

CHAPTER 41

CONSERVATOR OF RURAL CREDIT

41.01 DEFINITIONS.

HISTORY. 1923 c. 225 s. 1; G.S. 1923 s. 6030; M.S. 1927 s. 6030; 1933 c. 429 s. 1.

The provisions of Laws 1923, Chapter 225, fixing stated terms of office is in conflict with Laws 1925, Chapter 426, and was repealed thereby. State ex rel v Poirer, 189 M 200, 248 NW 747.

The land consolidation committee of the conservation commission could not accept deeds to lands lying in conservation areas, in exchange for land owned by the state under the rural credit act. 1934 OAG 180, Sept. 28, 1933 (700d-13).

CERTIFICATES OF INDEBTEDNESS and tax levy certificates issued by the Department of Rural Credit are not bonds within the meaning of the limitations of the amount of bonds the department may have outstanding. 1934 OAG 738.

41.02 DEPARTMENT OF RURAL CREDIT.

HISTORY. 1923 c. 225 s. 2; G.S. 1923 s. 6031; 1925 c. 426 art. 15 s. 1; M.S. 1927 ss. 53-41, 6031; 1933 c. 429 s. 2; 1943 c. 374 s. 1.

At the time application is granted for an extension of time to pay an extension agreement should be entered into setting forth the terms upon which the extension is made. 1934 OAG 744, June 12, 1934 (770e).

41.03 APPOINTMENT OF CONSERVATOR.

HISTORY. 1923 c. 225 s. 3; G.S. 1923 s. 6032; M.S. 1927 s. 6032; 1933 c. 429 s. 3.

41.04 POWERS AND DUTIES OF CONSERVATOR.

HISTORY. 1923 c. 225 s. 3; G.S. 1923 s. 6033; 1925 c. 270; M.S. 1927 s. 6033; 1933 c. 429 s. 4; 1935 c. 298; 1937 c. 469 s. 1.

Landowner on whose land the state had a mortgage of record fraudulently obtained credit for lumber with which to build a barn on the land. The barn could not be claimed to be personal property, but became a part of the land. Botsford v State, 188 M 247, 246 NW 902.

COOPERATIVE MARKETING ASSOCIATION. The conservator may accept membership in a cooperative marketing association as an incident to marketing grain from farms the state owns. 1934 OAG 740.

FEDERAL LAND BANK. The conservator may take Federal Land Bank bonds to refinance mortgages taken by his department. 1934 OAG 743.

The conservator may waive the right to enforce the state's first lien for a period of three years to enable the mortgagor to get a second mortgage from the Federal Land Bank when it appears that in this way the state will ultimately get its money. 1934 OAG 741.

DEED TO MORTGAGED PROPERTY. The department may pay a nominal purchase price for a deed to such property in lieu of foreclosing its mortgage when this will be to its advantage. 1934 OAG 747.

LIMITATIONS. The conservator has no authority to divide a mortgage debt among several grantees of the mortgagor. 1934 OAG 741.

41.05 TITLE TO PROPERTY ACQUIRED VESTED IN STATE.

HISTORY. 1939 c. 309; M. Supp. s. 6033-1; 1941 c. 287 s. 1.

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41.06 SEAL.

HISTORY. 1923 c. 225 s. 5; G.S. 1923 s. 6034; M.S. 1927 s. 6034; 1929 c. 421 s. 1; 1933 c. 429 s. 5.

41.07 STATE TREASURER CUSTODIAN OF FUNDS.

HISTORY. 1923 c. 225 s. 6; G.S. 1923 s. 6036; 1925 c. 244 s. 1; M.S. 1927 s. 6036; 1933 c. 429 s. 6.

INTEREST REVENUES. It is an unconstitutional diversion of the interest revenues to use them for purposes not indicated by this law. *State ex rel v Sägens*, 182 M 565, 235 NW 380.

41.08 MORTGAGE; ASSUMPTION, ACCELERATION, IMPAIRMENT, INTEREST, INSURANCE, TAXES, AND REPAIRS.

HISTORY. 1923 c. 225 s. 9; G.S. 1923 s. 6038; 1925 c. 226 s. 2; 1925 c. 244 s. 2; M.S. 1927 s. 6038; 1929 c. 241 s. 2; 1933 c. 429 s. 7.

