

**FARM IMPROVEMENT LOANS ACT  
SMALL BUSINESSES LOANS ACT  
FISHERIES IMPROVEMENT LOANS ACT**

**GUIDELINES FOR LENDERS**



Government  
of Canada

Gouvernement  
du Canada

APRIL 1, 1982

N O T E: It is suggested that lenders keep this issue of guidelines as a loose-leaf reference which may be updated page by page.

Lenders should destroy all previous issues of Guidelines and Amendments (Last issue August 31, 1979)

This publication is available in both official languages. Copies may be obtained from Bank Stationery Offices or the Federal Government Departments listed on page i.



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EXAMPLES OF FORMS TO BE USED

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NOTE: Chartered Banks can obtain the required forms from their respective stationary department and other lenders may make their requests to the appropriate government department.

## GUIDELINES FOR LENDERS

1. These guidelines are designed to assist lenders in the processing of loans under the Farm Improvement Loans, the Small Businesses Loans and the Fisheries Improvement Loans Act and Regulations. They are complementary to the Acts and Regulations which remain the determining publications in any case.

### GENERAL PROCEDURE

2. All completed reporting forms should be submitted to the appropriate Department (See Page i).
3. The following Annexes are attached:
  - (a) Annex A shows the general flow of events and documentation for negotiation of a loan.
  - (b) Annexes B-1, B-2 and B-3 give administrative rulings for Farm Improvement Loans, Small Businesses Loans and Fisheries Improvement Loans respectively which have been made from time to time for interpretation of the Regulations. Lenders may request rulings from the appropriate Department, where they consider a question in the relation to a loan situation is not clearly covered by the Regulations and requires interpretation. Where it is considered that such a request is of general application, an official ruling may be given, which will be circulated to all lenders. Rulings are numbered sequentially within the year in which they were given (e.g. F.I.L.A. 67/1,2, etc.).
  - (c) Annex C gives the procedure to be followed when granting a loan.
  - (d) Annex D gives the procedure to be followed when servicing a loan.
  - (e) Annex E gives the procedure to be followed for loan in default and submission of claims.
  - (f) Annex F gives the follow-up procedure used after a claim has been paid.
  - (g) Annexes G - O give examples of the various forms used with notes for their completion and submission.

4. The following forms are used in the procedures. Initial supplies of these forms are provided to lenders but any further requirements are to be provided by the lending institution.

Loan Application	- Schedule I in the Farm, Small Businesses and Fisheries Regulations and Annex G to these Guidelines.
Farm	
Small	
Businesses	
Fisheries	
Promise to Repay	- A written promise to repay is taken for every loan made.
Direct Report of Loan Made (Schedule E2)	- This form is initiated by the lender at the time a loan is disbursed and forwarded to the appropriate Department.
Report of Loans Outstanding and Loans in Default (Schedule E5)	- This form, initiated by the lender, lists the amount outstanding by period for the various programs; also, the number of loans and amount outstanding of loans 6 months in default together with the amount of arrears in default. (See Annex N)
Default Report (Schedule E6)	- This form is initiated by the lender when a loan goes into default. (See Annex L)
Claims for Loss (Schedule E4)	- This form is initiated by the lender and forwarded to the appropriate Department with supporting material when a claim is made under the guarantee. (See Annex M)
Request for Revision of Terms: (Schedule E3)	- This form is used to obtain approval of the Minister for a revision in the terms of an existing loan where the terms of such revision exceed the time requirements of the Legislation. (See Annex K)
Receipt in Favour of the Minister	- Schedule II in the Farm, Small Businesses and Fisheries Regulations. This form will be sent to the lender concerned, with a cheque in settlement of any approved claim, and will be completed and returned to the appropriate Department. (See Annex O)



#### TRANSIT NUMBER

5. Chartered banks and lenders designated by the Minister are required to record their transit number (all eight digits) on correspondence and all documentation submitted.

#### OFFENCES

6. Where a lender finds that a borrower has made a false statement on his application form or has used the proceeds of a loan for a purpose other than that specified in his application, a report should be made immediately to the appropriate Department, giving full details of the offence so that prosecution under the Act may be considered.
7. In the event a lender, when attempting to realize upon security (see Annex E), finds that it has been disposed of without the lender's knowledge or consent, a full report respecting the disposition of the security and the present financial position of the borrower should be submitted immediately to the appropriate Department, so that prosecution or other action may be considered.

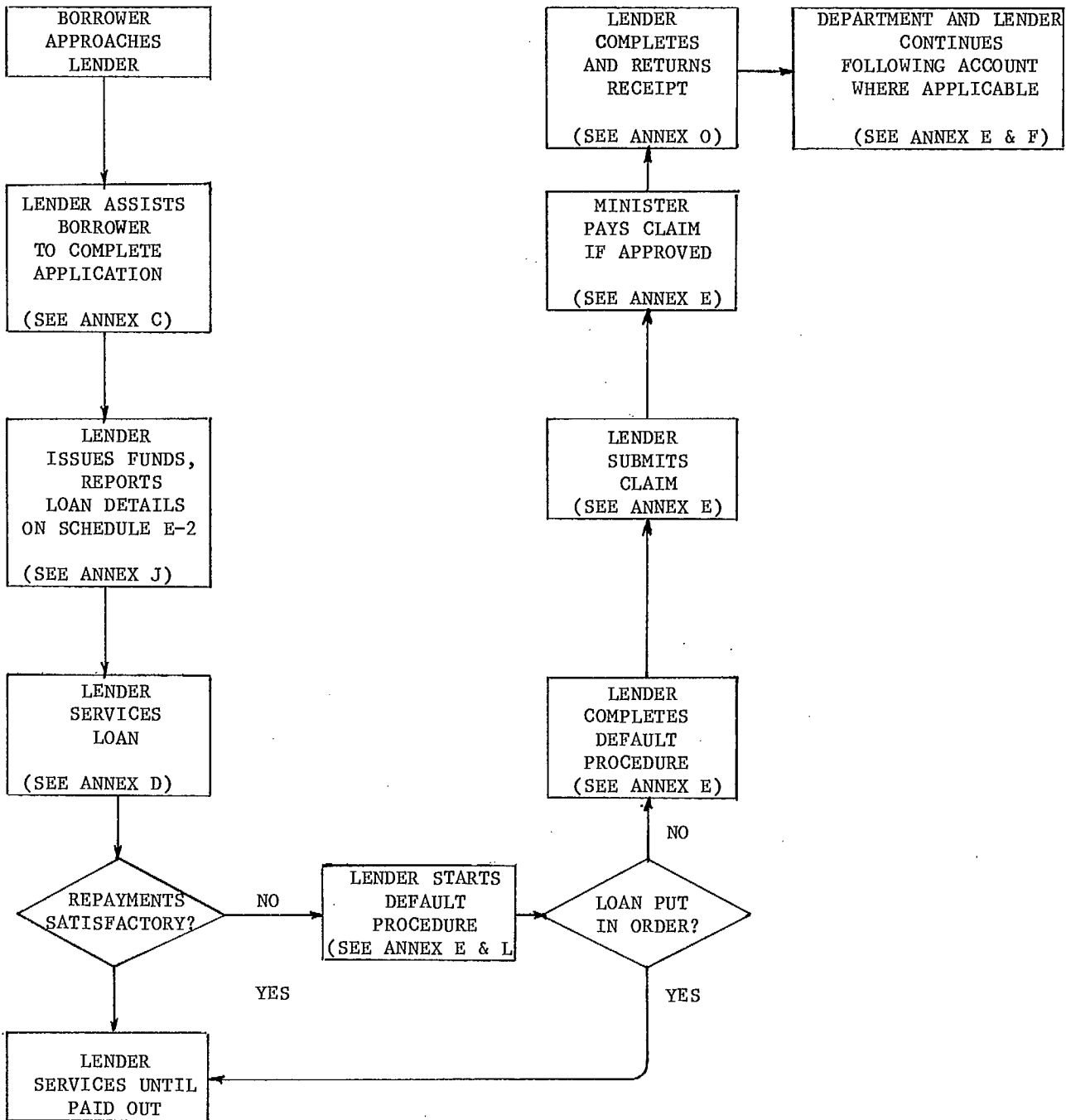
#### RESTRICTIONS

8. Refinancing of existing debts or working capital requirements are not eligible purposes. Also, under the Small Businesses Loans Act, business enterprises engaged in finance, real estate, insurance or the business of a profession are not eligible. However, this restriction does not apply to real estate or insurance brokers or agencies. Non-profit, charitable and religious organizations are also excluded.

