

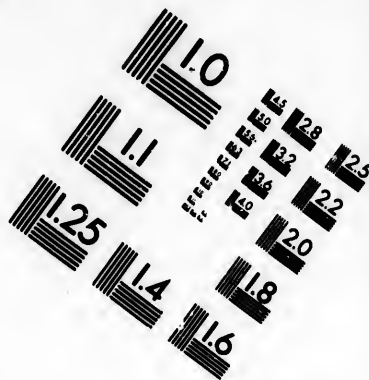
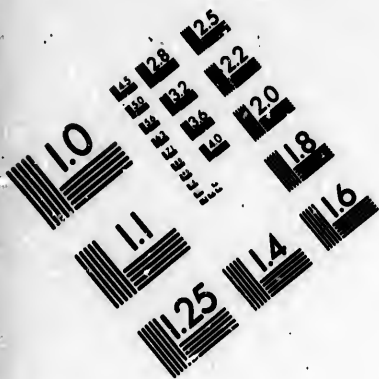
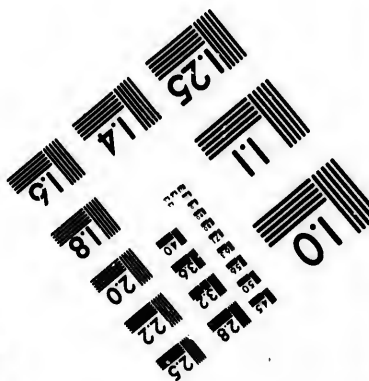
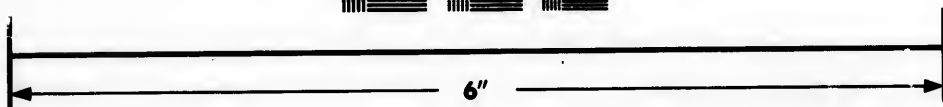
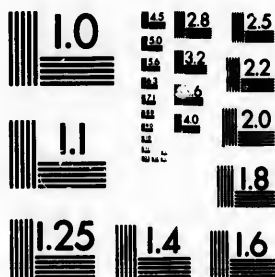


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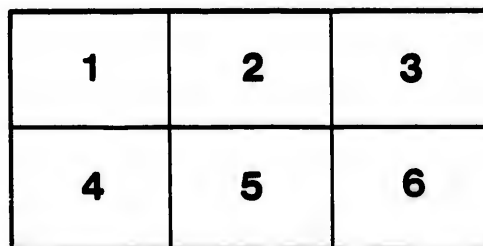
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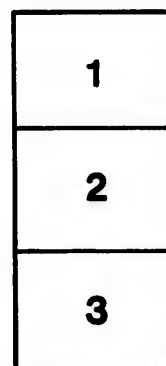
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3

CREDIT FONCIER

FRANCO-CANADIEN.

CAPITAL,	- - - - -	\$5,000,000.
PAID UP,	- - - - -	1,250,000

PARIS OFFICE,	- - - - -	3 RUE D'ANTIN
QUEBEC OFFICE,	- - - - -	56 ST. PETER STREET
MONTREAL OFFICE,	- - - - -	114 ST. JAMES STREET
TORONTO OFFICE,	- - - - -	MAIL BUILDING

