

FOURTH SESSION
THIRTY-FIRST LEGISLATURE

ASSEMBLÉE NATIONALE DU QUÉBEC

Bill 237

(PRIVATE)

**An Act to amend the charter
of Crédit Foncier Franco-canadien**

First reading
Second reading
Third reading

M. MICHEL CLAIR

L'ÉDITEUR OFFICIEL DU QUÉBEC

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WHEREAS it is in the interest of Crédit Foncier Franco-canadien, incorporated by chapter 60 of the statutes of 1880, that its charter be amended;

Therefore, Her Majesty, with the advice and consent of the Assemblée nationale du Québec, enacts as follows:

1. Sections 1 to 3 of chapter 60 of the statutes of 1880 are replaced by the following sections:

“1. A corporation is constituted under the name of “Crédit Foncier”.

“2. The objects of the corporation shall be:

(a) to loan, upon hypothec, sums of money, repayable either at long date, by annuities, or at short date, with or without a sinking fund;

(b) to loan, upon the security of hypothecary or privileged claims, sums of money, repayable either at long date, by annuities, or at short date, with or without a sinking fund;

(c) to loan, upon hypothec or otherwise, to municipal and school corporations, to fabriques and trustees for the construction or repair of churches, such sums of money as they may be authorized to borrow, and repayable either at long date, by annuities, or at short date, with or without a sinking fund;

(d) to acquire, by subrogation, transfer and sale, and to cede and transfer hypothecary or privileged claims;

(e) to perform all operations intended for the development of loans upon immoveables;

(f) to purchase, hold or resell public securities, bonds or debentures issued or guaranteed by the Government of Canada or of any province of Canada, by municipal or school corporations or by parish trustees, by the United States of America or any state of that country or by any country where the corporation carries on its activities, or any province or state of that country;

(g) to purchase, subscribe for, hold or resell

i. bonds or debentures of any association, company or corporation organized under the laws of Canada or of any province of Canada, as well as shares, bonds or debentures of any real estate or mortgage loan association or company constituted under the laws of France or of Canada or of any province of Canada, of any association or company constituted outside Canada carrying on activities similar to those of the corporation and, with the prior approval of the *Ministre des consommateurs, coopératives et institutions financières*, of any association or company incorporated to carry on the business ancillary to the business of the corporation;

ii. shares of any other association, company or corporation organized under the laws of Canada or of any province of Canada, on condition however that, at the time of their acquisition, their price, added to the price of acquisition of all other shares contemplated by subparagraph ii and then held by the corporation, be not in excess of ten per cent of the total assets of the corporation as entered in the balance-sheet of the last financial year certified by the auditor; to exercise all rights pertaining to securities contemplated by subparagraphs i and ii, to manage and administer, through administrators named by the board of management, the business of such associations, companies or corporations, or participate in such management or administration;

(h) to participate, in Canada, in the development of workmen's communities or the improvement of urban districts.

3. The head office of the corporation shall be in the City of Montreal."

2. The heading of Title Fourth of the said act is replaced by the following heading: "Capital Stock".

3. Section 5 of the said act is amended by adding the following paragraph:

"The corporation may make a by-law providing for the creation of preferred shares carrying preferred or special rights, conditions or limitations, in accordance with section 142 of the Companies Act (Revised Statutes, 1964, chapter 271)."

4. Section 23 of the said act is replaced by the following section:

“23. The corporation shall be managed by a board of management composed of eighteen directors.”

5. The heading of Title Seventh of the said act is replaced by the following heading: “Loans”.

6. Section 62 of the said act is replaced by the following section:

“62. The corporation shall lend to proprietors of immovables only on hypothec, constituted seigniorial rents and equivalent ground rents being alone excepted.

The amount of a loan shall not exceed seventy-five per cent of the value of the real estate securing payment on it, less the other debts secured on the same real estate and ranking equally with or ahead of the corporation’s debts unless the amount by which the value of the real estate securing payment on them exceeds seventy-five per cent of such value, less the other debts secured on the same real estate and ranking equally with or ahead of the corporation’s debts, is secured or insured by the Province of Québec, a province of Canada, Canada or a country where the corporation carries on its activities, the Central Mortgage and Housing Corporation, the Société d’habitation du Québec, or a hypothecary insurance policy issued by a licensed insurance company.

However, with respect to loans granted by the corporation to its employees under chapter 9 of the statutes of 1948, the limit shall be fixed by the board of management.”

7. The heading of Title Ninth of the said act is replaced by the following heading: “Borrowings”.

8. Section 92 of the said act is replaced by the following section:

“92. The directors may, whenever they deem it expedient:

- (a) borrow money on the credit of the corporation;
- (b) issue bonds or other securities of the corporation and give in security or sell the same for such sums and at such prices as may be deemed appropriate;
- (c) notwithstanding the Civil Code, hypothecate, pledge or give in security the moveable or immoveable property, present and future, of the corporation to secure the payment of any such

bonds or other securities, or give part only of such guarantee for such purposes; and constitute the said hypothec, pledge or surety, by deed of trust, in accordance with sections 23 and 24 of the Special Corporate Powers Act (Revised Statutes, 1964, chapter 275) or in any other manner;

(d) hypothecate or pledge the immoveable property of the corporation, give in security or otherwise encumber the moveable property of the corporation, or give all such guarantees, to secure the payment of loans made otherwise than by the issue of bonds, as well as the payment or performance of any other debt, contract or obligation of the corporation.

9. The heading of Title Fourteenth of the said act is replaced by the following heading: "Other Loans and Investments".

10. Section 121 of the said act is replaced by the following section:

"**115.** The corporation may grant loans or make investments, including investments in immoveables, that are not authorized by sections 2, 105 and 105a, provided that the book value of all the loans granted and investments made under this section do not exceed seven per cent of the book value of the corporation's total assets, subject to the provision that the corporation shall not, under this section, derogate from the restrictions imposed by section 62."

11. This act comes into force on the day of its sanction.