated.
10. No person other than a borrower with the exception of the Province of Manitoba may own shares in the Association.
11. In the event of the sale of land that is mortgaged, shares must be transferred with the mortgage to purchaser or if mortgage is retired must be surrendered and will be accepted at par by the Association.

For further information write to The Commissioner,
Manitoba Farm Loans Association, Winnipeg.