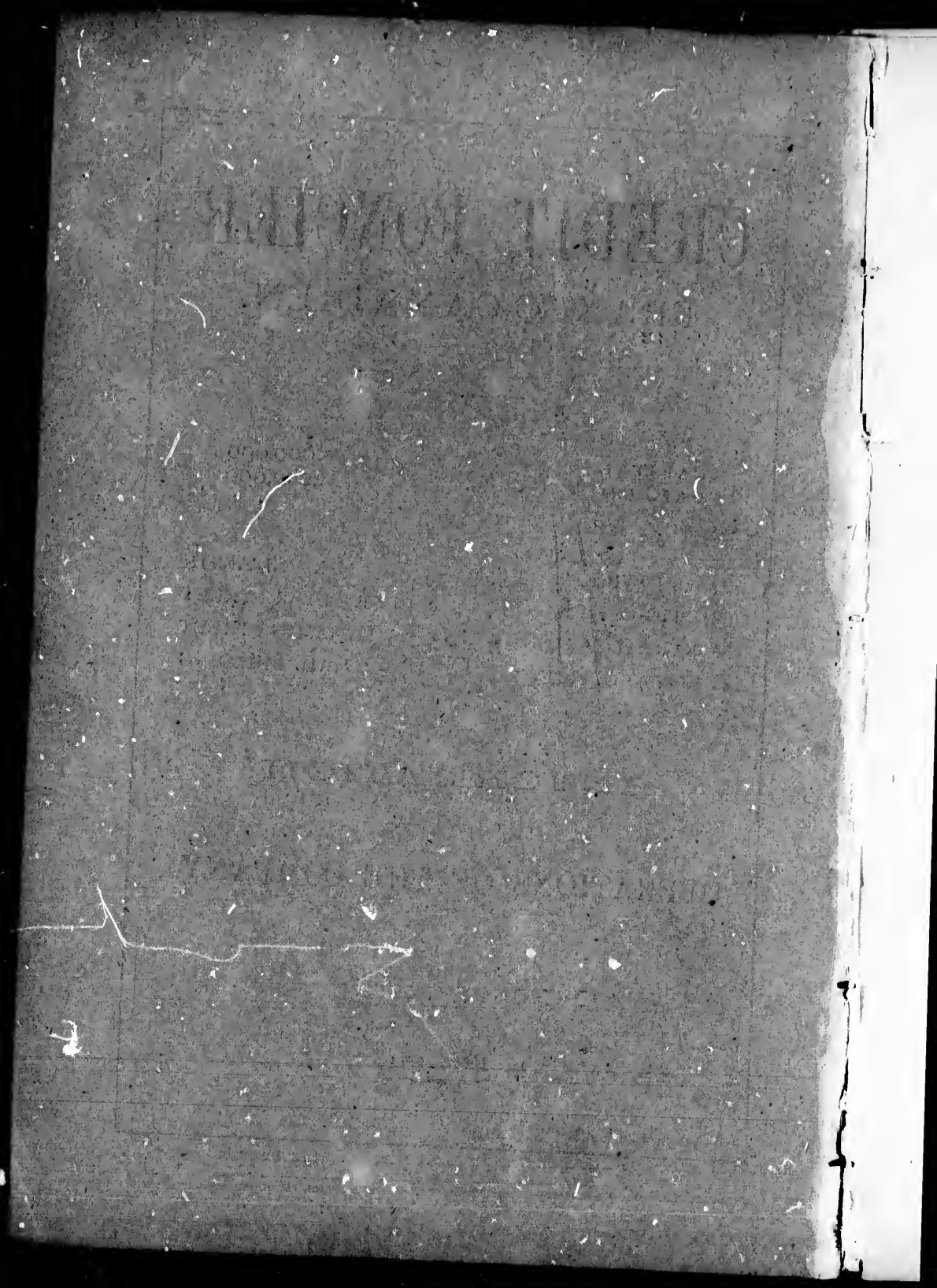
INFORMATION

RESPECTING THE

OPERATIONS OF THE COMPANY.

Montreal:

1881.



CREDIT FONCIER

FRANCO-CANADIEN.

CAPITAL,	-	-	-	-	\$5,000,000.
PAID UP,	-	-	-	-	1,250,000

PARIS OFFICE,	-	-	-	-	3 RUE D'ANTIN
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MONTREAL OFFICE,	-	-	-	-	114 ST. JAMES STREET
TORONTO OFFICE,	-	-	-	-	MAIL BUILDING

INFORMATION

RESPECTING THE

OPERATIONS OF THE COMPANY.

Montreal :

1881.

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ANGELIC

BOARD OF MANAGMENT.