#### LAND APPRAISAL

9. Under the Farm Improvement Loans Act and Small Businesses Loans Act loans may be made for purchase of additional land. At the option of the lender an appraisal may be requested to determine the market value of the land and buildings used for farm or business purposes. The cost of the appraisal is to be paid by the borrower and is not to be included in the loan amount. Normally, a borrower will ask the lender to have the appraisal done on his behalf. In the case of FILA, a lender may wish to use the facilities available for this purpose through the local Farm Credit Corporation Credit Adviser. The Credit Adviser will provide the necessary forms if he is contacted in this regard.

GENERAL FLOW OF EVENTS AND DOCUMENTATION



FARM IMPROVEMENT LOANS ACT  
ADMINISTRATIVE RULINGS

FIL 67/1.1 STOCK OR EQUIPMENT

- As used in the Regulations, the term is intended to cover non-expendable items such as beehives, foundation wax, syrup or milk pails and the like. Expendable items such as sugar, drugs, firewood or other fuel, fertilizer, etc. are not included. This is analogous in industrial usage to 'production equipment' (i.e. equipment used in the production process but not necessarily forming part of the finished product such as power tools, dies, etc.) which would be eligible under the Small Businesses Loans Act. This is in contrast to expendable items used up in the production process (such as oils and lubricants, cotton waste, etc.) which would not be eligible.

FIL 67/1.2 IMPLEMENTS - VEHICLES

- Any self-propelled vehicle which, in the opinion of the bank, is essential for efficient operation of the farm would qualify for a loan (e.g. Skidoos, Snow cruisers). Any vehicle not self-propelled (e.g. sledges, trailers, carts) similarly essential for efficient operation would qualify.

FIL 67/1.3 OWNERSHIP - PRINCIPAL OCCUPATION

- The Act defines a Farmer as a person who is in possession of a farm and whose principal occupation consists of farming the farm. While it is for the bank to judge in individual cases what constitutes the principal occupation of the applicant in making a livelihood, such criteria as time spent working on the farm and income from the farm related to total income may be used in making the judgment. Income from investments, gifts, annuities, bequests, etc. would be considered in this context.

FIL 67/1.4 OWNERSHIP - JOINT BUSINESS/PARTNERSHIP

- Partners or joint owners may not each borrow to the maximum permitted in respect of one farm operated under the joint ownership or partnership. In these cases the maximum permitted loan would apply to one farm regardless of the number of joint owners or partners.

- FIL 67/1.5      OWNERSHIP - PUBLIC LANDS ACT, ALBERTA
- Loans, where security required is upon the homestead, cannot be made to applicants within the jurisdiction of the Public Lands Act, Alberta.
- FIL 67/1.6      OWNERSHIP - HUTTERITE COLONIES
- A Hutterite Colony is the beneficial owner of the land and thus qualifies as an owner for purposes of the Act. A loan may, therefore, be made to a colony even though title to the land on which the colony farms, may be held by a Holding Company.
- FIL 67/1.7      ELIGIBILITY - UTILITIES
- Loans may not be made to cover the cost of bringing the necessary feeder lines (water, gas or power), for work permitted under this Regulation, to the boundary of the property concerned.
- FIL 67/1.8      ELIGIBILITY - PURCHASE OF CONTRACTS
- The Act provides for loans for the purchase of equipment or for construction or improvement of a farm. The intent is that such loans are to be expended upon physical items (e.g. tractors, barns, lumber and fittings for construction, etc.). The purchase of a contract, under which a farmer is obligated to provide goods or services (e.g. 'milk basis', egg or poultry contracts) to a marketing firm, cannot be considered as an eligible purpose.
- FIL 67/1.9      REVOKED -- ELIGIBILITY - MINORS - SEE FIL 70/3
- FIL 67/1.10     ELIGIBILITY - PRE-SEASON CONTRACTS
- Loans are not available to extinguish any legal indebtedness, which a farmer has previously assumed, such as a promissory note or conditional sales contract. Thus, any assignment between a farmer and an implement dealer, whereby a binding legal obligation has been incurred between the parties, will preclude the farmer from obtaining, at a later date, a Farm Improvement Loan to retire his previously incurred obligation. In the event a farmer has made a deposit of money or machine without any other legal binding agreement, a sale, later consummated, could be settled by a Farm Improvement Loan.
- FIL 67/1.11     REVOKED -- SECURITY - SECTION 88 - GENERAL ASSIGNMENT

FIL 67/2 ELIGIBLE PURPOSE - NURSERIES

- A nursery operation, under which flower seeds are grown for purposes of resale to the public or to retail outlets (florists), shall be considered as eligible for Farm Improvement Loans, provided that at least 50% of the annual gross revenue received by the applicant is derived from the nursery operation.

FIL 67/3 ELIGIBLE PURPOSE - NATURAL GAS WELLS

- A loan may be granted for purposes of drilling a natural gas well on property owned by an applicant (or leased provided the lease terms satisfy the Regulations) where the output of the well is used solely for purposes of operating the farm and/or the homestead. A licence to operate the well must be obtained from the appropriate provincial authority prior to approval of a loan, and the licence must limit production of gas from the well to the domestic needs of the farm.

FIL 70/1 PURCHASE OF BUFFALO

- The Act provides that loans can be granted for the acquisition of livestock. The Oxford Dictionary defines the word 'livestock' as 'animals kept or dealt in for use or profit'. A herd of buffalo for breeding and eventual sale for meat and hides is included within this definition. A farmer, who purchases a herd of buffalo for the purposes indicated above, would qualify for loans under this legislation.

FIL 70/2 PURCHASE OF VENDING MACHINES

- Vending machines to be used by a 'farmer' as defined in the Act, to market his own produce would qualify as an implement under the Farm Improvement Loans Act. Vending machines used for such purposes must be purchased outright and not obtained on a consignment or rental basis. As it is intended that these machines will be located in areas other than on the farm, the borrower must satisfy the bank that adequate protection is provided to safeguard the bank's security.

FIL 70/3 THE AGE OF MAJORITY

- The Age of Majority recognized for purposes of the Farm Improvement Loans Act is that stipulated in current legislation of the province where lender is located.

FIL 81/1 ELIGIBLE PURPOSE - HYDROPONIC FARMING

- A hydroponic operation, under which produce is grown for purposes of resale to the public or to retail outlets, shall be considered as eligible for Farm Improvement Loans, provided that at least 50% of the annual gross revenue received by the applicant is derived from the hydroponic operation.

SMALL BUSINESSES LOANS ACT  
ADMINISTRATIVE RULINGS

SBLA 67/1.1 ELIGIBILITY - BUSINESS OF A PROFESSION

- The Act specifically excludes that business of a profession that is recognized as such by a law of Canada or of a province. This applies to those who offer a direct service to the customers such as a Doctor, Lawyer, Architect, etc. but does not apply to a business enterprise which, as such, is not subject to a law of Canada or of a province such as a laboratory, consultant, pharmacy, etc. even though such an enterprise may employ or be owned by people with professional qualifications.

