

chapter C-78

FORESTRY CREDIT ACT

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DIVISION I

DEFINITIONS

1. In this Act, unless the context indicates otherwise,

(a) “Minister” means the Minister of Natural Resources and Wildlife;

(b) “agency” means La Financière agricole du Québec;

(c) “forestry” means the body of principles and methods necessary for the conservation, cultivation, improvement and management, and for the harvesting and rational utilization of timber stands and of the material resources contained therein or obtainable therefrom;

(d) “forest” means land covered with timber stands or which, formerly so covered, is not put to any use inconsistent with forestry;

(e) “forest in the domain of the State” means a State-owned forest;

(f) “private forest” means a forest that is not State-owned;

(g) “management plan” means a document which sets out prescriptions for ensuring the utilization of a forest in accordance with established objectives; such document must be revised periodically, pursuant to the directives of the Minister and subject to his approval;

(h) “bank” means any bank within the meaning of the Bank Act (R.S.C. 1985, c. B-1) or of the Québec Savings Banks Act (R.S.C. 1970, c. B-4);

(i) “credit union” means any financial services cooperative governed by the Act respecting financial services cooperatives (chapter C-67.3);

(j) “lender” means a credit union or bank from which a loan has been obtained under subdivision 2 of Division II;

(k) “forest owner” means a physical person having full ownership of his forest except one engaged in wood processing otherwise than on a small scale industrial basis, as defined by regulation;

(l) “association” means a legal person, partnership or cooperative whose main object is the development of a private forest and whose production is not for the greater part used to supply a wood processing plant of which majority ownership or control is held by such association or by one or several of its shareholders or members, as the case may be;

(m) “permit holder” means the holder of a forestry permit for the operation of a sugar bush issued under the Sustainable Forest Development Act (chapter A-18.1);

(n) “manager” means a person entrusted with the management of lands in the domain of the State by an agreement with the Minister under section 102 of the Forest Act (chapter F-4.1);

(o) “borrower” means a forest owner, association of owners, permit holder or manager;

(p) “borrowing” means any borrowing contracted in accordance with this Act;

(q) “loan” means any loan granted in accordance with this Act;

(r) “regulation” means a regulation made under this Act.

1975, c. 33, s. 1; 1977, c. 5, s. 14; 1979, c. 81, s. 20; 1982, c. 26, s. 299; 1986, c. 108, s. 238, s. 245; 1987, c. 23, s. 76; 1988, c. 64, s. 587; 1990, c. 64, s. 24; 1992, c. 32, s. 43; 1994, c. 13, s. 16; 1999, c. 40, s. 97; 2000, c. 53, s. 66; 2000, c. 29, s. 633; 2003, c. 8, s. 6; 2006, c. 3, s. 35; 2010, c. 3, s. 283.

DIVISION II

LOANS

§ 1. — *Loans by the agency*

2. The agency may grant to a forest owner or a forest-owning association, for the management or the purchase of a private forest or to consolidate debts already incurred for such purposes, a loan secured by first hypothec on the forest of the owner or association, and on other immovables owned by them if the agency deems it advisable, of up to 90% of the value of the forest as established by the agency.

The amount of such a loan must never exceed \$40,000 in the case of a forest owner, or \$500,000 in the case of an association.

1975, c. 33, s. 2; 2000, c. 53, s. 66.

3. The agency may also grant to any borrower, for the purposes contemplated in sections 2 and 14, a loan secured by movable hypothec on up to 70% of the value of the hypothecated property.

Subject to section 4, the amount of such a loan must never exceed \$25,000 in the case of a natural person, or \$100,000 in the case of a legal person.

Such a loan may entail, in addition to the security of the hypothecated property, a hypothec in favour of the agency on the private forest and on any other immovable of the borrower.

1975, c. 33, s. 3; 1992, c. 57, s. 534; 1999, c. 40, s. 97; 2000, c. 53, s. 66.