I

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HENTSCH, ALBERT, *of the firm of Hentsch, Lutcher & Cie.*
DUCLERC, EUGÈNE, *Senator, late Vice-President of the Senate, Director of the Banque de Paris et des Pays-Bas.*
HUARD, —, *Director of the Crédit Foncier Egyptien, late Director of the Société Générale.*
MANNBERGUER, FRÉDÉRIC, *of the firm of Périer frères & Cie.*
MOLINARI, GUSTAVE DE, *Corresponding Member of the Institut, late Chief Editor of the "Journal des Débats"*
RENAULT, LÉON, *Deputy, late Prefect of Police, Director of the Banque Hypothécaire de France.*
THORS, JOSEPH HENRI, *Assistant-Manager of the Banque de Paris et des Pays-Bas.*

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CHAPLEAU, HON. J. A., Q. C., *Premier of the Province of Quebec.*
PAQUET, HON. E. T., M. P. P., *Provincial Secretary.*
THIBAUDEAU, HON. ISIDORE, *President Banque Nationale, (Quebec).*
WORKMAN, THOMAS, *President Molson's Bank*
WURTELE, J. S. C., Q. C., M. P. P., *Officer of Public Instruction of France.*

III

Censors.

DROLET, GUSTAVE A., *Advocate, Chevalier de la Legion d'Honneur, (Montreal).*

VON HEMERT, CHARLES AUGUSTE, *Banker, (Paris).*

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Vice-President.....HON. J. A. CHAPLEAU, *(Montreal).*

Delegate in Canada.....J. S. C. WURTELE, *(Montreal).*

Delegate in France.....J. H. THORS, *(Paris).*

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BARBEAU, EDMOND J., *Director of the Savings Bank, of the London and Liverpool and Globe Insurance Company, and of the Sun Mutual Assurance Company.*

Quebec Division,

BEAUDET, ELISÉE, M. P. P., *Director of the Banque Nationale.*

Ontario Division.

WALTER GILLESPIE, *late Commissioner of the Trust and Loan Company of Canada.*

SOLICITORS.

Montreal Division : DÉSIRÉ GIROUARD, Q.C., M.P.

Quebec Division : COME A. MORISSET, Q. C., and J. E. A. de Sainte George.

Ontario Division : WILLIAM H. BEATTY, of Beatty, Miller, Biggar & Blackstock.

I

OPERATIONS OF THE COMPANY.

The purposes of the CREDIT FONCIER FRANCO-CANADIEN are :

I. Hypothecary or mortgage loans, either for a long term with payment by annuities, or for a short term without amortization.

II. Loans on security of hypothecary or privileged claims, or of mortgages, either for a long term with payment by annuities, or for a short term without amortization.

III. Loans, for long or short term, to municipal or school corporations, or to fabriques.

IV. The acquisition, by way of transfer or subrogation, of hypothecary or privileged claims or of mortgages on real estate.

V. The purchase of bonds and debentures issued by municipal or school corporations, and by incorporated companies doing business in the Dominion.

VI. The purchase of public funds.

The operations which the Company principally favors are hypothecary or mortgage loans redeemable by annuities.

II

CONDITIONS OF LOAN.

§ I

GENERAL CONDITIONS.

The amount of a loan must not exceed the half of the estimated value of the real estate given as security.

The valuation is made on the double basis of net revenue and market value.

The Company only lends on first hypothec or mortgage. It does not accept as security :—mines and quarries, wood lands,

undivided properties, nor properties of which the usufruct and the ownership are not combined.

A loan by means of which registered claims are to be repaid is considered as made on first hypothec or mortgage.

If among the claims there are some which cannot be immediately repaid, this circumstance will not prevent the realization of the loan. The contract of loan makes mention of the fact and a sufficient sum remains deposited in the hands of the Company till the moment when the registered claims can be repaid. The sum thus retained yields for the profit of the borrower interest at the rate of five per cent. per annum.

First hypothec or mortgage may be assured to the Company :

1st. By subrogation.

2nd. By grant of priority, or the cession of hypothecary rank conferred by the prior creditor.

Hypothecated or mortgaged real estate which is liable to destruction by fire must be insured at the cost of the borrower ; and the indemnity due in case of loss must be transferred to the Company.

The insurance must be effected with an approved company showing guarantees of soundness ; it must be maintained during the continuance of the loan. The Company reserves the right of paying the annual premiums itself ; and in such case the amount is added to the annuity, or is re-paid half-yearly with the interest.

The borrower may pay before the stipulation term by paying an indemnity on the capital repaid in advance of one and a-half per cent. He profits by the reduction effected at the time by means of his payments of the annuity.