SBLA 67/1.2 REVOKED -- ELIGIBILITY - LENGTH OF TIME IN OPERATION

SBLA 67/1.3 REVOKED -- ELIGIBILITY - ADDITIONS TO EXISTING BUSINESS

SBLA 67/1.4 ELIGIBILITY - DIVISIONS/SUBSIDIARIES OF A COMPANY AND HOLDING COMPANIES (General)

- Loans may only be made to a business enterprise as a whole which satisfies the requirements of the Act. Thus, a division of a company cannot be considered as a business enterprise although a subsidiary company would be considered an enterprise and eligible for loans on its own account. A Holding Company could not be considered eligible as it is classified under the business of finance and does not, therefore, satisfy the requirements of the legislation.

SBLA 67/1.5 EQUIPMENT - MOVABLE

- In addition to items normally classified as movable in accordance with the Act (i.e. items not affixed to real or immovable property such as display cases, furnishings, etc.), the term is intended to cover production equipment (e.g. moulds, machine tools, dies, etc.). Items which may be considered as working capital (e.g. inventory, oils and lubricants, cotton waste, etc.) are not eligible.

SBLA 67/1.6 GROSS REVENUE

- The figure to be used is that for the business as a whole. The revenue of one segment or division of an operation may not be used. In cases where a business has been operating less than a year, it is

sufficient that the bank satisfies itself that the estimate is realistic and within the limits set down. In cases where a company holds funds collected from customers for provincial sales tax, such funds should be excluded.

However, where the tax is levied upon the business itself, it represents a liability related to the sales of the company and, hence, may not be deducted from the revenue calculation.

SBLA 67/1.7 REFINANCING

- Loans may only be made to finance an original transaction at the time of the transaction concerned. Some discretion by the bank manager is required as to any reasonable time lag between the date of the purchase and the filing of the application when a loan has been the subject of prior verbal agreement. Where a purchase has been made prior to any discussion relating to a loan to purchase the item, an application for a loan should not be accepted as such a procedure is refinancing.

SBLA 67/1.8 RESERVE INDIANS

- Loans may not be made under these Regulations to Indians living on a reserve since they cannot satisfy the requirements of ownership of a building built upon reservation property (Section 88, Indian Act). In cases where the applicant has letters patent and becomes incorporated, the company would not be subject to the Indian Act and, hence, a loan may be granted to the company.

SBLA 67/1.9 TENANCY (Revoked) See SBLA 77/1

SBLA 70/1 FISH FARMING

- Fish Farming is a recognized industry in the Industrial Classification Manual and is classified as wholesale/retail trade. It is, therefore, an eligible business under the Small Businesses Loans Act. Fish Farms may be of three types:
  - (a) Hatchery for spawning and raising young fish for restocking purposes.
  - (b) Rearing of fish for human consumption.
  - (c) Put and take bonds for recreational fishing.

SBLA 70/2

THE AGE OF MAJORITY

- The Age of Majority recognized for purposes of the Small Businesses Loans Act is that stipulated in current legislation of the province where lender is located.

SBLA 74/1

PRIVATE CLUBS

- Private clubs do not qualify as eligible businesses unless individual members of the public are permitted to 'buy' use of the club's facility by payment of an admission charge at the premises at the time of commencing use of the facility.

SBLA 76/1

LEASING COMPANIES

- A company, whose sole function is the leasing of chattels (capital goods) - i.e. automobiles, office furniture, equipment, etc., would be considered as a service business and eligible to apply for financial assistance under the Small Businesses Loans Act.

SBLA 77/1

TENANCY

- A right of tenancy is not established until the effective date of the lease agreement. Hence, an agreement dated in the future to allow completion of the premise (e.g. in a shopping plaza) cannot be considered as satisfying the requirements until after the effective date of the lease. However, a right of renewal for 1 or more years which extends the lease 2 years or more beyond the repayment period of the loan or which is open ended and can extend the lease beyond the 2 year repayment period of the loan is deemed a right of tenancy within the meaning of sub-paragraph 9(a) (ii) and clause 11(a) (i) (E) of the Regulations.



FISHERIES IMPROVEMENT LOANS ACT  
ADMINISTRATIVE RULINGS

FISHILA 70/1 THE AGE OF MAJORITY

- The Age of Majority recognized for purposes of the Fisheries Improvement Loans Act is that stipulated in current legislation of the province where lender is located.

ANNEX C

GRANTING LOANS

1. INTERVIEW BORROWER

- (a) Normally a borrower will be known to the lender. However, the lender should satisfy himself as to the credit risk involved as he would for a normal loan made by his institution.
- (b) The purpose of the loan, the amount required and repayment terms should be discussed, taking into consideration the overall debt position of the applicant.
- (c) Having determined the need for and purpose of the loan, check the Regulations and determine under which loan purpose section the loan is to be made. Make sure that the borrower is able to meet all the requirements as to loan purposes, provision of required funds from his own or other resources towards the total cost of the project and the security requirements of the appropriate section of the Regulations.
- (d) Ensure the borrower fully understands his obligation and the fact that he cannot dispose of any security pledged in support of the loan without the bank's consent. He should also be aware of the implications should the lender find it necessary to realize on its security.

2. COMPLETE APPLICATION FORM

- (a) Detailed notes for completion of this form are outlined in Annex G.
- (b) In those cases where security is taken on the goods or articles purchased, check to ensure there are no previous liens that would prevent the lender from realizing on its security.

3. ISSUE OF FUNDS

- (a) The borrower must complete a written promise to repay the loan (see Annex H) and the security document (as required) must be registered before or at the same time the funds are issued. (A written promise or agreement by the borrower to give the necessary security may be temporarily accepted in lieu of registration.)
- (b) Provided the lender is satisfied that the above conditions will be met, the funds may be released.

4. REPORT TO THE MINISTER

All loans must be reported as they are made to the appropriate Minister on form E2. (See Annex J)

SERVICING A LOAN

1. GENERAL

These loans should be serviced in exactly the same manner that the institution services its own loans.

2. SECURITY

Adequate security must be maintained throughout the life of the loan.

3. REVISION

(a) If difficulty in servicing the loan is being experienced, consideration, in consultation with the borrower, should be given to the following possible means of alleviating the situation:

(i) a revision of the agreed terms of the loan in order to establish a program of repayment which would take into account the borrower's present difficulties and enable him to maintain his account in good standing;

(ii) checking the existence and condition of, and the equity remaining in, the original security taken and the taking of additional security, if considered necessary.

(b) It is a requirement, where the terms of a revision would exceed those permitted under the Regulations, that approval for such a revision be obtained from the appropriate Minister before such a revision is granted. (See Annex K Request for Revision of Terms, E3)

(c) Under the Farm Improvement Loans Act, Small Businesses Loans Act and Fisheries Improvement Loans Act a bank may, upon request from a borrower for a revision of the terms of repayment of a loan with the borrower's concurrence, revise the interest rate. This revision only applies to those loans granted prior to 1 March 1978 as all loans subsequent to that date are subject to the fluctuating bank's prime rate plus 1%.

LOANS IN DEFAULT AND SUBMISSION OF CLAIMS

1. DEFAULT

(a) A loan is considered in default when any payment due is not met. Immediately this situation occurs, consideration should be given to the following procedures to bring the loan into order:

(i) contact the borrower and endeavour to obtain payment of arrears and if warranted, arrange for a revision of the terms of his loan (See Annex D). A loan may be carried in past due form if appropriate. A Report of Loan Default (Schedule E6) should be forwarded to the appropriate authority at this time (See Annex L).

(ii) failing agreement on revised terms, security for the loan should be realized and the funds applied against the loan in the usual manner; i.e. firstly, to any costs payable by borrower; secondly, to interest and, finally, to the reduction of principal outstanding. It is preferable that security be sold privately rather than by public auction.

