

The BSE Livestock Loan Guarantee Program Regulations

being

Chapter A-8.1 Reg 5 (effective October 3, 2003) as amended
by Saskatchewan Regulations 92/2004 and 43/2005.

NOTE:

This consolidation is not official. Amendments have been incorporated for convenience of reference and the original statutes and regulations should be consulted for all purposes of interpretation and application of the law. In order to preserve the integrity of the original statutes and regulations, errors that may have appeared are reproduced in this consolidation.

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CHAPTER A-8.1 REG 5

The Agricultural Credit Corporation of Saskatchewan Act

Title

1 These regulations may be cited as *The BSE Livestock Loan Guarantee Program Regulations*.

Interpretation

2(1) In these regulations:

- (a) **“Act”** means *The Agricultural Credit Corporation of Saskatchewan Act*;
- (b) **“approved loan”** means a loan approved by a lender pursuant to subsection 5(4);
- (c) **“breeder association”** means:
 - (i) a cattle breeder association within the meaning of *The Cattle Breeder Associations Loan Guarantee Regulations, 1991*; or
 - (ii) a sheep breeder association within the meaning of *The Sheep Breeder Associations Loan Guarantee Regulations*;
- (d) **“eligible livestock”** means livestock that are located in Saskatchewan and fall within the following categories:
 - (i) in the case of cattle:
 - (A) steers born in 2002 or earlier that, as of the date of the participant’s loan application, weigh less than 1,250 pounds;
 - (B) heifers born in 2002 or earlier that, as of the date of the participant’s loan application, weigh less than 1,200 pounds;
 - (ii) in the case of female livestock used for breeding purposes:
 - (A) cattle;
 - (B) sheep;
 - (C) bison;
 - (D) goats;
 - (E) elk;
 - (F) caribou;
 - (G) reindeer;
 - (H) mule deer;
 - (I) white-tailed deer;
 - (J) fallow deer;
 - (K) alpacas;
 - (L) llamas;

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- (iii) in the case of offspring of any livestock mentioned in subclause (ii):
 - (A) any offspring born on or after January 1, 2003 and before May 20, 2003; and
 - (B) offspring born on or after May 20, 2003 and before January 1, 2004 to a dam owned or leased by the participant as of May 20, 2003;
- (iv) in the case of males of any of the following species that are at least two years old and used for antler velvet production:
 - (A) elk;
 - (B) caribou;
 - (C) reindeer;
 - (D) white-tailed deer;
 - (E) mule deer;
- (e) **“eligible loan”** means a loan that meets the requirements set out in section 4;
- (f) **“entity”** means a corporation, co-operative, partnership or communal organization;
- (g) **“feeder association”** means:
 - (i) a cattle feeder association within the meaning of *The Cattle Feeder Associations Loan Guarantee Regulations, 1989*; or
 - (ii) an enhanced feeder association within the meaning of *The Enhanced Cattle Feeder Associations Loan Guarantee Regulations*;
- (h) **“Indian band”** means a band as defined in the *Indian Act* (Canada), and includes the council of a band;
- (i) **“participant”** means:
 - (i) an individual who:
 - (A) is 18 years of age or more;
 - (B) either:
 - (I) can provide evidence satisfactory to the minister of Saskatchewan residency; or
 - (II) maintains, grows or finishes eligible livestock in Saskatchewan, resides outside Saskatchewan and files an income tax return respecting farm income in Saskatchewan; and
 - (C) maintains, grows or finishes eligible livestock in Saskatchewan and owns or leases the eligible livestock;