Every partial payment causes a corresponding reduction in the annuity or half-yearly interest.

The Company leaves to the borrower the choice of the notary, so as to avoid any change in professional services. This rule is departed from only in exceptional circumstances.

§ II

LONG TERM LOANS.

The duration of these loans varies from 11 to 50 years, as the borrower may desire.

They are redeemable by annuities, comprising: the interest and the amortization to be determined, according to mathematical rule, by the rate of interest and the duration of the loan.

They are made at an interest of six per cent. per annum.

The annuity is payable half-yearly, on the 1st of June and the 1st of December.

The annuity must not be greater than the net revenue which the property appears capable of yielding.

The interest only is due from the contracting of the loan to the expiration of the first half-yearly term; the first half-yearly payment of the annuity is paid at the expiration of the second term.

The distinctive character of loans of this nature is, that the successive payment of annuities progressively extinguishes the capital of the debt. In this way, after having paid during the period agreed upon, the stipulated annuity the borrower is absolutely free from debt, while his annual payments have been but little more than the amount of the interest.

The borrower owes only the amount of the annuities. As long as he pays regularly, the Company cannot ask him for the repayment of the capital; but he has the option, if he desires it, to repay at any time either the whole or a part of what remains due.

IN A WORD: THE CAPITAL CAN NEVER BE DEMANDED;—THE DEBT IS PROGRESSIVELY DIMINISHED;—THE BORROWER HAS ALWAYS THE PRIVILEGE OF PAYING IN ADVANCE.

In all these cases, the interest of the borrower is considered, while that of the Company is subordinate.

The following tables of annuities, and of the progress of the amortization complete the explanations which have been given.



TABLE

Of annuities, calculated at the rate of six per cent. per annum, according to the number of years fixed upon for the extinction of the debt.

Duration of Loan.	Annuity per \$100.00.	Duration of Loan.	Annuity per \$100.00.
	\$ c.		\$ c.
11 yrs.	12 68	31 yrs.	7 18
12 "	11 93	32 "	7 10
13 "	11 30	33 "	7 03
14 "	10 76	34 "	6 96
15 "	10 30	35 "	6 90
16 "	9 90	36 "	6 84
17 "	9 55	37 "	6 79
18 "	9 24	38 "	6 74
19 "	8 96	39 "	6 69
20 "	8 72	40 "	6 65
21 "	8 50	41 "	6 61
22 "	8 31	42 "	6 57
23 "	8 13	43 "	6 53
24 "	7 97	44 "	6 50
25 "	7 82	45 "	6 47
26 "	7 69	46 "	6 44
27 "	7 57	47 "	6 42
28 "	7 46	48 "	6 39
29 "	7 36	49 "	7 37
30 "	7 27	50 "	6 35

B

TABLE

Of the progress from year to year of the amortization on \$100,
borrowed for 15 years.

Years.	Amount paid off.	Amount remaining due.	Years.	Amount paid off.	Amount remaining due.
1	\$4 30	\$95 70	11	\$64 32	\$35 68
2	8 85	91 15	12	72 48	27 52
3	13 68	86 32	13	81 12	18 88
4	18 79	81 21	14	90 29	9 71
5	24 22	75 78	15	100 00	.....
6	29 97	70 03	...	.....	.....
7	36 06	63 94	...	.....	.....
8	42 52	57 48	...	.....	.....
9	49 37	50 63	...	.....	.....
10	56 63	43 37	...	.....	.....

TABLE

Shewing the progress from year to year of the amortization on \$100, borrowed for 20 years.

Years.	Amount paid off.	Amount remaining due.	Years.	Amount paid off.	Amount remaining due.
1	\$2 72	\$97 28	11	\$40 70	\$59 30
2	5 60	94 40	12	45 86	54 14
3	8 65	91 35	13	51 33	48 67
4	11 89	88 11	14	57 13	42 87
5	15 32	84 68	15	63 27	36 73
6	18 96	81 04	16	69 79	30 21
7	22 82	77 18	17	76 70	23 30
8	26 91	73 09	18	84 02	15 98
9	31 24	68 76	19	91 77	8 23
10	35 83	64 17	20	100 00	.....