NOTE: If a bankruptcy is involved, a notice of claim as a secured debt should be submitted to the Trustee in Bankruptcy immediately bankruptcy proceedings become known to the lender. The trustee must then either deliver up the goods or pay their value.

(iii) where there is a residual balance established after (ii) above, and if circumstances warrant, legal action should be taken to effect recovery or as long term protection. It should be made clear to the borrower that any residual balance established remains his responsibility. This does not apply in the case of a bankruptcy.

(b) In the event a manager considers any of the steps in (a) above unwarranted, the matter may be referred to the appropriate Department, for direction.

2. CLAIMS

(a) A claim for loss may be submitted to the appropriate Department when a lender has taken all appropriate action under 'Default' above or where the lender has been advised by the Department concerned. (See Annex M)

- (b) To establish the amount of claim for loss, money received by the bank in reduction of the account should be applied as follows:
- (i) to all costs which are chargeable to the borrower,
  - (ii) to interest accrued to date of payment, and
  - (iii) to principal amount outstanding.
- (c) The appropriate Department will verify that the loan, when made, satisfied the conditions for the guarantee and, if so, will pay the claim forthwith.
- (d) The lender, upon acceptance of settlement, completes and returns the receipt form provided with the settlement cheque together with the written promise to repay the loan, unless it has been lodged with a Court in support of Judgment action. (See Annex 0)

ANNEX F

FOLLOW-UP PROCEDURE

1. DEPARTMENTAL PROCEDURE

- (a) When a claim is paid to a lender, the appropriate Department will inform the debtor he is now indebted to the Crown. (See 4 below)
- (b) The account will be placed on a regular review basis in the Department and correspondence to the lender/borrower will be initiated at least once a year.
- (c) The lender may be requested to submit a report at each review, upon the present situation of the debtor and the prospect of recovery.
- (d) The Department will determine from the review report what action, if any, should be instituted. If some action is necessary, the lender will be asked to carry out such action and collect the debt on behalf of the appropriate Minister.
- (e) In the event it is clear that no hope of recovery exists (i.e. debtor is destitute, deceased, bankrupt, etc.), the Department may close the file and so inform the lender; in which case no further action would be required by the lender on such an account.

2. LENDERS' PROCEDURE

Notwithstanding the review procedure outlined above, lenders should continue to actively follow an account after payment of a claim in order to effect recovery at the first opportunity or to make a report to the appropriate Department of any developments between reviews.

3. COLLECTIONS

Any amounts collected after payment of a claim should be forwarded by cheque in favour of the Receiver General for Canada to the appropriate Department in Ottawa. (See Page i) Such collections must be accompanied by a statement showing the name and the date collection made. The Department concerned will acknowledge and indicate status of account after application of the funds received.

Any costs incurred by the lender in collecting or endeavouring to collect on behalf of the Minister may be claimed.

4. The following example letter is sent to borrower by the appropriate Department at the time a claim is paid:

Dear Sir/Madam:

This letter is to inform you that, because of default in the repayment of your indebtedness under the above program, the Federal Government has been called upon to honour its guarantee for loss sustained by the lender that negotiated your loan(s).

You are indebted to the Crown and the entire debt is due and payable in the amount of \$            plus            interest accumulating since            and, in addition, you owe \$            for costs incurred. If you have made a recent payment it may not be reflected in this statement and a receipt will be forwarded later. Cheques or money orders should be made payable to the Receiver General for Canada and forwarded to:

See Page (1)

It would be in your best interest to settle this account in full by return mail. If this is not possible, we would expect you to provide full information respecting your present circumstances as it is possible, in those cases where it is warranted, other repayment terms may be arranged.

April 1982

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ANNEX G

NOTES FOR COMPLETION OF APPLICATION FORM

1. TRANSIT NUMBER

Chartered banks and Designated Lenders - Enter eight digit transit number at top right.

2. APPLICATION NUMBER

The application number consists of a loan serial number (allotted by the lender) and a numerical prefix representing the loan period in which the loan was granted.

3. APPLICATION DETAILS

(a) All details must be completed. Those not applicable should have 'N/A' written in.

(b) Particular attention should be paid to the following:

(i) Name of Applicant should be spelled out in full- Surname on first line and given names on second line.

(ii) Purpose of loan - Enter the purpose as defined in the Regulations.

(iii) Cost Details - List major items and their costs.

4. DISPOSITION OF COMPLETED APPLICATION FORMS

The form is retained on the lender's file until the loan is paid in full by the borrower. In the event a claim is made under the Government guarantee, a copy of the application form must accompany the claim form. (See Annex M) The lender's file should be retained complete as follow-up action by the lender will be required after the claim is paid. (See Annex F)





**5. FINANCIAL RESULTS -- LAST 3 YEARS**

FISCAL YEAR ENDING			GROSS REVENUE \$	NET PROFIT AFTER DEPRECIATION, DRAWING, DIVIDEND	
DAY	MONTH	YEAR		PROFIT \$	LOSS \$
		19			
		19			
		19			

ESTIMATED GROSS REVENUE EXPECTED FOR FISCAL YEAR ENDING \_\_\_\_\_ 19 \_\_\_\_ IS \$ \_\_\_\_\_  
(DAY) (MONTH)

**6. CONDENSED FINANCIAL STATEMENT**

NOTE: The bank may request additional or more detailed financial statement for retention in own files. as of \_\_\_\_\_ 19 \_\_\_\_  
(DAY) (MONTH)

ASSETS	\$	LIABILITIES	\$
CASH ON HAND AND ON DEPOSIT		ACCOUNTS PAYABLE	
ACCOUNTS RECEIVABLE		SHORT TERM DEBTS	
INVENTORY (Livestock & crops)		TAX PAYABLE	
AGRICULTURAL IMPLEMENTS (list below)		NOTES PAYABLE	
<b>SUB-TOTAL</b>		<b>SUB-TOTAL</b>	
FIXED EQUIPMENT		LONG TERM DEBTS (Mortgage)	
LAND AND BUILDINGS			
OTHER REAL ESTATE		OTHER LIABILITIES (List each on separate line)	
OTHER ASSETS (List each on separate line)			
		DEPRECIATION RESERVE	
		NET WORTH (Profit)	
<b>TOTAL</b>		<b>TOTAL</b>	

**7. DETAILS OF INSURANCE**

LIFE INSURANCE	FIRE INSURANCE
NAME OF INSURED	ON PREMISES \$
FACE VALUE \$	ON EQUIPMENT \$
CASH SURRENDER VALUE \$	ON INVENTORY \$
O/S POLICY LOAN \$	ON OTHER ASSETS \$
NAME OF BENEFICIARY	

**8. DETAILS OF OTHER LIABILITIES**

DETAILS OF OTHER LIABILITIES (if no liability, state none)
OBLIGATIONS IN ARREARS \$ OR IN DEFAULT
CONTINGENT LIABILITIES \$
JUDGMENTS OR LEGAL ACTIONS PENDING: \$

**9. DETAILS OF LAND FARMED**

TOTAL ACREAGE:

LOCATION	VALUE \$	NATURE OF INTEREST OWNER/TENANT/PURCHASER	EXPIRY DATE OF LEASE (INCLUDING RIGHT OF RENEWAL)	ENCUMBRANCES

OF THE LAND DESCRIBED ABOVE THERE ARE \_\_\_\_\_ ACRES UNDER CULTIVATION, OF WHICH \_\_\_\_\_ ACRES ARE IN CROP OR WILL BE IN CROP DURING 19 \_\_\_\_ MADE UP AS FOLLOWS:

_____ ACRES OF WHEAT	_____ ACRES OF OTHER GRAIN	_____ ACRES OF FRUIT
_____ ACRES OF BARLEY	_____ ACRES OF HAY	_____ ACRES OF ROOTS
_____ ACRES OF OATS	_____ ACRES OF TOBACCO	_____ ACRES OF OTHER CROPS

**10. STATEMENT OF PREVIOUS LOANS OUTSTANDING UNDER FARM IMPROVEMENT LOANS ACT TO THIS APPLICANT AS OF THE DATE OF THIS APPLICATION**

NAME OF BANK AND BRANCH	DATE OF APPLICATION	APPLICATION NO. (if known)	AMOUNT OF LOAN \$	AMOUNT NOW OWING \$

**11. DETAILS OF SECURITY**

PLEASE DESCRIBE BRIEFLY NATURE OF PRIME SECURITY AND OF ADDITIONAL SECURITY, IF ANY.