3.1. In no case may a loan be granted by the agency under this Act following an application received by the agency after 30 June 1984.

1983, c. 16, s. 65; 2000, c. 53, s. 66.

4. The total amount of loans granted to a borrower under sections 2 and 3 must never exceed \$40,000 in the case of a natural person, or \$500,000 in the case of a legal person.

1975, c. 33, s. 4; 1999, c. 40, s. 97.

5. Every loan granted under section 2 is repayable within a period of not more than sixty years, according to the basis of amortization and to the terms and conditions determined by regulation.

Every loan granted under section 3 is repayable within a period of not more than fifteen years, according to the basis of amortization and to the terms and conditions determined by regulation.

1975, c. 33, s. 5.

6. The interest rate on loans granted under section 2 is 5% and shall be fixed by regulation for loans granted under section 3.

In respect of the loans contemplated in sections 2 and 3 granted pursuant to an application received by the agency on or after 1 December 1980, the rate of interest on the loans contemplated in section 2 and that on the loans contemplated in section 3 are determined according to the methods prescribed by regulation. These rates

must be adjusted during the period of the loans, at such times and according to the norms established by regulation.

The agency may reduce the rate of interest applicable under the second paragraph in respect both of loans contemplated in section 2 and of those contemplated in section 3, to such extent, for such period and on such conditions as are determined by regulation.

1975, c. 33, s. 6; 1980, c. 29, s. 1; 2000, c. 53, s. 66.

7. To determine the amount of a loan granted by it, the agency shall compute, as if part of the same loan, the balance owed by the borrower on any loan previously granted under this subdivision or of which he assumes or has assumed payment by succession or otherwise.

The amount owed to the agency by a borrower must never exceed the amounts contemplated in section 4, except in respect of debts devolving to him by succession or contracted by him to acquire property which the agency has disposed of under this Act.

1975, c. 33, s. 7; 2000, c. 53, s. 66.

8. The borrower or his successors may repay all or part of the loan in advance.

1975, c. 33, s. 8; 1999, c. 40, s. 97.

9. A representative or an employee designated by the agency may, at any reasonable time, inspect hypothecated immovables, or, as the case may be, movable property securing a loan granted under this subdivision. He may do so at any time if it is required, in the circumstances, to protect a claim or the property securing a loan or to ensure that the borrower's operation is carried on.

Moreover, in the absence of maintenance or in the case of deterioration entailing a depreciation of the security, he may do, at the borrower's expense, any work or repairs and take any step he considers necessary to ensure that the property is kept in good condition and that forest management is carried on.

The representative or the employee designated by the agency shall, on request, identify himself and produce a certificate of his capacity issued by the agency.

1975, c. 33, s. 9; 1986, c. 95, s. 125; 2000, c. 53, s. 66.

10. Authorization of the agency must be obtained to validate the voluntary transfer or the lease for more than one year of an immovable, as well as for the voluntary transfer or the lease of movable property, when such property secures a loan granted under this subdivision.

An association which is a borrower must inform the agency of any amendment to its partnership deed, if a partnership, or, if a legal person or cooperative association, of any issue, allotment or transfer of ordinary shares or common shares, as the case may be.

1975, c. 33, s. 10; 1999, c. 40, s. 97; 2000, c. 53, s. 66.

11. If a borrower obtains a loan as the result of false declarations or false pretences, if he does not comply with the management plan, if he disposes in any manner of part or all of the hypothecated property or of the movable property offered as security without authorization of the agency, if he causes or allows abnormal deterioration of the property serving as security or any diminution of the security, if he ceases to fulfil the conditions for benefiting by a loan or if he uses all or part of the proceeds of the loan for purposes other than those for which it was granted, the agency may, by mere notice sent by registered mail to the borrower at his last address known to the agency, declare the borrower forfeited of the benefit of the term granted, cancel the loan, claim repayment thereof with interest and, failing such repayment, exercise any recourse provided by law.