TAX LIENS. When the state acquires title to mortgaged lands through operation of its rural credit department it takes subject to all general liens which accrued while the property was privately owned, and to taxes accruing during the operative term of a contract for deed and remaining unpaid at the time of cancelation of the deed. It also takes subject to ditch liens levied against the land during private ownership. *State Dept. of Rural Credit v County of Washington*, 207 M 530, 292 NW 204, discussed in 25 MLR 391.

See also Note, 9 MLR 555, on tax liens and mortgage priorities.

41.09 SATISFACTION OF MORTGAGES.

HISTORY. 1923 c. 225 s. 10; G.S. 1923 s. 6039; M.S. 1927 s. 6039; 1933 c. 429 s. 8; 1935 c. 367 s. 1.

41.10 COMPOSITION WITH MORTGAGORS; APPLICATION TO DISTRICT COURT.

HISTORY. 1935 c. 367 s. 1; M. Supp. s. 6039-1; 1941 c. 308.

41.101 CONSERVATOR MAY COMPROMISE INDEBTEDNESS.

HISTORY. 1939 c. 471 s. 1; M. Supp. s. 6057-6.

41.11 CHATTEL MORTGAGE ON CROPS; DEFAULT.

HISTORY. 1935 c. 367 s. 1; M. Supp. s. 6039-2.

41.12 TITLE TO PROPERTY TO RUN TO STATE.

HISTORY. 1923 c. 225 s. 11; G.S. 1923 s. 6040; 1925 c. 244 s. 3; M.S. 1927 c. 6040; 1933 c. 429 s. 9; 1935 c. 367 s. 2; 1941 c. 289.

REPURCHASE BY FORMER OWNER. A former owner has no enforceable right to repurchase on the crop payment plan. The conservator may reject his offer. *Bjerke v Arens*, 203 M 501, 281 NW 865.

CONTRACT FOR DEED. Upon default, the mortgagor conveyed property to the state as mortgagee and received back a contract for deed. This agreement was not a continuation of the mortgage so that foreclosure must be used, but the mortgagor's rights could be terminated on 30 days' notice. *McKinley v State*, 188 M 325, 247 NW 389.

41.13 MORTGAGES ASSIGNED.

HISTORY. 1933 c. 82 s. 1; M. Supp. s. 6040-1.

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41.14 CERTIFICATES OF INDEBTEDNESS.

HISTORY. 1923 c. 225 s. 12; G.S. 1923 s. 6041; 1925 c. 244 s. 4; M.S. 1927 s. 6041; 1929 c. 421 s. 3; 1933 c. 429 s. 10.

PRIVATE SALE FORBIDDEN. A plan whereby bonds were to be issued by the bureau and exchanged for others of its bonds held by the state board of investment which would then sell them to a purchaser by private sale violated this section and could be enjoined. *Rockne v Olson*, 191 M 310, 254 NW 5.

41.15 ADMINISTRATIVE EXPENSES.

HISTORY. 1923 c. 225 s. 16; G.S. 1923 s. 6045; 1925 c. 244 s. 6; M.S. 1927 s. 6045; 1933 c. 429 s. 11; 1941 c. 288.

41.16 ALL PROPERTY EXEMPT FROM TAXATION.

HISTORY. 1923 c. 225 s. 19; G.S. 1923 s. 6048; M.S. 1927 s. 6048; 1933 c. 429 s. 13.

COMMON LAW. Independently of this prohibition and simply because of the absence of any law imposing taxation, the lands acquired through mortgage foreclosure are not subject to any form of tax. *In Re Delinquent Real Estate Taxes, Polk County*, 182 M 437, 234 NW 691.

See 13 MLR 745, discussing the tax immunity of land acquired upon foreclosure under the rural credits system.

41.17 FORECLOSURE.

HISTORY. 1923 c. 225 s. 20; G.S. 1923 s. 6049; M.S. 1927 s. 6049; 1929 c. 421 s. 4; 1933 c. 429 s. 14.

Waiver for three years of the right to foreclose under the circumstances is for the best interest of the state. 1934 OAG 745, July 15, 1933 (770e).

