

registration in the performance of any duty, shall be guilty of a misdemeanor, and, upon conviction thereof, shall be sentenced to pay a fine not exceeding five hundred (\$500) dollars [or] *and* to undergo an imprisonment of not less than three (3) months nor more than [to] *two* (2) years.

(k) Any person who intentionally interferes with, hinders, or delays any other person in the performance of any act or duty authorized or imposed herein shall be guilty of a misdemeanor, and, upon conviction thereof, shall be sentenced to pay a fine not exceeding five hundred (\$500) dollars.

APPROVED—The 18th day of April, A. D. 1935.

GEORGE H. EARLE

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No. 20

AN ACT

To amend sections one, two, three, four, and five of the act, approved the second day of March, one thousand nine hundred and thirty-three (Pamphlet Laws, six), entitled "An act to enable persons, associations, partnerships and corporations engaged in farming, and raising, breeding, fattening and marketing livestock to borrow money and secure the repayment thereof by the execution and recordation of chattel mortgages on livestock, farm machinery, farm equipment, and crops; and designating the operation and effect of the lien of such mortgages," extending the provisions of said act generally to persons, associations, partnerships and corporations, providing for bonds with confessions of judgments, changing fees, and agencies from whom borrowings may be made, regulating the assignment and release of such mortgages, and generally revising and supplementing the provisions thereof.

Farmers may
borrow funds
from certain
Federal agencies,
etc.

Sections 1, 2, 3,
4 and 5, act of
March 2, 1933
(P. L. 6),
amended.

Section 1. Be it enacted, &c., That sections one, two, three, four, and five of the act, approved the second day of March, one thousand nine hundred and thirty-three (Pamphlet Laws, six), entitled "An act to enable persons, associations, partnerships and corporations engaged in farming, and raising, breeding, fattening and marketing livestock, to borrow money and secure the repayment thereof by the execution and recordation of chattel mortgages on livestock, farm machinery, farm equipment and crops; and designating the operation and effect of the lien of such mortgages," are hereby amended to read as follows:

Section 1. Be it enacted, &c., That [any person, association, partnership or corporation engaged in this Commonwealth in the business of farming, or the raising, breeding, fattening or marketing of livestock, may enter into an agreement with and borrow funds from the Reconstruction Finance Corporation, Regional Agricultural Credit Corporations, the Secretary of Agri-

culture of the United States, or any Federal agency, including the United States of America, now or hereafter authorized to loan money to agricultural producers, or from any National or State bank, trust company, agricultural credit corporation, incorporated livestock loan company, savings institution, cooperative bank, cooperative credit or marketing association entitled to rediscount privileges with the Federal Intermediate Credit Bank, under the provisions of the Agricultural Credits Act of one thousand nine hundred and twenty-three of the United States, and may give as security for such loan a bond, containing a confession of judgment, secured by a chattel mortgage upon livestock, farm machinery or farm equipment, or upon any crop or crops either planted or to be planted within one year from the date of the execution of such mortgage, or any extension thereof, on lands within this Commonwealth. Such mortgages shall be a lien against the chattels and crops thereby conveyed, and shall be good and available in law against all subsequent purchasers or execution creditors, upon the recording thereof as hereinafter directed. Such mortgages must be in writing, signed by the mortgagor, or by his agent duly authorized and constituted, and duly acknowledged by some person authorized to take acknowledgment of deeds. No chattel mortgage of livestock and hay, grain, or other feed stuffs shall be invalid because provision is contained therein that the mortgagor may use and consume such feed stuffs in preserving and preparing for market the livestock covered thereby. Provisions contained in chattel mortgages that property of the same class as is covered by the mortgage shall be included in the mortgage lien, if acquired by the mortgagor subsequent to the execution of the mortgage and prior to its extinguishment, and provisions that the mortgage shall secure, in addition to the principal sum, any further and additional amounts as may be advanced by the mortgagee to the mortgagor within a period of one year from the date of the execution of the mortgage, not to exceed in the aggregate an amount stated in the mortgage, shall be valid and binding] *any person, association, partnership or corporation may enter into an agreement with and borrow funds from a production credit association, organized under the Farm Credit Act of one thousand nine hundred and thirty-three, a Regional Agricultural Credit Corporation, the Reconstruction Finance Corporation, or the Government of the United States or any department, agency, or officer thereof, a Federal Intermediate Credit Bank, or any institution which has made arrangements to discount therewith, and to procure funds therefrom on the security of the obligations of the borrower and the repayment of any funds so borrowed or of any then existing indebtedness to any such institution may be evidenced by a*

Chattel mortgage.

Cooperative association.

Chattel mortgage.