1975, c. 33, s. 11; 1975, c. 83, s. 84; 2000, c. 53, s. 66; I.N. 2016-01-01 (NCCP).

12. The agency may fix the accessory or secondary conditions to which loans shall be subject, as to the borrower's titles, the deeds of loan, the protection of the security and other similar matters.

In addition to the security provided for the loan, the agency, in the cases specified by regulation, may require of the borrower an insurance policy on his life to secure the repayment of the loan in the case of his death.

1975, c. 33, s. 12; 2000, c. 53, s. 66.

§ 2. — *Loans by a bank or a credit union*

13. A bank or a credit union may grant any borrower, for the purposes mentioned in section 14, a loan which must never exceed \$25,000 in the case of a forest owner or of a permit holder or manager who is a natural person, nor \$100,000 in the case of an association or of a permit holder or manager which is a legal person.

1975, c. 33, s. 13; 1999, c. 40, s. 97.

13.1. In no case may a loan be granted by a lender under this Act following an application received by him after 30 June 1984.

1983, c. 16, s. 65.

14. The purposes of a loan granted under section 13 must be the following:

- (1) purchase of forest seeds and plants;
- (2) purchase or repair of forest machinery, equipment or implements;
- (3) purchase or improvement of sugary material or equipment;
- (4) improvement to the borrower's forest;
- (5) protection of the forest against deteriorative agents;
- (6) purchase, construction or improvement of buildings.

One or another of the borrowing purposes provided for in this section may, for the purposes of its application, be defined or listed in a regulation.

1975, c. 33, s. 14.

15. The same borrower may obtain more than one loan contemplated in section 13 provided the aggregate of such loan and the outstanding principal of any loan previously obtained under that section and of any debt devolved by succession arising from a loan made under this subdivision never exceeds the limit of \$25,000 or, as the case may be, \$100,000 provided in that section.

1975, c. 33, s. 15.

16. The agency may repay to the borrower an amount equal to interest at 5% on the principal of any loan contracted under this subdivision before 9 July 1981.

The agency may contribute to the payment of the interest on every loan contracted from that date under this subdivision to such extent, for such period, according to such terms and conditions and at such payment intervals as are prescribed by regulation.

The principal amount to which repayment of interest provided in the first two paragraphs applies is limited for the same borrower to the amount of \$25,000 or, as the case may be, \$100,000 provided in section 13, excepting debts devolved to the borrower by succession.

1975, c. 33, s. 16; 1980, c. 29, s. 2; 2000, c. 53, s. 66.

17. Before obtaining a loan, the borrower must obtain a declaration in the form prescribed by regulation from a forest engineer or forest technician authorized by the Minister, establishing that the object of his or its application for a loan is appropriate for the development of the forest respecting which the application has been made.

1975, c. 33, s. 17.

18. Each loan must be evidenced by a note or acknowledgement of debt in the tenor prescribed by regulation or by a deed of loan.

1975, c. 33, s. 18.

19. The term of the loan shall not exceed fifteen years.

1975, c. 33, s. 19.

20. Property purchased with proceeds of a loan obtained for one of the purposes mentioned in paragraphs 2 and 3 of section 14 shall be charged with a movable hypothec.

Furthermore, in the cases prescribed by regulation, the borrower must furnish the lender any guarantees required therein.

1975, c. 33, s. 20; 1992, c. 57, s. 535.

21. The agency or the lender, by its representatives or employees, may make any investigation regarding an application for a loan or any loan made under section 13 and, at any reasonable time, or at any time if it is required, in the circumstances, to protect a claim or the property securing a loan or to ensure that the borrower's operation is carried on, visit or inspect the property serving as security for a loan provided for in that section.

The representative or the employee designated by the agency or by the lender shall, on request, identify himself and produce a certificate of his capacity issued by the agency or, as the case may be, the lender.

1975, c. 33, s. 21; 1986, c. 95, s. 126; 2000, c. 53, s. 66.