- (ii) an entity that:
 - (A) has its head office in Saskatchewan and carries on business principally in Saskatchewan; and
 - (B) maintains, grows or finishes eligible livestock in Saskatchewan and owns or leases the eligible livestock; or
- (iii) an Indian band that:
 - (A) is situated in Saskatchewan; and
 - (B) maintains, grows or finishes eligible livestock in Saskatchewan and owns or leases the eligible livestock;
- (j) **“prime rate of interest”** means:
 - (i) in the case of a lender, the prime lending rate compounded monthly and expressed as an annual rate of interest that is charged by the lender on Canadian dollar commercial loans made in Canada to the lender’s most credit-worthy customers; or
 - (ii) in the case of the corporation, the prime lending rate expressed as an annual rate of interest that is charged by the Bank of Montreal on Canadian dollar commercial loans made in Canada to the bank’s most credit-worthy customers.
- (2) For the purposes of these regulations, eligible livestock are deemed to be owned by a participant if the participant:
 - (a) maintains, grows or finishes the eligible livestock for a feeder association or a breeder association; and
 - (b) is a member of that feeder association or breeder association.
- (3) A participant, as defined in these regulations, is designated as a participant for the purposes of the Act and these regulations.
- (4) For the purposes of these regulations, **“lender”** includes:
 - (a) any credit union or any branch of any credit union to which the *Credit Union Act* (Alberta) applies; and
 - (b) any credit union or caisse populaire or any branch of any credit union or caisse populaire to which *The Credit Unions and Caisses Populaires Act* (Manitoba) applies.

17 Oct 2003 cA-8.1 Reg 5 s2.

BSE livestock loan guarantee program established

3(1) The BSE livestock loan guarantee program is established.

(2) The purpose of the program is to assist participants, affected by the closure of the Canada-United States border to Saskatchewan livestock resulting from the discovery of a case of bovine spongiform encephalopathy, in obtaining eligible loans to maintain, grow or finish eligible livestock and, for that purpose, approved loans are deemed to be loans governed by sections 9 to 12 and 14 to 15.1 of the Act.

17 Oct 2003 cA-8.1 Reg 5 s3.

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Eligible loans

4(1) A loan from a lender to a participant is an eligible loan for the purposes of these regulations if:

- (a) the participant provides evidence satisfactory to the corporation that the participant is able to obtain a loan from a lender for the participant's eligible livestock only if the loan is an eligible loan pursuant to these regulations;
- (b) the loan is made for the purpose of assisting or enabling the participant to maintain, grow or finish the participant's eligible livestock;
- (c) the maximum amount of the loan that the lender makes to the participant pursuant to these regulations does not exceed the applicable maximum amount set out in subsection (3);
- (d) the eligible livestock that are included in the participant's loan application have not been included by any participant in any previous loan application pursuant to these regulations;
- (e) the maximum annual interest rate to be charged by a lender to the participant pursuant to the loan is the lender's prime rate of interest; and
- (f) the participant declares:
 - (i) that he or she was maintaining, growing or finishing the eligible livestock included in the loan application as of May 20, 2003; and
 - (ii) with respect to any eligible livestock included in the loan application that are offspring mentioned in subclause 2(1)(d)(iii):
 - (A) that the offspring were born on or after January 1, 2003 and before May 20, 2003; or
 - (B) that the offspring were born on or after May 20, 2003 and before January 1, 2004 to a dam owned or leased by the participant as of May 20, 2003.

(2) The minimum amount of a loan for which a participant may apply pursuant to these regulations is \$1,000.

(3) The maximum amount of a loan that a lender may make to a participant pursuant to these regulations is an amount equal to the sum of:

- (a) for steers and heifers described in subclause 2(1)(d)(i), the product of:
 - (i) \$200; and
 - (ii) the number of the participant's eligible livestock included in the loan application that are steers and heifers described in subclause 2(1)(d)(i);
- (b) for cattle described in subclause 2(1)(d)(ii), the product of:
 - (i) \$80; and
 - (ii) the number of the participant's eligible livestock included in the loan application that are cattle described in subclause 2(1)(d)(ii);