D

TABLE

Shewing the progress from year to year of the amortization on
\$100, borrowed for 25 years.

Years.	Amount paid off.	Amount remaining due.	Years.	Amount paid off.	Amount remaining due.
1	\$1 82	\$98 18	16	\$46 79	\$53 21
2	3 75	96 25	17	51 42	48 58
3	5 80	94 20	18	56 33	43 67
4	7 97	92 03	19	61 53	38 47
5	10 27	89 73	20	67 05	32 95
6	12 71	87 29	21	72 89	27 11
7	15 30	84 70	22	79 09	20 91
8	18 04	81 96	23	85 66	14 34
9	20 94	79 06	24	92 62	7 38
10	24 02	75 92	25	100 00	.....
11	27 29	72 71	...	.....	.....
12	30 75	69 25	...	.....	.....
13	34 42	65 58	...	.....	.....
14	38 30	61 70	...	.....	.....
15	42 42	57 58	...	.....	.....

E

TABLE

Shewing the progress from year to year of the amortization on
\$100, borrowed for 30 years.

Years.	Amount paid off.	Amount remaining due.	Years.	Amount paid off.	Amount remaining due.
1	\$1 27	\$98 73	16	\$32 47	\$67 53
2	2 61	97 39	17	35 69	64 31
3	4 03	95 97	18	39 09	60 91
4	5 53	94 47	19	42 70	57 30
5	7 13	92 87	20	46 53	53 47
6	8 82	91 18	21	50 59	49 41
7	10 62	89 38	22	54 89	45 11
8	12 52	87 48	23	59 44	40 56
9	14 54	85 46	24	64 28	35 72
10	16 67	83 33	25	69 40	30 60
11	18 94	81 06	26	74 83	25 17
12	21 34	78 66	27	80 58	19 42
13	23 88	76 12	28	86 68	13 32
14	26 58	73 42	29	93 15	6 85
15	29 44	70 56	30	100 00	.....

F

TABLE

Shewing the progress from year to year of the amortization on
\$100, borrowed for 35 years.

Years.	Amount paid off.	Amount remaining due.	Years.	Amount paid off.	Amount remaining due.
1	\$0 90	\$99 10	21	\$35 89	\$64 11
2	1 85	98 15	22	38 94	61 06
3	2 86	97 14	23	42 17	57 83
4	3 93	96 07	24	45 60	54 40
5	5 06	94 94	25	49 23	50 77
6	6 26	93 74	26	53 09	46 91
7	7 53	92 47	27	57 17	42 83
8	8 88	91 12	28	61 50	38 50
9	10 31	89 69	29	66 08	33 92
10	11 83	88 17	30	70 94	29 06
11	13 44	86 56	31	76 10	23 90
12	15 14	84 86	32	81 56	18 44
13	16 94	83 06	33	77 35	12 65
14	18 86	81 14	34	93 49	6 51
15	20 89	79 11	35	100 00	.....
16	23 04	76 96	...	.....	.....
17	25 32	74 68	...	.....	.....
18	27 73	72 27	...	.....	.....
19	30 30	69 70	...	.....	.....
20	33 01	66 99	...	.....	.....

C

TABLE

Shewing the progress from year to year of the amortization on
\$100, borrowed for 40 years.

Years.	Amount paid off.	Amount remaining due.	Years.	Amount paid off.	Amount remaining due.
1	\$0 65	\$99 35	21	\$25 84	\$74 16
2	1 33	98 67	22	28 04	71 96
3	2 06	97 94	23	30 37	69 63
4	2 83	97 17	24	32 83	67 17
5	3 64	96 36	25	35 45	64 55
6	4 51	95 49	26	38 22	61 78
7	5 42	94 58	27	41 16	58 84
8	6 40	93 60	28	44 28	55 72
9	7 43	92 57	29	47 58	52 42
10	8 52	91 48	30	51 08	48 92
11	9 67	90 33	31	54 79	45 21
12	10 90	89 10	32	58 73	41 27
13	12 20	87 80	33	62 90	37 10
14	13 58	86 42	34	67 32	32 68
15	15 04	84 85	35	72 00	28 00
16	16 59	83 41	36	76 97	23 03
17	18 23	81 77	37	82 23	17 77
18	19 97	80 03	38	87 81	12 19
19	21 81	78 19	39	93 73	6 27
20	23 77	76 23	40	100 00	.....