**12. STATEMENT BY BORROWER**

I hereby apply for a loan under the Farm Improvement Loans Act and declare that I am the proprietor of the enterprise described above in respect of which the loan is to be expended and that to the best of my knowledge the information contained in this application is complete and correct. I hereby agree, if so requested by the bank, to furnish evidence satisfactory to the bank to the effect that the security to be taken by the bank will constitute a first charge on the property to be covered thereby. In the event of the loan applied for being made by you, I hereby

- (a) undertake to use the proceeds for the purpose specified in this application and for no other purpose;
- (b) undertake not to encumber or dispose of any equipment purchased with the proceeds of the loan or pledged as security for the loan while I am indebted to you under a guaranteed loan without your consent in writing;
- (c) undertake to provide you with such evidence as you may require to satisfy you that the proceeds of the loan applied for have been used for the purpose stated in this application;
- (d) agree to furnish from time to time at my expense such security and insurance as the bank may require to secure the loan and the interest thereon;
- (e) agree that, in the event of my failure to furnish or to keep in good standing any required insurance, the bank may obtain or renew such insurance and charge me with the cost thereof;
- (f) authorize you to have any necessary registration or filing of security effected and to obtain evidence satisfactory to you of the rank of such security and to do so at my expense;
- (g) authorize you in the event of default in any payment of this loan to sell by public or private sale or partly by each mode following notice to me by ordinary post and without further notice of any kind at any time after five days from the date the notice was mailed any of the security given for this loan and any property covered thereby, the proceeds of each sale less the expenses thereof to be applied on account of my indebtedness and my liability for any deficiency shall not be affected thereby to any extent;
- (h) authorize you to furnish any person appointed by or on behalf of the Government of Canada in connection with the administration of the Farm Improvement Loans Act with all information in respect of the loan hereby applied for or in connection with any of my dealings with you.
- (i) I authorize you to make credit inquiries at any time in connection with the financing hereby applied for:

(For individuals) I am \_\_\_\_\_ years of age, am married/single (if a married woman resident in Quebec) I am subject to the following matrimonial regime:

- Separation of Property
- Partnership of acquests
- Community of moveables and acquests

I have checked the foregoing application and statements contained therein and certify they are correct to the best of my knowledge.

\_\_\_\_\_  
DAY MONTH YEAR

\_\_\_\_\_  
SIGNATURE OF APPLICANT

**13. BANK CERTIFICATE**

I hereby certify that I have scrutinized and checked the foregoing application and the statements contained therein with the care required of me by the Bank in the conduct of its ordinary business and that to the best of my knowledge the conditions and purposes of the loan made pursuant to the application are such as to qualify it for guarantee under the Farm Improvement Loans Act and the Regulations made thereunder.

\_\_\_\_\_  
SIGNATURE ON BEHALF OF BANK

\_\_\_\_\_  
DATE (DAY, MONTH, YEAR)

**14. POWER OF ATTORNEY**

I hereby appoint the person for the time being acting as manager of the above-mentioned branch of the bank my attorney, on my behalf to give to the bank the security mentioned above and to sign or endorse and deliver any and all instruments and documents in connection therewith.

DATE \_\_\_\_\_ 19 \_\_\_\_\_

\_\_\_\_\_  
SIGNATURE OF APPLICANT

**SMALL BUSINESSES LOANS ACT**

**LOAN APPLICATION**

**FORM SBLA 1 — 3/79**

(ALL APPLICABLE DATA TO BE RECORDED BEFORE SIGNATURE. APPLICATION MUST BE SIGNED IN THE PRESENCE OF THE LENDER.)

(PLEASE TYPE OR PRINT CLEARLY)

NAME AND ADDRESS OF LENDER	TRANSIT NO.
	AMOUNT OF LOAN \$
	APPLICATION NO.

REPAYMENT

TERM: PERIOD  YEARS

PAYABLE: ANNUALLY  ON \_\_\_\_\_  
 SEMI-ANNUALLY  ON \_\_\_\_\_  
 QUARTERLY  ON \_\_\_\_\_  
 MONTHLY  ON \_\_\_\_\_

SOLE OWNERSHIP <input type="checkbox"/>	IF A TRADE STYLE IS USED, IS IT?
PARTNERSHIP <input type="checkbox"/>	REGISTERED <input type="checkbox"/>
INCORPORATED <input type="checkbox"/>	UNREGISTERED <input type="checkbox"/>

1. BUSINESS NAME OF APPLICANT	2. BUSINESS ADDRESS OF APPLICANT
-------------------------------	----------------------------------

3. THE BUSINESS HAS BEEN IN EXISTENCE FOR \_\_\_\_\_ YEARS,  
 AND UNDER PRESENT OWNERSHIP SINCE \_\_\_\_\_ 19\_\_ OR NEW BUSINESS

4. NATURE OF BUSINESS

WHOLESALE <input type="checkbox"/>	GENERAL CONTRACTOR <input type="checkbox"/>	MANUFACTURING <input type="checkbox"/>	TRANSPORTATION <input type="checkbox"/>
RETAIL <input type="checkbox"/>	SPECIAL CONTRACTOR <input type="checkbox"/>	SERVICE <input type="checkbox"/>	COMMUNICATIONS <input type="checkbox"/>

5. DESCRIPTION OF BUSINESS: (Give type of product/service, e.g. grocery, drug, taxi, lodgings, etc; and number of outlets, annual volume, etc)

6. PURPOSE OF LOAN (DESCRIBE BRIEFLY) PURPOSE FOR WHICH PROCEEDS OF LOAN ARE TO BE EXPENDED	7. CLASS OF LOAN
	MOVEABLE EQUIPMENT <input type="checkbox"/> IMMOVEABLE EQUIPMENT <input type="checkbox"/> PREMISES — ALTERATIONS <input type="checkbox"/> — CONSTRUCTION <input type="checkbox"/> — PURCHASE <input type="checkbox"/> LAND — PURCHASE <input type="checkbox"/>

8. COST OF PROJECT FOR WHICH LOAN IS REQUIRED

TOTAL COST OF PROJECT \$ _____	EXPLAIN BRIEFLY HOW BALANCE IS BEING EXPENDED
AMOUNT TO BE COVERED BY LOAN \$ _____	
BALANCE \$ _____	

**9. FINANCIAL RESULTS FOR LAST 3 YEARS**

FISCAL YEAR ENDING			GROSS REVENUE	NET PROFIT AFTER DRAWINGS, DIVIDENDS AND DEPRECIATION	
DAY	MONTH	YEAR	\$	PROFIT \$	LOSS \$
		19			
		19			
		19			

ESTIMATED GROSS REVENUE EXPECTED FOR FISCAL YEAR ENDING ON \_\_\_\_\_ 19\_\_\_\_ IS \$ \_\_\_\_\_  
(DAY) (MONTH)

\* NOTE: IN THE CASE OF A NEW BUSINESS THE GROSS REVENUE ESTIMATED FOR THE FIRST 52 WEEKS OF OPERATIONS SHOULD BE USED.