41.18 DEFICIENCY JUDGMENTS PROHIBITED.

HISTORY. 1933 c. 247; M. Supp. s. 6049-1.

41.19 EXTENSION OF PAYMENTS ON MORTGAGES.

HISTORY. 1933 c. 403 s. 1; 1935 c. 341 s. 1; M. Supp. s. 6049-2.

Relating to extensions. 1934 OAG 742, Aug. 9, 1933 (770i); 1934 OAG 744, June 12, 1934 (770e).

41.20 EXTENSION, WHEN REVOKED.

HISTORY. 1933 c. 403 s. 2; 1935 c. 341 s. 2; M. Supp. s. 6049-3.

41.21 PAYMENT OF UNPAID INSTALMENTS, TAXES, AND INSURANCE.

HISTORY. 1933 c. 403 s. 3; 1935 c. 341 s. 3; M. Supp. s. 6049-4.

41.22 INTEREST, WHEN WAIVED.

HISTORY. 1935 s. 341 s. 4; M. Supp. s. 6049-5.

41.23 RATE OF INTEREST ON MORTGAGES AND CONTRACTS FOR DEED.

HISTORY. 1937 c. 465 s. 1; Ex. 1937 c. 17 s. 1; M. Supp. s. 6049-6.

41.24 RATE OF INTEREST ON DEFAULTED PAYMENTS.

HISTORY. 1937 c. 465 s. 2; Ex. 1937 c. 17 s. 2; M. Supp. s. 6049-7.

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41.25 RATE OF INTEREST ON TAXES, LIENS, JUDGMENTS, ASSESSMENTS, OR INSURANCE PAID.

HISTORY. 1937 c. 465 ss. 3, 4; Ex. 1937 c. 17 ss. 3, 4; M. Supp ss. 6049-8, 6049-9.

41.26 TRANSFER OF FUNDS; LIMITATION.

HISTORY. Ex. 1937 c. 17 s. 5; M. Supp. s. 6049-10.

41.27 INTEREST ON DEPOSITS.

HISTORY. 1923 c. 225 s. 21; G.S. 1923 s. 6050; 1925 c. 244 s. 8; M.S. 1927 s. 6050; 1933 c. 429 s. 15.

41.28 CHARGE FOR CERTAIN CLERICAL ASSISTANTS.

HISTORY. 1923 c. 225 s. 22; G.S. 1923 s. 6051; M.S. 1927 s. 6051; 1933 c. 429 s. 16.

41.29 SURETY BONDS.

HISTORY. 1923 c. 225 s. 23; G.S. 1923 s. 6052; M.S. 1927 s. 6052; 1933 c. 429 s. 17.

41.30 COST OF SURETY BONDS.

HISTORY. 1923 c. 225 s. 24; G.S. 1923 s. 6053; M.S. 1927 s. 6053; 1933 c. 429 s. 18.

41.31 SUMS REAPPROPRIATED.

HISTORY. 1923 c. 225 s. 26; G.S. 1923 s. 6055; M.S. 1927 s. 6055; 1933 c. 429 s. 19.

41.32 APPLICATION.

HISTORY. 1933 c. 429 s. 20; M. Supp. s. 6057½.

41.33 APPROPRIATION FOR DEFICIENCIES IN RURAL CREDIT FUND.

HISTORY. 1941 c. 463 s. 1.

41.34 TAX LEVY.

HISTORY. 1941 c. 463 s. 2; 1943 c. 439 s. 1.

41.35 PROCEEDS CREDITED TO SPECIAL FUND.

HISTORY. 1941 c. 463 s. 3.

41.36 CERTIFICATES OF INDEBTEDNESS.

HISTORY. 1941 c. 463 s. 4; 1943 c. 439 s. 2.

41.37 STATE BOARD OF INVESTMENT MAY PURCHASE.

HISTORY. 1941 c. 463 s. 5.

41.38 STATE AUDITOR TO MAKE RECORDS.

HISTORY. 1941 c. 463 s. 6.

41.39 SUPPLEMENTAL.

HISTORY. 1941 c. 463 s. 7.

41.40 PAYMENT FOR CERTAIN SERVICES AUTHORIZED.

HISTORY. 1943 c. 373 s. 1.