

23. (1.) When an application has been finally approved by the directors such approval shall be certified on the application in form D of the Schedule to this Act, and shall be signed by the secretary-treasurer and by the president or vice-president or other authorized authority.

(2.) A record of such application and approval shall be entered in the minutes of the association, and the original application, with the certificate of approval endorsed thereon, together with the aforesaid statement of assets and liabilities, shall be placed on a file for approved applications.

(3.) A copy of the application and approval, certified as correct by the secretary-treasurer, shall be delivered by him to the lender, and after taking the security required by the directors, if any, he shall arrange the time or times and conditions at and upon which the amount shall be advanced in accordance with the application and approval: Provided that such advance may be made from time to time as arranged between the association and the borrower.

24. (1.) Before any moneys are advanced in pursuance of an approved application the lender shall require the borrower to sign a note or notes for the amount of the moneys to be advanced, together with interest thereon, and may require the association to endorse and guarantee payment of such note or notes; but the terms of such note or notes shall not vary in any material way from the terms of the application and approval of the association or from the provisions of this Act.

(2.) The secretary-treasurer may endorse such notes and guarantee payment on behalf of the association.

25. (1.) The rate of interest payable by a borrower on a loan guaranteed by an association shall not exceed seven per centum per annum, and out of the interest paid one-half of one per centum shall be paid to the association for the purpose hereinafter mentioned.

(2.) The security given to the lender by the borrower shall not be surrendered until the loan and all interest or other charges have been paid.

26. Every bank from which loans are obtained by any association under this Act shall forward to the Supervisor of Co-operative Rural Intermediate-credit Associations, and to the secretary-treasurer of the association, a monthly return showing each loan made by it under the Act, and the amount authorized thereby, and the amount advanced at the date of such return, and also showing all loans, if any, then past due.

27. (1.) In the event of a borrower not being able to repay the amount of his loan, or of any renewal of the same or portion thereof, at the date of maturity thereof, the directors may, for reasons which appear to them to be justifiable, or on account of the loan having been granted for purposes not fully productive within one year, and on application of the borrower, grant a renewal of the whole or any portion of the said loan or any renewal until such further time as may be agreed on, but not later than the thirty-first day of March next after the maturity of the previous loan or renewal, as the case may be.

(2.) The application for every such renewal shall be in the same form as for an original loan, except that it shall be marked with the word "Renewal," and shall be kept distinct from any new application made by the same borrower.

(3.) The provisions of this Act relating to applications and the approval thereof, and the rights and liabilities arising thereunder, shall be applicable to every such renewal.

28. (1.) In the event of a borrower failing to pay the amount of his loan or renewal within thirty days after maturity, and of no agreement for renewal or other provision for the payment of the said loan or renewal or for the security therefor having been entered into within the said thirty days, the lender may demand payment of the sum owing, with interest thereon to date of payment, and the association shall, within fifteen days from the receipt of such demand, or such further period as may be agreed upon between the lender and the association, pay such sum.

(2.) Upon payment the lender shall assign and deliver all securities held for the said loan or any part thereof to the association, and the association shall be entitled to recover the amount so paid from the borrower by any means authorized by this Act or by any other statute or law applicable thereto.

29. The Farm Loan Board may prescribe the manner in which the accounts of an association, including the loan accounts, shall be kept.

#### *Liens and Charges.*

30. (1.) A detailed written description, in form E of the Schedule hereto or to the like effect, of all animals, machinery, goods, or other chattels of any kind purchased or partly purchased with the proceeds of a loan obtained, or for the purpose of which a loan has been given, under the provision of this Act, signed by the borrower, shall be sent or handed to the secretary-treasurer of the association within ten days after the said purchase; and the amount of the said loan, together with interest thereon, shall, until the final payment thereof, constitute a lien or charge upon such animals, machinery, goods, or other chattels in favour of the association approving the said loan, without any further writing or act by the borrower.

(2.) Within twenty days after the receipt of such written description the secretary-treasurer shall file in the proper registration district a certificate, in form F of the Schedule to this Act, giving notice of the lien and the amount thereof, the rate of interest, the name of the debtor, a description of his lands, and of the said animals, machinery, goods, or other chattels.

(3.) None of the said chattels shall during the currency of such loan be sold or removed from the premises of the borrower without the consent of the secretary-treasurer and of the lender, and in the event of a sale the proceeds shall be paid to the lender forthwith on account of the said loan.

(4.) Except as herein otherwise provided, the provisions of the Chattels Transfer Act, 1924, shall apply to such securities.