**10. CONDENSED FINANCIAL STATEMENT**

CONDENSED FINANCIAL STATEMENT OF THE BUSINESS KNOWN AS:	BUSINESS NAME OF APPLICANT IN FULL	AS OF	DATE OF FINANCIAL STATEMENT
			_____ 19____
			DAY MONTH YEAR

NOTE: THE BANK MAY REQUEST ADDITIONAL, MORE DETAILED, FINANCIAL STATEMENTS FOR RETENTION IN THE BANK'S OWN FILES.

ASSETS		\$	LIABILITIES		\$
CASH ON HAND AND IN BANKS			ACCOUNTS PAYABLE		
ACCOUNTS RECEIVABLE			SHORT-TERM BANK LOANS		
INVENTORIES			OTHER SHORT-TERM LIABILITIES		
<b>SUB-TOTAL</b>			<b>SUB-TOTAL</b>		
MOVEABLE EQUIPMENT			LONG-TERM DEBT		
FIXED EQUIPMENT					
BUSINESS PREMISES			OTHER LIABILITIES (List each on separate line)		
OTHER REAL ESTATE					
OTHER ASSETS (List each on separate line)					
			DEPRECIATION RESERVE		
			NET WORTH		
<b>TOTAL</b>			<b>TOTAL</b>		

**11. DETAILS OF INSURANCE**

LIFE INSURANCE (If applicable)	
NAME OF INSURED	
FACE VALUE OF POLICY \$	
CASH SURRENDER VALUE \$	
OUTSTANDING POLICY LOANS \$	
NAME OF BENEFICIARY	

FIRE INSURANCE	
ON PREMISES \$	
ON EQUIPMENT \$	
ON INVENTORY \$	
ON OTHER ASSETS \$	

**12. DETAILS OF OTHER LIABILITIES**

DETAILS OF OTHER LIABILITIES (if none, state "none" explain any entry at section 20 (Notes))	
OBLIGATIONS IN ARREARS OR IN DEFAULT \$	
CONTINGENT LIABILITIES \$	
JUDGEMENTS OR LEGAL ACTIONS PENDING \$	

**13. DETAILS OF BUSINESS PREMISES AND OTHER REAL ESTATE**

LOCATION	VALUE \$	NATURE OF INTEREST (Owner, Tenant, Purchaser, Etc.)	EXPIRY DATE OF LEASE* (Incl. Right of Renewal, If Any)	ENCUMBRANCES

\* IF LOAN IS MADE TO A TENANT TO FINANCE INSTALLATION OF FIXED EQUIPMENT, OR TO MAKE IMPROVEMENTS TO LEASEHOLD PROPERTY, BORROWER'S RIGHT OF TENANCY MUST EXTEND TWO YEARS BEYOND LOAN MATURITY DATE.



**17. STATEMENT BY BORROWER**

I hereby apply for a loan under the Small Businesses Loans Act and declare that I am the proprietor of the enterprise described above in respect of which the loan is to be expended and that to the best of my knowledge the information contained in this application is complete and correct. I hereby agree, if so requested by the bank, to furnish evidence satisfactory to the bank to the effect that the security to be taken by the bank will constitute a first charge on the property to be covered thereby. In the event of the loan applied for being made by you, I hereby

- (a) undertake to use the proceeds for the purpose specified in this application and for no other purpose;
- (b) undertake not to encumber or dispose of any equipment purchased with the proceeds of the loan or pledged as security for the loan, while I am indebted to you under a guaranteed loan without your consent in writing;
- (c) undertake to provide you with such evidence as you may require to satisfy you that the proceeds of the loan applied for have been used for the purpose stated in this application;
- (d) agree to furnish from time to time at my expenses such security and insurance as the bank may require to secure the loan and the interest thereon;
- (e) agree that, in the event of my failure to furnish or to keep in good standing any required insurance, the bank may obtain or renew such insurance and charge me with the cost thereof;
- (f) authorize you to have any necessary registration or filing of security effected and to obtain evidence satisfactory to you of the rank of such security and to do so at my expense;
- (g) authorize you in the event of default in any payment of this loan to sell by public or private sale or partly by each mode following notice to me by ordinary post and without further notice of any kind at any time after five days from the date the notice was mailed any of the security given for this loan and any property covered thereby, the proceeds of each sale less the expenses thereof to be applied on account of my indebtedness and my liability for any deficiency shall not be affected thereby to any extent;
- (h) authorize you to furnish any person appointed by or on behalf of the Government of Canada in connection with the administration of the Small Business Loans Act with all information in respect of the loan hereby applied for or in connection with any of my dealings with you.
- (i) authorize you to make credit enquiries at any time in connection with the financing hereby applied for.

(For individuals) I am \_\_\_\_\_ years of age, am married/single (if a married applicant resident in Quebec) I am married under the regime of:

- Separation as to property       Partnership of Acquests
- Community as to property

I have checked the foregoing application and statements contained therein and certify they are correct to the best of my knowledge.

DAY    MONTH    YEAR

\_\_\_\_\_  
SIGNATURE OF APPLICANT

**18. BANK CERTIFICATE**

I hereby certify that I have scrutinized the foregoing application and the statements contained therein with the care required of me by the Bank in the conduct of its ordinary business and that to the best of my knowledge the conditions and purposes of the loan made pursuant to the application are such as to qualify it for guarantee under the Small Businesses Loans Act and the Regulations made thereunder.

\_\_\_\_\_  
SIGNATURE ON BEHALF OF BANK

\_\_\_\_\_  
DATE (DAY, MONTH, YEAR)

**19. POWER OF ATTORNEY**

I hereby appoint the person for the time being acting as manager of the above-mentioned branch of the bank my attorney, on my behalf to give to the bank the security mentioned above and to sign or endorse and deliver any and all instruments and documents in connection therewith.

DATE \_\_\_\_\_ 19 \_\_\_\_\_

\_\_\_\_\_  
SIGNATURE OF APPLICANT

**20. NOTES**

SEE SECTION 9 AND 12





7. Details of Interest In Equipment and Property			
Name and Address of Other Person having an interest in applicant's property	Description of Equipment or Property in which interest held	Extent of other Person's Interest	Extent of Applicant's Interest
		%	%

8. Details of Encumbrances Against Assets					
Asset	Name and Address of Mortgagee or Lien Holder	Original Amount	Repayment Terms	Amount in Arrears	Amount now owing
		\$	\$	\$	\$

9. Details of Insurance on Property and Equipment				
Asset	Name of Insurer	Amount of Insurance	Expiry Date of Policy	If Policy Assigned, State Name of Assignee
Buildings		\$		
Equipment		\$		
Fishing Vessels		\$		

10. Statement of Previous Loans Outstanding under The Fisheries Improvement Act to this Applicant as of the Date of this Application				
Lender's Name and Branch	Date of Application	Application Number (if known)	Amount of Loan	Amount now Owning
			\$	\$

**10.1 Details of Security** \*(See Section 19 of the Regulations — Re: Security Requirements)

Please describe briefly the nature of the prime security and of additional security, if any, for premises loans give details of prior charges, if any:

**11. STATEMENT BY BORROWER**

I hereby apply for a loan under the Fisheries Improvement Loans Act and declare that I am the proprietor of the enterprise described above in respect of which the loan is to be expended and that to the best of my knowledge the information contained in this application is complete and correct. I hereby agree, if so requested by the bank to furnish evidence satisfactory to the bank to the effect that the security to be taken by the bank will constitute a first charge on the property to be covered thereby. In the event of the loan applied for being made by you, I hereby

- (a) undertake to use the proceeds for the purpose specified in this application and for no other purpose;
- (b) undertake not to encumber or dispose of any equipment purchased with the proceeds of the loan or pledged as security for the loan while I am indebted to you under a guaranteed loan without your consent in writing;
- (c) undertake to provide you with such evidence as you may require to satisfy you that the proceeds of the loan applied for have been used for the purpose stated in this application;
- (d) agree to furnish from time to time at my expense such security and insurance as the bank may require to secure the loan and the interest thereon;
- (e) agree that, in the event of my failure to furnish or to keep in good standing any required insurance, the bank may obtain or renew such insurance and charge me with the cost thereof;
- (f) authorize you to have any necessary registration or filing of security effected and to obtain evidence satisfactory to you of the rank of such security and to do so at my expense;
- (g) authorize you in the event of default in any payment of this loan to sell by public or private sale or partly by each mode following notice to me by ordinary post and without further notice of any kind at any time after five days from the date the notice was mailed any of the security given for this loan and any property covered thereby, the proceeds of each sale less the expenses thereof, to be applied on account of my indebtedness and my liability for any deficiency shall not be affected thereby to any extent;
- (h) authorize you to furnish any person appointed by or on behalf of the Government of Canada in connection with the administration of the Fisheries Improvement Loans Act with all information in respect of the loan hereby applied for or in connection with any of my dealings with you.
- (i) authorize you to make credit enquiries at any time in connection with the financing hereby applied for.

