

Saskatchewan Farm Land Security Board

Farm Foreclosure Protection

The *Saskatchewan Farm Security Act* (Act) contains much of the legislation protecting farmers with respect to their debt obligations. The Act requires a mortgage creditor to serve the farmer and the Farm Land Security Board (Board) a Notice of Intention to Foreclose. 150 days must pass before the creditor can ask the court for permission to start foreclosure proceedings.

The Board administers the processes of financial assessment, mediation and reporting to the court.

Farm visit and financial assessment

Following service of the Notice of Intention to Foreclose, a Board field consultant will contact the farmer/farm family to arrange a farm visit and complete a farm financial assessment. The Act allows 60 days to complete the farm financial assessment and distribute it to the farmer, creditor, mediator and the Board. At the farm visit, the field consultant's role is to:

- Discuss the protection available to farmers under federal and provincial statutes;
- Review the farm family's goals and objectives;
- Assist in preparing a statement of the farm's financial position;
- Help structure proposals to resolve their financial difficulties and prepare the farm family for successful mediation;
- Distribute the completed financial statement to the farmer, creditor, mediator and the Board, and;
- Arrange and attend mediation with the farmer/farm family.

The field consultant's role is also to engage with the creditor to understand the details and history of the mortgage loan and any other loan the farmers have with the creditor.

Mediation

The field consultant helps the farmer present their proposal to the creditor and the mediator at a mediation meeting. Mediation is managed by the Dispute Resolution Office, which is independent from the Board. The mediation period can be extended by agreement of all parties.

Reporting to the court

If mediation fails, responsibility for the Notice returns to the Board.

Upon the creditor's request, the Board prepares a Report for the Court. The Board expects 45 days to complete its report.

A report researcher will contact the farmer and the creditor as part of the reporting process. If necessary, the Board will interview the lender and the farmer in preparation of its Report. The Report advises on the circumstances and provides the Board's opinion as to whether a reasonable possibility of payment exists and if the farmer is making a sincere and reasonable effort toward the mortgage. The Board may also comment on any matter it considers relevant.

The Act directs the court give "primary consideration" to the Board report in its determination of whether foreclosure is "just and equitable". A preliminary report is sent to all parties. The original report is sent to the court once the Board receives the court file number.

Additional information

Active participation by the farmer/farm family at all stages of this process greatly improves results. There is no charge for participation. Farmers/farm families are always encouraged to obtain legal and accounting advice.

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