Requirements for valid execution.

Mortgagor may use feed stuffs for livestock.

bond, containing a confession of judgment, secured by a chattel mortgage upon livestock, farm machinery or farm equipment, or upon any crop of crops annual or perennial, including fruit crops grown or growing, either already planted or to be planted and maturing within one year from the date of the execution of such mortgage, and any cooperative association of farmers acting together in collectively processing, preparing for market, handling or marketing the farm products of persons so engaged or in which farmers act together in collectively purchasing, testing, grading or processing their farm supplies. Provided, however, that such associations are operated for the mutual benefit of the members thereof, as such producers and purchasers may enter into an agreement with and borrow funds from any bank for cooperatives, organized under said Farm Credit Act of one thousand nine hundred and thirty-three, or from any Federal Intermediate Credit Bank, organized under said Agricultural Credits Act of one thousand nine hundred and twenty-three, and the repayment of any funds so borrowed, or of any then existing indebtedness to any such institution, may be evidenced by a bond, containing a confession of judgment, secured by a chattel mortgage upon any chattels of any kind or description, including fixtures, owned by such association or upon any interest which such association may have in any such chattels or fixtures. For the purposes of this act all such chattels, crops, and fixtures shall be deemed to be personal property and mortgagable as such. Such mortgage shall be a lien against the chattels and crops thereby conveyed, and shall be good and available in law against any subsequent purchasers or execution creditors upon the recording thereof as hereinafter directed. The lien of any mortgage on crops, executed in pursuance of the provisions of this act, shall be superior to any mortgages or judgments or any other liens or encumbrances upon the land upon which any such crop has been so seeded or may be growing, and any sale made under any mortgage or judgment or other lien or encumbrance upon such land before such crop has been severed shall be made subject to the lien on said crop as provided for in this act; provided, however, that the provisions of this act shall not in any manner whatever affect any mortgage, judgment or other lien or encumbrance upon the land recorded prior to the approval of this act. Such mortgages must be in writing, signed by the mortgagor, or his agent duly authorized and constituted, and duly acknowledged by some person authorized to take acknowledgment of deeds. No chattel mortgage of livestock, and hay, grain, or any other feed stuffs shall be invalid because provision is contained therein that the mortgagor may use and consume such feed stuffs in preserving and preparing for market the livestock covered thereby. Provisions con-

tained in such chattel mortgages that property of the same class as is covered by the chattel mortgage shall be included in the mortgage lien, if acquired by the mortgagor subsequent to the execution of the chattel mortgage and prior to its extinguishment, and provisions that the chattel mortgage may secure future advances to be made by the mortgagee at its option within a period of three years from the execution of such chattel mortgage but not to exceed in the aggregate an amount stated in said chattel mortgage and that all advances so made shall be secured by such chattel mortgage equally and to the same extent as the amount originally advanced on the security of such mortgage and that all such future advances shall be a lien upon the property therein described from the time of the recording of such chattel mortgage good and valid against and superior to all rights of subsequent creditors, purchasers, mortgagees and other lienors and encumbrances and any of them, and provisions that the chattel mortgage may include replacements of any of the mortgaged property therein described and all increase of animals and livestock of all kinds shall be valid and binding.

Additional amounts may be advanced by mortgagee.

Section 2. The chattel mortgages mentioned in the preceding section, when executed and acknowledged as hereinbefore provided, shall be recorded [within thirty (30) days after the execution of the same] in the office for the recording of deeds for the county in which said livestock, farm machinery, equipment, or crop is actually located at the time of the execution of such chattel mortgages; and such recorder is hereby required to *index and to record* the same at length in a book to be by him kept in his said office, to be provided at the expense of said county, and to be called "Chattel Mortgage Book," and he shall duly certify the record of all such instruments in the manner provided by law for mortgages on real estate; and such recorder shall be entitled to charge and receive for [recording such mortgage a fee of one dollar and fifty cents (\$1.50)] *services rendered hereunder the following fees, for recording each chattel mortgage seventy-five cents (75c), for noting assignment on the margin of the page on which the chattel mortgage is recorded twenty-five (25c) cents, for noting release or satisfaction or extension of each such chattel mortgage and the date thereof on the margin of the page of the book where the chattel mortgage is recorded twenty-five cents (25c).* Such chattel mortgages shall, except between parties thereto, take effect and be valid only from the time of recording as herein provided, and in case of more than one *chattel* mortgage, the first recorded shall have preference and be first paid out of the proceeds of the sale of the property mortgaged. Such mortgage shall remain a lien on the property mortgaged as between the parties thereto until paid; but as to third

Recordation of mortgages.