(For individuals) I am \_\_\_\_\_ years of age, am married/single (if married applicant resident in Quebec) I am married under the regime of

- Separation as to property
- Partnership of Acquests
- Community as to property

I have checked the foregoing application and statements contained therein and certify they are correct to the best of my knowledge

\_\_\_\_\_  
DAY . MONTH YEAR

\_\_\_\_\_  
SIGNATURE OF APPLICANT

**12. BANK CERTIFICATE**

I hereby certify that I have scrutinized and checked the foregoing application and the statements contained therein with the care required of me by the Bank in the conduct of its ordinary business and that to the best of my knowledge the conditions and purposes of the loan made pursuant to the application are such as to qualify it for guarantee under the Fisheries Improvement Loans Act and the Regulations made thereunder.

\_\_\_\_\_  
SIGNATURE ON BEHALF OF BANK

\_\_\_\_\_  
DATE (DAY, MONTH, YEAR)

**13. POWER OF ATTORNEY**

I hereby appoint the person for the time being acting as manager of the above-mentioned branch of the bank my attorney on my behalf to give to the bank the security mentioned above and to sign or endorse and deliver any and all instruments and documents in connection therewith.

DATE \_\_\_\_\_ 19 \_\_\_\_\_

\_\_\_\_\_  
SIGNATURE OF APPLICANT

PROMISE TO REPAY

1. A written promise to repay the loan is to be taken for every loan advanced.
2. The note form used by the lender in its normal lending operations may be used. However, the form of interest to be charged must be entered on the face of the note in a convenient place.
3. The reverse of this note can be used for record of repayments made.
4. The original promise to repay the loan and renewal notes are retained on file until the debt is repaid in full, at which time the notes are returned to the borrower in the normal way. In the event a claim is submitted and paid by the appropriate Minister, the notes are sent to the Minister with the receipt form, unless the notes have been lodged with a Court in support of Judgment action. (See Annex O)
5. Where terms are revised, all notes must be retained on file and not returned to borrower until account is paid in full.



**DIRECT REPORT OF LOAN MADE**

**SCHEDULE E2**

- 1 Prepare a separate report for each loan.
- 2 Submit the report at the time the loan is made or when it is intended that several disbursements shall take place, at the time initial disbursement is made.
- 3 Forward the report immediately to the proper address shown below.

Name and Address of Lender	Loan Made		Transit No.
	Month	Year	

Name of Borrower (Surname First)	Tick Type of Program <input type="checkbox"/> Farm Improvement Loan <input type="checkbox"/> Small Business Loan <input type="checkbox"/> Fisheries Improvement Loan
Province in which Borrower's Operation is situated	

Loan Details		Purpose Code	Dollar Amount
When the loan is for one purpose only enter here	➔		\$ +
When the loan is for more than one purpose, enter up to 4 purposes (one per line) and show total below			\$ +
			\$ +
			\$ +
Full amount of loan			\$ =

Purpose Codes											
FARM IMPROVEMENT LOANS			SMALL BUSINESS LOANS					FISHERIES IMPROVEMENT LOANS			
		Loan Purpose	Equipment		Premises			Land			
			Movable	Immovable	Alterations	Construction	Purchase	Purchase			
Combine	101	Class of Business							Nets and Traps	311	
Hay Baler	102								Radio Electronic Equipment	312	
Tractor	103								Trucks	313	
Truck	104								Other Equipment	314	
Other Implement	105								Purchase of Boats/Vessel	321	
Clearing/Breaking	111								Purchase of Engine	322	
Fencing/Drainage	112		Wholesale	211	212	213	214	215	216	Repair Overhaul	323
Improvement/Development	113		Retail	221	222	223	224	225	226	Building and Construction	331
Irrigation	114		Construction	231	232	233	234	235	236	Certified Correct	
New Outbuildings	121		Manufacturing	241	242	243	244	245	246		
New Homes	122		Service	251	252	253	254	255	256		
Repairs/Alterations (Bldgs)	123		Transportation	261	262	263	264	265	266		
Fixed Equipment	131		Communications	271	272	273	274	275	276		
Livestock	141										
Purchase of Land	151										
Repair/Overhaul	161										

Signature of Responsible Officer

Farm Improvement Loans Administration  
 Agriculture Canada  
 Sir John Carling Bldg  
 Ottawa, Ontario  
 K1A 0G5



The Manager  
 Small Business Loans Administration  
 (41A)  
 Industry, Trade & Commerce  
 235 Queen Street  
 Ottawa, Ontario  
 K1A 0H5



Fisheries Improvement Loans  
 Administration  
 Fisheries and Oceans  
 240 Sparks Street, West  
 Ottawa, Ontario  
 K1A 0E6



DIRECT REPORT OF LOAN MADE (SCHEDULE E2)

1. This form is to be completed at the time a loan is negotiated and full or partial disbursement is made and the original forwarded immediately to the appropriate department.
2. The form is self-explanatory but specific attention is directed to:
  - (i) ensuring that all loan details are entered and relative loan program is checked;
  - (ii) ensuring that the eight digit transit number is entered.
  - (iii) the Bank is to ensure that their complete mailing address is recorded to facilitate prompt return.
3. The appropriate Department, upon receipt of Schedule E2, will record the information contained thereon, "REGISTER" the form and return to the lender for retention on the borrower's file. It is a requirement, in the event of a Claim for Loss that Schedule E2 be included with the submission of loan documents.

IMPORTANT: DO NOT HOLD

THIS REPORT IS TO BE FORWARDED IMMEDIATELY AFTER A LOAN IS MADE



REQUEST FOR REVISION OF TERMS

1. This form is to be completed whenever the terms of an existing loan are revised under the Regulations and such revision requires the Minister's approval. This approval is required when a request for revision of terms extends repayment of the loan beyond the repayment period prescribed in the Act and Regulations. The form is to be submitted to the appropriate Department:
2. The form is self-explanatory but specific attention is directed to:
  - (i) ensuring that the proper Act, under which the loan was made, is checked;
  - (ii) ensuring that the eight digit transit number is entered;
  - (iii) ensuring that the address of the borrower is his last known address;
  - (iv) ensuring that the interest rate entered is that applicable at the time the loan was granted or that it is a revised rate of interest, if applicable;
  - (v) ensuring that under 'Security Held' a brief description be given in addition to the estimated value;
  - (vi) ensuring that a statement of the borrower's present financial position and a résumé of the events leading to the revision be entered in the section entitled 'State reason Revision is requested'.
3. The form will be returned to the lender by the appropriate Department indicating approval or otherwise.
4. In the event of a Claim for Loss, copies of Revision of Terms, should be included with other loan documents.