- (c) for bison, the product of:
 - (i) \$80; and
 - (ii) the number of the participant's eligible livestock included in the loan application that are bison;
- (d) for elk, the product of:
 - (i) \$56; and
 - (ii) the number of the participant's eligible livestock included in the loan application that are elk;
- (e) for caribou, reindeer, mule deer, white-tailed deer and fallow deer, the product of:
 - (i) \$20; and
 - (ii) the number of the participant's eligible livestock included in the loan application that are caribou, reindeer, mule deer, white-tailed deer and fallow deer;
- (f) for sheep, goats, alpacas and llamas, the product of:
 - (i) \$16; and
 - (ii) the number of the participant's eligible livestock included in the loan application that are sheep, goats, alpacas and llamas;
- (g) for the offspring of cattle and bison, the product of:
 - (i) \$60; and
 - (ii) the number of the participant's eligible livestock included in the loan application that are the offspring of cattle and bison;
- (h) for the offspring of elk, the product of:
 - (i) \$42; and
 - (ii) the number of the participant's eligible livestock included in the loan application that are the offspring of elk;
- (i) for the offspring of caribou, reindeer, mule deer, white-tailed deer and fallow deer, the product of:
 - (i) \$15; and
 - (ii) the number of the participant's eligible livestock included in the loan application that are the offspring of caribou, reindeer, mule deer, white-tailed deer and fallow deer; and
- (j) for the offspring of sheep, goats, alpacas and llamas, the product of:
 - (i) \$12; and
 - (ii) the number of the participant's eligible livestock included in the loan application that are the offspring of sheep, goats, alpacas and llamas.

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Loan application

5(1) A participant who wishes to apply to a lender for an eligible loan must apply on the form supplied by the corporation or on a form that is substantially similar to that form.

(2) Subject to subsection (3), a participant must apply to a lender for an eligible loan on or before the earlier of:

(a) January 31, 2004; and

(b) the day determined by the minister pursuant to subsection 2(3) of *The Canada Saskatchewan BSE Recovery Program Regulations, 2003 (No. 2)* as the day on which the Canada-United States border is re-opened to the export of live cattle under 30 months of age from Saskatchewan to the United States.

(3) A participant must:

(a) complete the loan application, including the signing of any declarations that may be required;

(b) sign any loan agreement and security agreement that the corporation considers necessary to ensure the repayment of any eligible loan that may be made by the lender to the participant;

(c) provide the lender and the corporation with any other information that the corporation may require to consider the loan application;

(d) specify in the loan application the number and species of eligible livestock with respect to which the eligible loan is to be made;

(e) declare in the loan application:

(i) that the participant was maintaining, growing or finishing the eligible livestock included in the loan application on or before May 20, 2003; and

(ii) with respect to any eligible livestock included in the loan application that are offspring mentioned in subclause 2(1)(d)(iii):

(A) that the offspring were born on or after January 1, 2003 and before May 20, 2003; or

(B) that the offspring were born on or after May 20, 2003 and before January 1, 2004 to a dam owned or leased by the participant as of May 20, 2003;

(f) specify in the loan application where the eligible livestock included in the loan application are located.

(4) On approval by a lender of a loan application in accordance with this section, the lender shall provide to the corporation a copy of the loan application and any additional information or documents that the corporation requires to verify the terms, conditions and statements of the loan application.

Eligibility for payment of loss of lender

6 On receipt of an approved loan application from a lender pursuant to subsection 5(4), the corporation may determine that, if the lender suffers a loss pursuant to subsection 9(1), the lender is eligible to receive payment from the corporation of the amount of the lender's loss, determined in accordance with subsection 9(6), if the corporation is satisfied that the lender has complied with these regulations and section 11 of the Act.

17 Oct 2003 cA-8.1 Reg 5 s6.

Repayment

7(1) Every participant shall repay an approved loan made by a lender with interest and in instalments, beginning not less than six months after the date on which the approved loan was made to the participant and not later than February 28, 2006.

(2) Subject to subsection (3), a lender may establish the frequency of instalment payments on an approved loan made to a participant.

(3) From the date on which an approved loan was made to a participant to the date on which a participant begins to repay an approved loan pursuant to subsection (1), interest shall accrue and the accrued interest shall be paid to a lender in accordance with the terms of the approved loan by the participant:

(a) on the day on which the participant begins to repay the approved loan to the lender; or

(b) periodically to the lender.

(4) Subject to subsection (5), beginning on the date set for payment of the first instalment, a participant shall repay the principal amount of the participant's approved loan with interest:

(a) in instalments determined by the lender pursuant to subsections (2) and (3); and

(b) in an amount for each instalment that is equal to the sum of:

(i) the principal amount of the approved loan divided by the number of instalments to be made by January 31, 2008; and

(ii) the accrued interest on the approved loan that remains unpaid.