H

TABLE

Shewing the progress from year to year of the amortization on
\$100, borrowed for 45 years

Years.	Amount paid off.	Amount remaining due.	Years.	Amount paid off.	Amount remaining due.
1	\$0 47	\$98 53	26	\$27 81	\$72 19
2	0 97	98 03	27	29 94	70 06
3	1 50	98 50	28	32 21	67 79
4	2 06	97 94	29	34 61	65 39
5	2 65	97 35	30	37 16	62 38
6	3 28	96 72	31	39 86	60 14
7	3 95	96 05	32	42 72	57 28
8	4 65	95 35	33	45 76	54 24
9	5 40	94 60	34	48 97	51 03
10	6 20	93 80	35	52 38	47 62
11	7 04	92 96	36	55 99	44 01
12	7 93	92 07	37	59 82	40 18
13	8 88	91 12	38	63 85	36 15
14	9 88	90 12	39	68 18	31 82
15	10 94	89 06	40	72 75	27 25
16	12 07	87 93	41	77 58	22 49
17	13 26	86 74	42	82 70	17 30
18	14 53	85 47	43	88 14	11 86
19	15 87	84 13	44	93 90	6 10
20	17 29	82 71	45	100 00	.....
21	18 80	81 20	...	.....	.....
22	20 40	79 60	...	.....	.....
23	22 09	77 91	...	.....	.....
24	23 89	76 11	...	.....	.....
25	25 79	74 21	...	.....	.....

I

TABLE

Shewing the progress from year to year, of the amortization on
\$100, borrowed for 50 years.

Years.	Amount paid off	Amount remaining due.	Years.	Amount paid off	Amount remaining due.
1	\$0 35	\$99 65	26	\$20 37	\$79 63
2	0 71	99 29	27	21 94	78 06
3	1 10	98 90	28	23 60	76 40
4	1 51	98 49	29	25 36	74 64
5	1 94	98 06	30	27 23	72 77
6	2 40	97 60	31	29 21	70 79
7	2 89	97 11	32	31 30	68 70
8	3 41	96 59	33	33 53	66 47
9	3 96	96 04	34	35 88	64 12
10	4 54	95 46	35	38 38	61 62
11	5 16	94 84	36	41 03	58 97
12	5 81	94 19	37	43 83	56 17
13	6 40	93 50	38	46 81	53 19
14	7 24	92 76	39	49 96	50 04
15	8 02	91 98	40	53 30	46 70
16	8 84	91 16	41	56 85	43 15
17	9 72	90 28	42	60 60	39 40
18	10 64	89 36	43	64 58	35 42
19	11 63	88 37	44	68 80	31 20
20	12 67	87 33	45	73 27	26 73
21	13 77	86 23	46	78 01	21 99
22	14 94	85 06	47	83 04	16 96
23	16 19	83 81	48	88 37	11 63
24	17 59	81 20	49	94 01	5 99
25	18 90	81 10	50	100 00	.....

§ III

SHORT TERM LOANS.

The duration of these loans does not exceed ten years.

The rate of interest is six per cent. per annum.

The interest is payable half-yearly, on maturity, on the 1st of June and the 1st of December.

The borrower may, at the expiration of the term, if the condition of things is not changed, demand that the original contract be replaced by a long term contract, with amortization.

§ IV

LOANS TO PUBLIC CORPORATIONS.

These loans are made, with or without hypothec or mortgage, for a long term with amortization, or for a short term without amortization.

The rate of interest is, as in the other cases, six per cent. per annum.

Applications for loans must be accompanied by the following documents :

In the Case of Municipal Corporations.

- 1st. A copy of the by-law authorizing the loan.
- 2nd. A copy of the approval of the Lieutenant-Governor in Council.
- 3rd. A copy of the valuation roll.
- 4th. A certified statement of its debts.

In the Case of School Corporations.

- 1st. A copy of the by-law or resolution authorizing the loan.
- 2nd. A copy of the authorization of the Superintendent of Public Instruction.
- 3rd. A copy of the valuation roll.
- 4th. A certified statement of its debts.