22. The rate of interest on any loan contracted under this subdivision is the current rate charged by the lender in his ordinary course of business, unless the Government fixes a maximum rate of interest by regulation.

1975, c. 33, s. 22.

23. The principal of every loan must be repaid in equal and consecutive payments which may be, as agreed between the borrower and the lender, monthly, quarterly, semi-annual or annual.

1975, c. 33, s. 23.

24. Notwithstanding any stipulation inconsistent herewith, the borrower may at any time repay all or part of the principal of his or its loan in advance.

1975, c. 33, s. 24.

25. Where the borrower is a legal person, it must inform the agency and the lender of any amendment to its deed of partnership, if a partnership and, if a legal person or cooperative association, of any issue, allotment or transfer of ordinary or common shares, as the case may be.

1975, c. 33, s. 25; 1999, c. 40, s. 97; 2000, c. 53, s. 66.

26. The amount repayable by the agency under section 16 shall be paid to the borrower every six months; such repayment shall be made only if the borrower has made the payments due in principal and interest and if he or it continues to fulfil the conditions required to benefit by the provisions of this subdivision.

No repayment of interest shall be made in respect of interest on payments in arrears.

1975, c. 33, s. 26; 2000, c. 53, s. 66.

27. Where at the expiry of the term provided for in section 19, a borrower has not discharged his or its obligations in full and the lender grants him an extension of time to pay the balance of the loan, the borrower is no longer entitled to the repayment of interest provided in section 16, but the lender shall continue to benefit by the guarantee provided in the first paragraph of section 29 or, as the case may be, by the guarantee contemplated in the third paragraph of the said section.

1975, c. 33, s. 27; 1978, c. 49, s. 44; 1999, c. 40, s. 97.

28. A borrower who obtains the repayment of interest as the result of false declarations or false pretences, does not comply with the management plan or uses all or part of the proceeds of the loan for purposes other than those for which the loan was obtained, shall *ipso facto* be forfeited of the right to repayment of interest provided in section 16 and must return to the agency what he or it has received, but the lender does not lose for all that the guarantee of the Government provided in the first paragraph of section 29 or, as the case may be, the guarantee contemplated in the third paragraph of the said section.

1975, c. 33, s. 28; 1977, c. 5, s. 14; 1978, c. 49, s. 45; 2000, c. 53, s. 66.

29. The Gouvernement du Québec shall guarantee the lender the reimbursement of losses in principal and interest resulting from a loan contracted under section 13, and of the expenses allowable by regulation that are incurred to obtain payment in principal and interest of such loan.

The guarantee contemplated in the first paragraph applies only to loans contracted before 1 August 1978.

La Financière agricole du Québec guarantees to the lender, in accordance with the Act respecting La Financière agricole du Québec (chapter L-0.1), the repayment of losses in principal and interest resulting from loans contracted on or after 1 August 1978, and of the expenses allowable under a program established under that Act that are incurred to claim or obtain payment.

A lender may benefit from the guarantee referred to in the first or third paragraph for two or more loans contracted under this subdivision by the same borrower, provided that the outstanding principal on such loans at no time exceeds the amounts indicated in section 13, subject to the right of the lender to the same guarantee for any additional amount representing the balance of a loan of which payment is assumed by the borrower as heir or legatee by particular title.

Where the agency reimburses a loss on behalf of the Government, it is subrogated in the rights of the lender to whom the reimbursement is so made, up to the amount of such reimbursement.

1975, c. 33, s. 29; 1977, c. 5, s. 14; 1978, c. 49, s. 46; 1999, c. 40, s. 97; 2000, c. 53, s. 66; 2011, c. 16, s. 21.

30. The borrower whose default entails the reimbursement provided for in section 29 cannot obtain a loan under this subdivision without the consent of the agency.

1975, c. 33, s. 30; 2000, c. 53, s. 66.