**DEFAULT REPORT**

**SCHEDULE E6**

Please Type or Print Clearly

<b>Check Type of Loan</b> <input type="checkbox"/> Farm Improvement Loan <input type="checkbox"/> Small Business Loan <input type="checkbox"/> Fisheries Improvement Loan	<b>Name and Address of Lender</b>  	<b>Transit No.</b>  
--	---	----------------------------

<b>Name of Borrower (Surname First)</b>  	<b>Current Address</b>  
---	--------------------------------

List of Outstanding Loans to this Borrower under Type of Loan Checked above

Applica- tion Number	Date Loan Made (d/m/y)	Purpose of Loan	Original Loan		Principal Outstanding \$	Amount of Principal in Arrears \$	Last payment on Account		
			Amount \$	Interest Rate %			Date (d/m/y)	Amount applied against	
								Principal \$	Interest \$

**Complete details of security held:**

**State reason for default and remedial action already taken:**

**Note:** Most recent Financial Statement attached  on reverse

<b>Date of Default (d/m/y)</b>	<b>Date this form submitted (d/m/y)</b>	<b>Signature on behalf of lender</b>  
------------------------------------	---	--

**For Government Use Only**

DEFAULT REPORT

(Schedule E6)

1. This form should be forwarded to the appropriate Department (See Page (i)) whenever a loan is six months in default.
2. It is important to realize while the government Departments concerned may not necessarily become involved in the detailed servicing of the loan at this point, the use of the form provides a dialogue which in many cases will assist in the smooth processing of further possible claim action.
3. If considered necessary the appropriate Department will initiate follow-up action at some time after receipt of the Schedule E6.
4. All default reports will be acknowledged.



**CLAIM FOR LOSS**

**SCHEDULE E4**

Please Type or Print Clearly

Tick Type of Loan <input type="checkbox"/> Farm Improvement Loan <input type="checkbox"/> Small Business Loan <input type="checkbox"/> Fisheries Improvement Loan	Name and Address of Lender	Transit No. 					
Name of Borrower (Surname First)		Current Address					
The following documents are attached: <table style="width:100%; border: none;"> <tr> <td style="width:50%; border: none;"> <input type="checkbox"/> Application form with relevant receipts/paid cheques evidencing purchases  <input type="checkbox"/> Registered copy of E2  <input type="checkbox"/> Statement of loan account         </td> <td style="width:50%; border: none;"> <input type="checkbox"/> Approved requests for revision of terms  <input type="checkbox"/> Statement of unrealized security  <input type="checkbox"/> Invoice(s) or receipt(s) to support cost payment  <input type="checkbox"/> Copy of Judgment and Writ of Execution         </td> </tr> </table>			<input type="checkbox"/> Application form with relevant receipts/paid cheques evidencing purchases <input type="checkbox"/> Registered copy of E2 <input type="checkbox"/> Statement of loan account	<input type="checkbox"/> Approved requests for revision of terms <input type="checkbox"/> Statement of unrealized security <input type="checkbox"/> Invoice(s) or receipt(s) to support cost payment <input type="checkbox"/> Copy of Judgment and Writ of Execution			
<input type="checkbox"/> Application form with relevant receipts/paid cheques evidencing purchases <input type="checkbox"/> Registered copy of E2 <input type="checkbox"/> Statement of loan account	<input type="checkbox"/> Approved requests for revision of terms <input type="checkbox"/> Statement of unrealized security <input type="checkbox"/> Invoice(s) or receipt(s) to support cost payment <input type="checkbox"/> Copy of Judgment and Writ of Execution						
Original loan data	Amount \$ _____	Date of note _____ <small>(day/month/year)</small>	Interest rate _____ %	Loan number _____			
Claim items:			day month year				
1	Interest	From	<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td style="width: 30px; height: 20px;"></td> <td style="width: 30px; height: 20px;"></td> <td style="width: 30px; height: 20px;"></td> </tr> </table>				\$ _____
2	Unpaid principal						
3	Uncollected taxed costs for or incidental to legal proceedings						
4	Legal fees, legal cost and legal disbursements, whether taxable or not, actually incurred by the lender whether with or without litigation						
5	Other disbursements actually incurred by the lender in collecting						
• The value of interest due to date claim approved and the total claim will be entered by respective Government Department			Total claim	\$ _____			
Brief history of account:							
Date submitted  <small>(day/month/year)</small>		Signature on behalf of lender					

CLAIM FOR LOSS

1. This form is to be completed whenever a claim is to be made under the Government Guarantee and submitted to the appropriate Department:

2. The form is self-explanatory, but specific attention is directed to:

(i) ensuring that the proper Act under which the loan was made is checked,

(ii) ensuring that the eight digit transit number is entered,

(iii) ensuring that the address of the borrower is his last known address.

(iv) Documents to be Attached to Claim Form

- a signed copy of the application form;

- a registered copy of Form E2 "(See Annex J)";

- a detailed statement of the loan account in all cases;

- copies of approved requests for revision of terms, if applicable;

- invoices/receipts to support any claims for costs (i.e. advertisement costs, legal costs not chargeable to the borrower, storage costs, etc., as applicable);

- a copy of any Judgment and Writ of Execution where applicable;

- evidence that the bank required, in accordance with normal banking requirements, and the borrower provided, at the time the loan was made, evidence that the funds advanced in respect of the loan were expended for the purpose set out in application for the loan;

- a statement of unrealized security, where applicable.

(v) Brief History of Account

A resume of the events leading to submission of the claim should be given, which would include disposition of security.



REPORT OF LOANS OUTSTANDING AND LOANS IN DEFAULT

SCHEDULE E5

Please Type or Print Clearly

Transit No. [Bar code]
Period Ending [ ] March [ ] December [ ] Year [ ]

SECTION 1 - Loans Outstanding

FARM IMPROVEMENT table with columns: Period From, To, \$ Amount (omit cents). Rows include dates from 1962 to 1983 and a Total Outstanding row.

SMALL BUSINESS table with columns: Period From, To, \$ Amount (omit cents). Rows include dates from 1970 to 1982 and a Total Outstanding row.

FISHERIES IMPROVEMENT table with columns: Period From, To, \$ Amount (omit cents). Rows include dates from 1970 to 1983 and a Total Outstanding row.

SECTION 2 - Loans in default (6 months and over as at December 31st)

Table with columns: No. of Loans, Amount Outstanding, Amount in arrears.

Table with columns: No. of Loans, Amount Outstanding, Amount in arrears.

Table with columns: No. of Loans, Amount Outstanding, Amount in arrears.

We certify that a report of loan in default has been submitted for each loan in default reported above . . . [ ]

Signature of Manager

Signature of Accountant

Name and address of lender

Note: To be mailed not later than 10 days after period has ended. To: Divisional, Regional or Head Office as applicable.

REPORT OF LOANS OUTSTANDING  
AND LOANS IN DEFAULT (SCHEDULE E5)

1. This form consists of:
  - (a) Report of loans outstanding under each program by lending period to be submitted December 31 and March 31 annually.
  - (b) Report of loans in default which is required as at December 31 each year. In certain circumstances, you may be requested to report more frequently in respect of defaults but this will be the subject of a special request.
2. This form must be submitted to your Regional or Head Office (depending on bank procedure) so that a consolidated report by Bank may reach the appropriate Department within 30 days of the last day of December and March.
3. Other lenders must submit this form directly, within the same time limit, to the appropriate Department unless other arrangements have been made within their affiliates.

RECEIPT IN FAVOUR OF MINISTER

This form originates with the appropriate Minister and will accompany each cheque in settlement of a claim for loss.

1. The lender, upon receipt of this form, should verify from its records that the loan detail is correct as well as the information contained on the enclosed cheque.
2. Complete receipt portion of this form.
3. Note information re collection action.
4. Snap forms apart, remove carbons and distribute copies as follows:

Copy 3 - retain for your record

Copy 2 - retain for Head Office  
(where applicable)

Copy 1 - return to the appropriate Department  
Along with the written promise to  
repay. (See Annex H)