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(5) After an approved loan has been made, a lender may amend the terms of an approved loan to provide that commencing on the date set for payment of the first instalment, a participant shall repay the principal amount of the participant's approved loan with interest:

- (a) in instalments determined by the lender pursuant to subsections (2) and (3); and
- (b) in an amount for each instalment that is equal to the sum of:
 - (i) the principal amount of the approved loan divided by the number of instalments to be made by February 28, 2009; and
 - (ii) the accrued interest on the approved loan that remains unpaid.

(6) If a participant has defaulted with respect to any payment of principal or interest due on an approved loan, a lender may amend the terms of the approved loan pursuant to subsection (5) to provide that the participant is not in default with respect to any payment of principal or interest on the approved loan.

(7) Notwithstanding subsections (1) to (6), if a participant's eligible livestock included in a loan application are sold on or before December 31, 2004, the participant shall immediately repay an amount equal to the sum of:

- (a) the principal amount advanced on the eligible livestock that are sold; and
- (b) any accrued interest on the principal amount described in clause (a) that remains unpaid.

22 Oct 2004 SR 92/2004 s2; 20 May 2005 SR 43/2005 s2.

Corporation's powers

8(1) For the purposes of administering these regulations, the corporation may specify:

- (a) the terms and conditions pursuant to which an approved loan is subject; and
- (b) the security that the lender is required to obtain for an approved loan.

(2) The corporation shall notify the lender and the participant, in writing, of:

- (a) any terms and conditions specified by the corporation pursuant to clause (1)(a); and
- (b) any security specified by the corporation pursuant to clause (1)(b).

17 Oct 2003 cA-8.1 Reg 5 s8.

Payment of losses on an approved loan

9(1) For the purposes of section 11 of the Act, if a participant defaults with respect to any payment of principal or interest due on an approved loan:

- (a) the principal remaining on the approved loan, together with accrued interest, becomes immediately due and payable to the lender; and
- (b) on the date of the corporation's payment to the lender pursuant to this section, the lender is deemed to have suffered a loss.

(2) Notwithstanding subsection (1), if a participant defaults with respect to any payment of principal or interest due on an approved loan, the lender, at the lender's sole option, may elect from time to time not to have the principal remaining on the approved loan, together with accrued interest, become immediately due and payable, and, in that event, the lender is not deemed to have suffered a loss pursuant to subsection (1).

(3) A lender is not deemed to have suffered a loss pursuant to subsection (1) until the principal remaining on an approved loan, together with accrued interest, has become immediately due and payable pursuant to subsection (1) or (2).

(4) If a participant will be in default for more than 90 days with respect to any payment of principal or interest due on an approved loan, the lender must receive the prior written authorization of the corporation before the lender makes an election pursuant to subsection (2).

(5) If a lender fails to comply with subsection (4):

- (a) the corporation may determine that the lender is not deemed to have suffered a loss pursuant to subsection (1); and
- (b) subsection (6) shall not apply.

(6) The corporation shall pay to a lender the total amount of principal and accrued interest owing under an approved loan but not paid by or on behalf of the participant by the date of the corporation's payment to the lender pursuant to this section if the lender:

- (a) informs the corporation in writing of its loss; and
- (b) provides to the corporation any information the corporation requires to verify the amount of the loss.

(7) For the purposes of subsection (6), the lender shall provide the corporation with the information on the form provided by the corporation.

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(8) If the corporation makes a payment to a lender pursuant to this section and, as a result, is subrogated as against the participant to all the rights, powers, remedies and securities of the lender with respect to the approved loan, any reference in the terms of the approved loan to the lender's prime rate of interest in determining the interest rate chargeable on amounts in default means an annual rate of interest equal to the sum of:

- (a) the corporation's prime rate of interest; and
- (b) 2%.

17 Oct 2003 cA-8.1 Reg 5 s9.

Coming into force

10 These regulations come into force on the day on which they are filed with the Registrar of Regulations.

17 Oct 2003 cA-8.1 Reg 5 s10.