31. The Government may, by regulation, fix the accessory or secondary conditions to govern loans in respect of the titles of the borrower, the deeds of loan, the protection of the security and other matters of similar nature, and fix the portion of the purchase price or of the cost of works which must be paid by the borrower otherwise than with the proceeds of a loan, where such purchase or works are a purpose of the loan.

1975, c. 33, s. 31.

DIVISION III

PROTECTION OF AND REALIZING UPON SECURITY BY THE AGENCY

32. The agency may acquire and possess the property securing a loan where the protection of the loan so requires. It may sell the movable property or otherwise dispose of it for valuable consideration. It may also sell the immovable property, dispose of it otherwise for valuable consideration or transfer the ownership of it to the Government upon the recommendation of the Minister.

1975, c. 33, s. 32; 1977, c. 5, s. 14; 1999, c. 40, s. 97; 2000, c. 53, s. 66.

33. Where the agency is entitled to realize on its security or to recover semi-annual or annual payments or any other debts from its debtors and on any default by them, it may, notwithstanding any inconsistent legislative provision and subject to any other recourse, proceed in accordance with the provisions of this Act.

1975, c. 33, s. 33; 2000, c. 53, s. 66.

34. The agency shall, by a letter sent by registered mail, require the payment of the debt within 30 days from the mailing of such letter, which shall be addressed to the debtor or his successors, at his or their last address known to the agency.

1975, c. 33, s. 34; 1975, c. 83, s. 84; 1999, c. 40, s. 97; 2000, c. 53, s. 66; I.N. 2016-01-01 (NCCP).

35. Failing payment of the amount claimed within the time specified in the notice, the agency shall make an application to the Superior Court sitting in the district where the property offered as security is situated for an order enjoining the seizure of the property in execution.

Such application, supported by the affidavit of a representative of the agency, shall be served by a bailiff or notified by the secretary-treasurer or clerk of the local municipality in whose territory the property offered as security is situated, and must be accompanied by a notice of the place, date and time of presentation. The period of notice shall be that for ordinary actions.

If the agency establishes to the satisfaction of the judge that it had no knowledge of the death of a borrower, the collective summons contemplated in article 97 of the Code of Civil Procedure (chapter C-25.01) may be made within five years of such death.

1975, c. 33, s. 35; 1996, c. 2, s. 619; 1999, c. 40, s. 97; 2000, c. 53, s. 66; I.N. 2016-01-01 (NCCP).

36. Such application, from the time of its filing in the office of the court, shall constitute an interruption of prescription.

1975, c. 33, s. 36; I.N. 2016-01-01 (NCCP).

37. Such application may be heard by the clerk of the Superior Court if the debtor is in default to appear at the time, date and place fixed in the notice which accompanies the application; if the debtor appears, the application shall be heard by the judge.

1975, c. 33, s. 37; I.N. 2016-01-01 (NCCP).

38. Proceedings upon such application shall be summary and the judge may, at his discretion, authorize the debtor to reply in writing.

1975, c. 33, s. 38; I.N. 2016-01-01 (NCCP).

39. The judgment on such application shall be final and without appeal.

1975, c. 33, s. 39; I.N. 2016-01-01 (NCCP).

40. If the proof establishes that the application is well founded, the judge or, as the case may be, the clerk of the Superior Court shall order forced execution against the property offered as security.

The notice of execution prepared in accordance with the Code of Civil Procedure (chapter C-25.01) shall contain a description, in accordance with articles 3032, 3033, 3036 and 3037 of the Civil Code, of the hypothecated immovable and a description of any movable property offered as security; it shall be executed by the bailiff and the amount due shall be levied with legal costs.

1975, c. 33, s. 40; 1999, c. 40, s. 97; I.N. 2016-01-01 (NCCP).

41. Subject to this Act, all subsequent execution proceedings shall be taken according to the Code of Civil Procedure (chapter C-25.01).

1975, c. 33, s. 41; I.N. 2016-01-01 (NCCP).

