

Saskatchewan Farm Land Security Board

Home Quarter Protection

Home Quarter Protection (HQP) is governed by *The Saskatchewan Farm Security Act* (Act). HQP stays the court's final order for foreclosure as it applies to a homestead until the farmer leaves, dies or until the homestead mortgage is excluded from HQP.

A mortgage can be excluded from HQP through one of the following:

1. **The Act;**
2. **A class exclusion order, or;**
3. **A co-application to the Farm Land Security Board (Board).**

1. The Saskatchewan Farm Security Act

Section 44 (12.3) of the Act excludes a mortgage from HQP if the mortgage is made:

- a. Solely for the purpose of purchasing a homestead;
- b. Solely for the purpose of new construction or improvements on the homestead; or
- c. For the purposes described in both (a) and (b).

2. Class exclusion orders

Non-Agricultural Class Exclusion Order

This order applies when:

- A mortgagor and spouse whose gross farm income, including farm land lease income, is less than \$20,000 average over the previous three years.

Solely Farmland Class Exclusion Order

This order applies when:

- The mortgage is made solely to secure the purchase price, or part thereof, of a homestead(s) and additional farmland charged by such mortgage;
- The purchase of the homestead and the additional farmland occurs simultaneously, and;
- The mortgaged homestead(s) must be part of the purchased property.

Solely New Funds/Excluded Debt Class Exclusion Order

This order applies when:

- The mortgage creditor is lending Solely New Funds, including revolving credit loans, loans to refinance debt with any non-affiliated creditor; or
- When the mortgage creditor is refinancing Excluded Debt.

Excluded Debt is debt that is the subject of a HQP Class Exclusion Order, a Board issued HQP exclusion order, or is subject to sections 44(12.3) of the Act.

Refer to the HQP Class Exclusion Order Decision Guide and flowchart on the Board's website for further information about using class exclusions.

3. Co-application to the Board

The Act directs the Board to exclude a mortgage from HQP where, in the opinion of the Board, it is in the best interests of the farmer. A co-application by the creditor and the homestead mortgagor is required for each mortgage. A copy of the mortgage is required. The Board must also be convinced of the following:

- The mortgage does not expose the homestead to unjustifiable risk;
- No other acceptable security options are available; and,
- The farmer can reliably service the mortgage.

The co-application and exclusion orders can be found on the Board's website.

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