



CHAPTER 69

An Act respecting the pledge of agricultural property

[Assented to, the 22nd of June, 1940]

HIS MAJESTY, with the advice and consent of the Legislative Council and of the Legislative Assembly of Quebec, enacts as follows:

1. The Civil Code is amended by inserting therein, C.C., arts. 1979a-1979d, added. after article 1979 thereof, the following chapter and articles:

“CHAPTER THIRD

“OF THE PLEDGE OF AGRICULTURAL PROPERTY.

“**1979a.** Any farmer may pledge, as security for Pledging of livestock, etc., as security. a loan which he contracts, for a term not exceeding eighteen months, all his livestock and farm produce, present and future, while at the same time retaining them in his possession. The borrower shall have, towards the creditor, the obligations of a depository without having any recourse against him for the cost of custody and conservation.

“**1979b.** Such pledge must be evidenced by a docu- Formalities. ment in writing executed in duplicate and one copy thereof shall be deposited in the registration office of the division wherein is situated the farm, the produce whereof is pledged or upon which the pledged livestock is kept.

“**1979c.** In case of default of the borrower to Recovery on default of borrower. fulfill his obligations, the creditor may, without prejudice to any other recourse:

1. oblige the borrower to deliver to him, on demand, whatever was pledged;

2. sell same at auction, after notice given on a Sunday, by posting-up and by reading, at the door of the church of the parish after morning service, at least three days before the date of the sale, and sent, by registered mail, to the debtor's address.

Accounting. Eight days after the sale, the creditor is obliged to account to the borrower or to his creditors for the proceeds of the sale and to remit any surplus remaining in his hands after payment of the debt and of the costs incurred.

Seizure, etc. "**1979d.** Notwithstanding articles 598 and 599 of the Code of Civil Procedure, whatsoever is pledged shall be seizable for what is owing to the creditor; it cannot be stipulated that in default of payment the latter shall become owner, and, when he has obtained possession of what was pledged, he must, if the borrower requires it, realize upon same without needless delay. As to the rest, this pledge gives to the creditor the rights resulting from pawning."

Coming into force. **2.** This act shall come into force on the day of its sanction.