42. Notwithstanding any general or special provision to the contrary, the bailiff, when executing any seizure of immovable property, where the agency is the seizing party, shall, at his office, seize the hypothecated immovable without proceeding to the discussion of the movable property.

A duplicate of the minutes of seizure shall be transmitted by the bailiff to the respondent, against whom execution measures for seizure of the immovable property have been undertaken, by registered mail sent to his last address known to the agency.

1975, c. 33, s. 42; 1975, c. 83, s. 84; 2000, c. 53, s. 66; I.N. 2016-01-01 (NCCP).

DIVISION IV

REGULATIONS

43. The Government may make any regulation to facilitate the application of this Act and in particular:

(a) to fix the amortization bases and the terms and conditions relating to repayment of the loans contemplated in sections 2 and 3 and determine the cases where life insurance on the borrower may be required;

(b) to clarify any word or expression used in sections 1, 2, 14 and 44;

(c) to prescribe the contents of the note and of the acknowledgement of debt provided for in section 18;

(d) to prescribe the form and content of the declaration provided for in section 17, the forms to be used, the documents and information to be filed and the period for their filing;

(e) to determine the guarantees contemplated in section 20;

(f) to determine where necessary the maximum rate of interest contemplated in section 22, and the rate of interest for the loans contemplated in section 3;

(g) to determine the expenses allowable under section 29 and fix the conditions applicable to the lender to obtain the reimbursement of losses and expenses provided for in that section;

(h) to fix the general bases of appraisal of forests and of property for which loans are granted or which serve as security for loans;

(i) to fix the proportion of the costs of appraisal payable, respectively, by the agency and the borrowers;

(j) to fix, for loans granted by the agency, the proportion payable, respectively, by the agency and the borrowers, of expenses for search, obtaining and registration of titles, and for cancellation of hypothecs;

(k) to fix the amount within which a loan for purposes of section 14 does not necessitate a management plan, in accordance with section 45, for the forest in respect of which the loan is granted or serving as security for the loan;

(l) for the purposes of the second paragraph of section 6, establish the methods of determining rates of interest on loans, and the times and norms of adjustment of the rates;

(m) determine the extent, period and conditions of reduction of interest rates applicable under the second paragraph of section 6;

(n) determine the extent, period, terms and conditions, and payment intervals of the contribution contemplated in section 16.

1975, c. 33, s. 43; 1980, c. 29, s. 3; 1992, c. 57, s. 536; 1999, c. 40, s. 97; 2000, c. 53, s. 66.

DIVISION V

GENERAL AND FINAL PROVISIONS

44. A permit holder or manager,

(a) if a physical person, shall not, throughout the whole term of the loan, be a businessman engaged in wood processing nor hold a majority of the rights of ownership or control in a wood processing plant;

(b) if an association, shall not, throughout the whole term of the loan, use the greater part of its forest production to supply a wood processing plant of which majority ownership or control is held by the association, or by one or several of its members or shareholders.

1975, c. 33, s. 44.

45. Every forest in respect of which a loan is granted or serving as security for a loan is subject until full repayment of the loan to a management plan. A forest is not subject to a management plan if the amount of the loan granted for the purposes of section 14 is less than the amount fixed by regulation.

To avail against persons other than the borrower, the management plan must be recorded in a declaration mentioning the immovables to which it applies. Such declaration may be made in the deed of hypothec granted at the making of a loan. It may also be made unilaterally by the agency and it constitutes *prima facie* proof of the existence of the management plan. Such declaration is subject to the rules regarding publication of rights.

The management plan shall continue to apply to a private forest for an additional period of three years where the loan is repaid in full before the term provided whether by voluntary or compulsory repayment, but such additional period shall not exceed the term originally provided for the repayment of the loan.

Every borrower, subsequent owner or occupant who cuts timber in a forest contrary to the management plan governing the forest is guilty of an offence and liable to a fine of \$7/m³ so cut.

