



**Pekuakamiulnuatsh  
Takuhikan**

## **Public consultation Regulation respecting the guarantee of land rights**

### **What is the purpose of the proposed draft Regulation?**

The purpose of the Land Rights Security Regulation is to provide Pekuakamiulnuatsh and Mashteuiatsh businesses with new mortgage financing options that are faster and more advantageous than ministerial loan guarantees. The Regulations provide for a process to which the various financial institutions interested in offering financing on Innucci de Mashteuiatsh can adhere.

### **What will be the steps to obtain a mortgage loan?**

1. Procedures with the financial institution to assess the borrowing capacity;
2. Signing of a mortgage consent and lease agreement with Pekuakamiulnuatsh Takuhikan;
3. Signing of a mortgage agreement with the financial institution;
4. Registration of the mortgage in the First Nations Land Registry.

For businesses, the steps are the same, but some adjustments will need to be made to the lease model currently in use.

### **Why does the proposed process require the signing of a lease with the First Nation?**

As it is forbidden to mortgage land located on an "Indian reserve", the signing of a lease with the First Nation is necessary to create a distinction between land and constructions (house, garage, building, plantations, etc.). It is therefore the lease and the buildings that will be put as security and which will be the subject of a mortgage, and not the land.

### **What will happen to my Certificate of Possession during the term of the mortgage?**

Since a Pekuakamiulnu cannot hold a certificate of possession and a lease on the same land, the certificate of possession will be temporarily transferred to the First Nation, therefore to Pekuakamiulnuatsh Takuhikan, for the agreed term of the lease and mortgage.

In order to protect the rights of individuals, the lease will provide that the Certificate of Possession cannot be given, sold or assigned by Pekuakamiulnuatsh Takuhikan during the term of the mortgage and that it must be re-transferred at the end of the mortgage.

### **Will Pekuakamiulnuatsh Takuhikan have to guarantee my mortgage?**

No. This process does not involve any guarantee on the part of Pekuakamiulnuatsh Takuhikan. On the other hand, any mortgage on a land right must be previously authorized by Katakuhimatsheta, among other things to ensure that in the event of default by the Pekuakamiulnu, the financial institution will be able to execute its mortgage claims.

### **Will it still be possible to opt for a ministerial loan guarantee?**

Yes. Following the passage of the proposed Regulations, Pekuakamiulnuatsh and businesses will be able to choose between a ministerial loan guarantee or a mortgage with a financial institution. On the other hand, the proposed process is much faster and offers financing and refinancing possibilities superior to those of the ministerial loan guarantee.

### **Can my mortgage be refinanced or re-mortgaged if needed?**

Yes. The proposed process provides access to very attractive financing and refinancing possibilities. For example, a Pekuakamiulnu can refinance his mortgage to make renovations, acquire a camp in the territory or a chalet, acquire an ATV, a snowmobile, a vehicle, etc. Likewise, a business will be able to refinance its mortgage loan to acquire machinery, equipment, tools, vehicles, etc.

### **Will all financial institutions offer such financing?**

In the short term, it will be possible to contract a mortgage only with the Caisse Desjardins de Mashteuiatsh considering their interest in using this process. On the other hand, any other financial institution interested in offering financing on Mashteuiatsh lands will be able to adhere to the mortgage process provided for in the proposed Settlement.

### **What remedies can the financial institution exercise in the event of a company's payment default?**

With the involvement and collaboration of Pekuakamiulnuatsh Takuhikan, the financial institution will be able to:

- take possession of the lease and buildings with a view to administering them (very rarely used); or
- sell the lease and the buildings under judicial supervision in order to repay the balance of the unpaid mortgage loan.

In all cases, the financial institution must obligatorily offer the First Nation the possibility of buying back the land right before selling it under judicial supervision.

Please feel free to send your questions or comments by June 28, 2021:

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