Fees for recording, satisfying, etc.

Mortgages valid only from time of recording, except between parties thereto.

Extension of
lien.

parties shall not remain a lien for a longer period than five years, unless the lien thereof is extended for an additional period of five years by the filing with the recorder of deeds of the affidavit of the mortgagee, or his successor in interest, stating the amount then secured by the lien. A notation of the filing of such affidavit and extension of lien shall be made on the margin of the original record of the *chattel* mortgage in the office of the recorder of deeds.

Mortgages may
be assigned.

Duties of the
recorder of
deeds.

Section 3. [All such mortgages may be assigned or released by an instrument in writing, signed by the mortgagee, his agent or assignee, and recorded in the same office as the original mortgage, and such assignment or release shall, except as between the parties thereto, take effect and be valid only from the time of recording the same.] *Any chattel mortgage, executed under and pursuant to this act, may be assigned by an instrument in writing, signed, and acknowledged by the mortgagee, his or its agent or assignee; and upon presentation of such assignment to the recorder of deeds in the office in which the chattel mortgage is recorded, such recorder shall index and file the same, and note on the margin of the page in which the chattel mortgage is recorded, the fact of the assignment, the date of the notation, the name of the assignor, the name of the assignee, and the address of each, the date of the assignment, and the amount of the debt as of the date of the assignment, and such assignment shall, except as to the parties thereto, take effect and be valid only from the time of the marginal notation as herein provided. Any such chattel mortgage may be released by an instrument in writing, signed, and acknowledged by the mortgagee, its assignee or a duly authorized attorney or agent of such mortgagee or assignee, and upon presentation of such release in the office of the recorder of deeds, where the chattel mortgage is recorded, the recorder shall index and file the same, and note the fact of such release and the date thereof on the margin of the page of the book where the chattel mortgage is recorded, and, when so noted, such release shall fully and effectually release the lien of such mortgage.*

Chattel mort-
gages may be
foreclosed.

Section 4. *Upon default of any of the terms and covenants of any chattel mortgage, executed in accordance with the provisions of this act, the mortgagee, its assignee, or duly authorized attorney or agent of such mortgagee or assignee, shall have the right without process of law immediately to take possession of the mortgaged property, and do all things necessary to preserve the same, and any expense incurred in connection therewith shall be included in and secured by the lien of said chattel mortgage. And this right shall be in addition to any and all other rights inuring to the benefit of the mortgagee or its assignee. Such chattel mortgages, upon*

default by the mortgagor in the payment of the mortgage debt and interest, or the covenants in the *chattel* mortgage contained, may be foreclosed and the mortgaged chattel sold in the same manner as authorized by the laws of this Commonwealth in the case of personal property sold under execution.

Section 5. Unless otherwise expressly provided by such *chattel* mortgage, the mortgagor shall be entitled to retain possession of the mortgaged chattels and crops until default under the terms of his agreement; but a removal of the mortgaged chattels or crops after harvest from the county in which they were actually located at the time of the execution of the mortgage shall be deemed a default, unless expressly waived by the mortgagee, or his duly authorized agent or assignee; *and the lien of the mortgage shall not be extinguished or impaired by the removal of the mortgaged property from the county in which the mortgage is recorded.*

Removal of mortgaged chattels deemed a default.

Lien not impaired by the removal of chattels from county

Section 2. This act shall become effective immediately upon final enactment.

When effective.

APPROVED—The 18th day of April, A. D. 1935.

GEORGE H. EARLE

No. 21

AN ACT

To permit certain cooperative associations to give chattel mortgages, on rotating stocks of goods or inventories, to secure loans from banks for cooperatives, organized under the Farm Credit Act of one thousand nine hundred thirty-three, or from Federal intermediate credit banks, organized under the Agricultural Credits Act of one thousand nine hundred twenty-three.

Section 1. Be it enacted, &c., That any cooperative association or corporation, organized under the laws of this State or under the laws of the United States or qualified to do business in this State, and qualified as a cooperative association, under the laws of this State or the laws of the United States or both, may give as security for any loan or loans, obtained from any bank for cooperatives organized under the Act of Congress known as the Farm Credit Act of one thousand nine hundred thirty-three, or for any loan or loans obtained from any Federal intermediate credit bank, organized under an Act of Congress known as the Agricultural Credits Act of one thousand nine hundred twenty-three, a chattel mortgage covering stocks of goods, inventories or other things in bulk; but changing in specifics, in which case, the lien of such mortgage shall be lost as to all articles disposed of by the mortgagor prior to the extinguishment of the mortgage; but shall attach to the articles purchased to supply their places.

Cooperative association or corporation.

Chattel mortgages.