1975, c. 33, s. 45; 1984, c. 47, s. 213; 1990, c. 4, s. 362; 1992, c. 61, s. 250; 1992, c. 57, s. 537; 1999, c. 40, s. 97; 2000, c. 53, s. 66.

46. The agency may, with the prior authorization of the Government, contract borrowings by notes, bonds or other securities for such amounts, at such rates of interest and on such other conditions as may be fixed by the Government.

1975, c. 33, s. 46; 1977, c. 38, s. 1; 1980, c. 29, s. 4; 2000, c. 53, s. 66.

46.1. The agency may guarantee execution of the obligations arising from the borrowings contemplated in section 46 by a hypothec on all or some loans granted under sections 2 and 3.

The agency may, with the written consent of the lender given at the time the borrowing was done or subsequently, substitute for any claim thus hypothecated any other claim arising from a loan granted under sections 2 and 3.

1980, c. 29, s. 4; 1992, c. 57, s. 538; 2000, c. 53, s. 66.

46.2. Notwithstanding any general law or special Act to the contrary, municipalities, school boards and the Comité de gestion de la taxe scolaire de l'île de Montréal may invest their sinking funds by acquiring bonds issued by the agency.

The bonds are securities allowable as investments presumed sound under the Civil Code or as investments under sections 243 to 274 of the Act respecting insurance (chapter A-32) and section 201 of the Act respecting trust companies and savings companies (chapter S-29.01).

1980, c. 29, s. 4; 1987, c. 95, s. 402; 1988, c. 84, s. 577; 1996, c. 2, s. 620; 1999, c. 40, s. 97; 2000, c. 53, s. 66; 2002, c. 75, s. 33.

46.3. The Government may, on such conditions as it may determine,

(a) guarantee payment of the capital and interest of any borrowing made by the agency and the execution of any obligation of the agency;

(b) authorize the Minister of Finance to advance to the agency any amount deemed necessary for the application of this Act, at such rate of interest, for such period of time and on such other conditions as are determined by the Government.

The sums that the Government may be called upon to pay in virtue of the guarantees or to advance to the agency are taken out of the Consolidated Revenue Fund.

1980, c. 29, s. 4; 2000, c. 53, s. 66.

46.4. The sums collected by the agency as interest on its loans are applied, as the interest on its borrowings becomes due, first, to the payment of the interest payable on borrowings contracted under section 46, and, secondly, to the payment of the interest payable on the advances made by the Minister of Finance under section 46.3.

The sums collected by the agency as repayment on its loans are applied as follows and in the following order of priority:

(a) the repayment of capital borrowed under section 46, as such repayment becomes due;

(b) the establishment, as the case may be, of a sinking fund and other reserves related to borrowings contracted under section 46;

(c) the repayment of advances made by the Minister of Finance under section 46.3, when such repayment becomes due or, if there is no due date, as often as determined by the Minister of Finance.

1980, c. 29, s. 4; 2000, c. 53, s. 66.

46.5. The funds that the agency has at its disposal under this Act are deposited, until they are used, in a chartered bank, an institution registered with the Autorité des marchés financiers pursuant to the Deposit Insurance Act (chapter A-26) or in securities issued or guaranteed by the Government of Canada or the Government of a province of Canada.

The interest collected on such investments and any surplus over and above the maximum amount of the working fund are paid into the Consolidated Revenue Fund within 90 days of the end of each fiscal year of the agency.

1980, c. 29, s. 4; 2000, c. 53, s. 66; 2002, c. 45, s. 348; 2004, c. 37, s. 90.

46.6. The agency may, with the prior authorization of the Government, and at the price and on the conditions the Government determines, sell the whole or a part of its debts arising from loans granted under sections 2 and 3.

The agency may, with the written consent of the purchaser given at the time the sale is made or subsequently, substitute for any debt thus sold any other debt arising from a loan granted under section 2 or 3.

1980, c. 29, s. 4; 2000, c. 53, s. 66.

