

(11.) Every applicant for a loan from the Farm Loan Board shall pay the prescribed fees.

(12.) No advance shall be made of an amount exceeding—

- (a.) In the case of an advance made on the security of freehold lands, three-fifths of the value of the security :
- (b.) In the case of an advance made on the security of leasehold lands, three-fifths of the value of the lessee's interest in the lease.

11. Each applicant shall submit evidence that he is twenty-one years of age, and has been a resident in New Zealand for three years ; that he has had three years' experience of farming ; has displayed ability and capacity, and is of good character ; that he is actually engaged upon or intends to reside upon the land upon which the loan is sought ; but where an applicant presents sufficient evidence that he has had three years' experience of farming in the British Empire the Board may reduce the time of residence in New Zealand to one year.

12. In order to facilitate land-settlement, the Board shall have power to grant to applicants for selections in the case of large estates which are offered for closer settlement up to an additional ten per centum, based on the Board's valuation of the land.

Powers of Farm Loan Board.

13. The Farm Loan Board shall have power, subject to the limitations and requirements of this Act,—

- (a.) To empower the Treasury to issue and to sell farm-loan mortgage-bonds of the kinds authorized in this Act, to buy the same for its own account, and to retire the same at or before maturity :
- (b.) To invest such funds as may be in its possession in the purchase of qualified first mortgages on farm lands :
- (c.) To acquire and dispose of—
 - (i.) Such property, real or personal, as may be necessary or convenient for the transaction of its business, which, however, may be in part leased to others for revenue purposes ;
 - (ii.) Parcels of land acquired in satisfaction of debts or purchased at sales under judgments, decrees, or mortgages held by it :
- (d.) To borrow money, to give security therefor, and to pay interest thereon :
- (e.) To buy and sell New Zealand Government bonds or stock :
- (f.) To charge applicants for loans, and borrowers under rules and regulations promulgated by the Farm Loan Board, reasonable fees not exceeding the actual cost of appraisal and determination of title (legal fees and recording-charges imposed by law may also be included in the preliminary costs of negotiating mortgage loans ; the borrower may pay such fees and charges, or he may arrange with the Board to advance the same, in which case said expenses shall be made a part of the loan and paid off in amortization payments ; such addition to the loan shall not be permitted to increase the said loan above the limitations herein provided) :
- (g.) To make any specific issue of farm-loan bonds or stock :
- (h.) To make rules and regulations respecting the charges made to borrowers on loans under this Act for expenses in valuation, determination of title, and recording :
- (i.) To require periodical reports and statements of condition, and to make examinations of all co-operative associations and societies doing business under the provisions of this Act :
- (j.) To prescribe the form and terms of farm-loan bonds or stock, and the form, terms, and penal sums of all surety bonds required under this Act, and of such other surety bonds as they shall deem necessary, such surety bonds to cover financial loss as well as faithful performance of duty :
- (k.) To suspend or to remove for cause any district director, or any registrar, valuer, examiner, or other official appointed by the Board under this Act, the cause of such suspension or removal to be communicated forthwith in writing by the Farm Loan Board to the person suspended or removed, and to the Public Service Commissioner :
- (l.) To exercise general supervisory authority over the farm-loan associations and the societies herein provided for :
- (m.) To keep such register of bond or stock holders as the Treasury shall prescribe :
- (n.) To exercise such incidental powers as shall be necessary or requisite to fulfil its duties and carry out the purposes of this Act.

Farm-loan Bonds or Stock.

14. (1.) Whenever the Secretary to the Treasury shall receive from the Farm Loan Board notice that it has approved any issue of farm-loan bonds or stock under the provisions of section thirteen hereof he shall forthwith take such steps as may be necessary, in accordance with the provisions of this Act, to insure the prompt execution of such bonds or stock and the delivery of the same to the Farm Loan Board.

(2.) Whenever the Farm Loan Board shall approve an issue of farm-loan bonds or stock, the custodians having charge of the first mortgages and bonds tendered as collateral security for such issue of bonds or stock shall retain in their custody those first mortgages and bonds which are to be held as collateral security, and shall return to the owner of the same any of said mortgages and bonds which are not to be held by them as collateral security.

(3.) It shall be the duty of the custodians to see that the farm-loan bonds or stock issued and outstanding do not exceed the amount of collateral security pledged therefor. Such custodians may, in their discretion, temporarily accept, in place of mortgages withdrawn, New Zealand Government securities or cash.