In the Case of Church Corporations

- 1st. A copy of the resolution of the Fabrique relative to the loan.

2nd. A copy of the Bishop's authorization.

3rd. A copy of the resolution of the meeting of parishioners giving their consent.

If the corporation offers an hypothec or a mortgage, the title-deeds and the registrar's certificate must also be produced.

III

FORMALITIES ON APPLICATIONS.

A person wishing to effect a loan must address to the Company an application, setting forth : his name and domicile, and his civil status ;—the amount, duration and nature of the loan which he desires to effect ;—the description of the real estate offered as security, its situation, area, value and hypothecary status ;—and the name of his notary.

The Company will furnish, on application to the Manager, all the necessary printed forms.

In support of his application, the intending borrower must produce :

1. The titles of the property in his own person and in that of his authors ; and an abstract of title running back, if possible, for thirty years.

2. The leases, if any exist, or a statement of the rents, with indication of the rents paid in advance.

3. A declaration of revenue and charges.

4. A certificate from the secretary-treasurer of the municipal valuation ; and a statement of arrears of municipal and school taxes, if there are any, or, if there are none, a certificate stating the fact.

5. A certificate from the registrar showing the hypothecary status.

6. The policy of insurance against fire, if any exists.

7. A declaration of the civil status of the borrower.

8. If married, his marriage certificate ; and the marriage contract, if any exists.

9. If it is proposed to build, the plans and estimate of the buildings projected.

The abstract of title should contain an analysis of the titles under which the borrower possesses the real estate that he offers as security, and of such charges and servitudes as may affect it. It is desirable that this document should be prepared by the solicitor or notary of the borrower.

As soon as the documents have been received, the manager proceeds, if he deems proper, to the valuation of the property offered as security. This valuation is made with the utmost care. The result, as well as the visit, is kept secret from third parties.

If the Board of Management is satisfied with the value of the security, the examination of the title is proceeded with. The Company's solicitor verifies the right of property, the hypothecary status of the real estate and the civil status of the borrower.

When the security is deemed sufficient and the title is found to be perfect, the Board of Management determines what amount may be loaned and the conditions on which the loan can be made, and authorises the manager to effect it.

In case of acceptance by the borrower of the amount offered to him, the execution and registration of the contract of loan, or of the mortgage, is proceeded with.

A certificate is furnished, establishing the registration of the contract and the hypothecary status from the date of the certificate produced with the application.

If no entry precedes that of the company, except those for the claims which are to be repaid with the loan, the loan is advanced. If entries appear which change the position, the contract of loan or the mortgage is annulled and its registration is cancelled.

Applications made by public corporations for loans without hypothecary or mortgage security are first referred to the inspector for verification of their position and sufficiency ; and then to the solicitor of the Company for examination and verification of their powers.

IV

EXPENSES ON LOANS.

To recoup the Company in part for the outlay for the valuation and the examination of titles, the borrower will pay the sums mentioned in the following tariff :

TARIFF

OF CHARGES TO BE BORNE BY BORROWERS.

CHARGES.	Loans \$250 to \$1000	Loans \$1001 to \$2000	Loans \$2001 to \$5000	Loans \$5001 to \$10000	Loans \$10001 to \$20000	Loans \$20001 to \$40000
Valuation.....	\$2 00	\$4 00	\$6 00	\$8 00	\$10 00	\$12 00
Examination } of titles..... }	4 00	8 00	12 00	16 00	20 00	24 00
TOTAL.....	\$6 00	\$12 00	\$18 00	\$24 00	\$30 00	\$36 00

When the sum exceeds \$40,000 the charges are arranged by special agreement.

Besides these charges, the borrower will have to pay the necessary travelling expenses of the valuator.

If the title should not be satisfactory, the charge for examination will be only half the usual fee.

The borrower must pay the notarial fees and the registration charges.

In presenting his application the borrower must deposit the amount indicated by the above tariff. When the property is in the country, he must also deposit a sum sufficient for the valuator's travelling expenses.

If, before the examination of titles, the value or goodness of the security should be deemed insufficient, the valuation fee and travelling expenses of the valuator are retained and the remainder is returned to the borrower.

