

**Form K.** (Section 41.)

To the District Land Registrar for Land Registration District.  
 THE lien and charge filed by the Co-operative Rural Intermediate-credit Association against Section ,  
 Block , Survey District of (then owned by , of , in the Province of ), on the  
 day of , 19 , as No. , has been fully paid and discharged.  
 Dated the day of , 19 .

Secretary-Treasurer of the Co-operative Rural Intermediate-credit Association.  
 [SEAL OF ASSOCIATION.]

**Form M.** (Section 67.)

I, , of , agree that the endorsement of the note of by me shall constitute an authorization to  
 the secretary-treasurer in the terms set out in section 67 of the State Advances Act 1913 Amendment Act, 1926.  
 [Signature.]

Dated  
 To the Secretary-Treasurer of the Co-operative Rural Intermediate-credit Association.

## PART III.

1. The administration of this portion of the Act shall be under the control and direction of the Farm Loan Board (hereinafter referred to as "the Board"), which shall have power to make such rules and regulations as it may deem necessary for the efficient administration of the Act, but not inconsistent herewith.

2. The Board shall have power to grant and make advances and loans on staple agricultural products to approved societies which are duly registered under the Companies Act, 1908: Provided (a) That the subscribed capital of each such society is not less than £2,500, and that each society is composed of not less than thirty members; (b) that such societies are *bona fide* co-operative societies.

3. Loans and advances made by the Board shall be restricted to societies composed of persons engaged in producing, or producing and marketing, staple agricultural products, or live-stock, if the notes or other such obligations representing such loans are secured by warehouse receipts, and/or shipping documents covering such products, and/or mortgages on live-stock: Provided that no such loan or advance shall exceed eighty per centum of the market value of the products covered by said warehouse receipts and/or shipping documents, or of the live-stock covered by said mortgages.

(2.) No paper shall be purchased from or discounted for any co-operative society under this section if the amount of such paper added to the aggregate liabilities of such co-operative societies, whether direct or contingent (other than *bona fide* deposit liabilities), exceeds the amount of such liability permitted under the laws creating the same, or exceeds twice the paid-in and unimpaired capital and surplus of such co-operative society.

(3.) Loans, advances, or discounts made under this section shall have a maturity at the time they are made or discounted by the Board of not less than six months nor more than three years. The Board may in its discretion sell loans or discounts made under this section, with or without its endorsement.

4. The Board shall have power, subject to the limitation imposed in the section immediately preceding, to discount for or purchase from any bank, trust company, agricultural credit corporation, incorporated live-stock loan company, savings institution, co-operative bank, co-operative credit or marketing association of agricultural producers organized under the laws of the Dominion of New Zealand, with its endorsement, any note, draft, bill of exchange, debenture, or other such obligation the proceeds of which have been advanced or used in the first instance for any agricultural purpose, or for the raising, breeding, fattening, or marketing of live-stock.

*Registration of Co-operative Society.*

5. Any co-operative society desirous of participating in the system of co-operative rural intermediate credit established by this portion of the Act shall make application in such form and such manner as shall be prescribed by the Board, and the decision of the Board as to its registration or non-registration as an eligible organization shall be final.

*Valuations.*

6. The Board may from time to time appoint a fit and proper person, or a reasonable number of such persons, to inspect and value agricultural products for the purposes of this Act, and may in its discretion remove the person or persons so appointed. It shall be the duty of every such Inspector from time to time and at all times to do, perform, and execute the duties required of him by this Act, or that may be specified in any rules or regulations adopted by the Board in that behalf.

*Default.*

7. Upon default of any obligation any society may be declared insolvent, and placed in the hands of a receiver by the Board.

*Issue of Collateral Trust Debentures.*

8. The Farm Loan Board shall have power to borrow money, and to issue and to sell collateral trust debentures or other similar obligations with a maturity at the time of issue of not more than five years, which shall be secured by at least a like amount of cash, or notes or other such obligations discounted or purchased or representing loans made. The provisions of Part I, relating to the preparation and issue of farm-loan bonds, shall, so far as applicable, govern the preparation and issue of collateral trust debentures or other such obligations issued under this section. The rates of interest upon debentures and other such obligations issued under this section shall not exceed six per centum per annum.