46.7. The agency is not bound by articles 1641, 1643, 2710, 2712, 2956, 3003, 3004 and 3014 of the Civil Code with regard to the hypothecation of a claim contemplated in section 46.1 or the sale of a debt contemplated in section 46.6.

The Government shall, however, fix the conditions respecting the method of notification of such hypothecation or sale.

1980, c. 29, s. 4; 1992, c. 57, s. 539; 1999, c. 40, s. 97; 2000, c. 53, s. 66; I.N. 2016-01-01 (NCCP).

46.8. The proceeds from the borrowings or sales made by the agency under sections 46, 46.3 or 46.6, as the case may be, must be used to make the loans the agency is authorized to grant under sections 2 and 3 or to repay any borrowing already contracted under section 46 or 46.3.

1980, c. 29, s. 4; 2000, c. 53, s. 66.

47. The Minister of Finance may at the request of the agency pay to it, out of the Consolidated Revenue Fund, the sums required to make up for each fiscal year of the agency,

(a) the difference between the amount of interest payable by the agency on borrowings contracted under sections 46 and 46.3 and the amount paid as interest by borrowers from or debtors of the agency;

(b) any loss in principal and interest sustained by the agency on its loans and of which repayment is not insured under the Act respecting farm-loan insurance and forestry-loan insurance (chapter A-29.1);

(c) any expense charged to the agency's working fund, not recuperated by the realization of the guarantees and of which repayment is not insured under the Act respecting farm-loan insurance and forestry-loan insurance.

1975, c. 33, s. 47; 1980, c. 29, s. 5; 2000, c. 53, s. 66.

48. The Government may establish a working fund for the agency out of the Consolidated Revenue Fund not exceeding \$500,000 for the outlays necessary for the protection of the loans it grants, namely, for payment of insurance premiums, taxes and assessments, exercise of redemption rights, acquisition, conservation, administration, restoration and resale of the property securing the loans. As soon as they are recovered, the sums so paid out shall be returned to such working fund.

1975, c. 33, s. 48; 1977, c. 38, s. 2; 2000, c. 53, s. 66.

49. The amounts due consequently to the guarantee provided in the first paragraph of section 29 shall be paid out of the Consolidated Revenue Fund.

1975, c. 33, s. 49 (*part*); 1978, c. 49, s. 47.

50. For the administration of this Act, the fiscal year ends on 31 March each year.

1975, c. 33, s. 50.

51. The agency shall not later than 30 June each year make a report to the Minister of its administration of this Act for the preceding fiscal year. Such report must be detailed and contain all the information required by the Minister.

Such report shall be tabled before the National Assembly if it is in session or, if not, within 30 days of the opening of the next session.

The agency shall, in addition, furnish the Minister at any time any information he requires on its activities under this Act.

1975, c. 33, s. 51; 2000, c. 53, s. 66.

52. The accounts of the agency for the administration of this Act shall be audited by the Auditor General.

1975, c. 33, s. 52; 2000, c. 53, s. 66.

53. The Minister of Natural Resources and Wildlife is entrusted with the carrying out of this Act.

1975, c. 33, s. 53; 1979, c. 81, s. 20; 1990, c. 64, s. 24; 1994, c. 13, s. 16; 2003, c. 8, s. 6; 2006, c. 3, s. 35.



The functions of the Minister of Natural Resources and Wildlife provided for in this Act are assigned to the Minister of Forests, Wildlife and Parks. Order in Council 420-2014 dated 7 May 2014, (2014) 146 G.O. 2 (French), 1906.

54. (*This section ceased to have effect on 17 April 1987*).

1982, c. 21, s. 1; U. K., 1982, c. 11, Sch. B, Part I, s. 33.

REPEAL SCHEDULE

In accordance with section 17 of the Act respecting the consolidation of the statutes (chapter R-3), chapter 33 of the statutes of 1975, in force on 31 December 1977, is repealed, except sections 49 (*part*) and 54, effective from the coming into force of chapter C-78 of the Revised Statutes.