

This Resolution is hereby declared to be an emergency law necessary for the immediate preservation of the public peace, health, and safety.
 Approved, March 3, 1933.

Emergency declared.

[CHAPTER 221.]

JOINT RESOLUTION

To continue the Joint Committee on Veterans' Benefits.

March 3, 1933.
 [S. J. Res. 262.]
 [Pub. Res., No. 71.]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purpose of continuing the investigation with respect to the operation of laws and regulations relating to the relief of veterans authorized under Section 701, of Part II of the Legislative Appropriation Act, fiscal year 1933, and to report the results of such investigation, those members of the Joint Committee to Investigate the Operation of the Laws and Regulations relating to the Relief of Veterans who are Members-elect to the Seventy-third Congress, or a majority of them, after March 4, 1933, and until sixty days after the first meeting day of the Seventy-third Congress, are authorized and directed as a committee, by subcommittee, or otherwise, to continue the investigation begun under authority of such Section 701. Such committee shall have the same powers and duties as the committee provided for under such Section 701.

Joint Committee on Veterans' Relief.
 Members-elect of 73d Congress directed to continue their investigation, etc.
Ante, p. 419.

Powers and duties continued.

Approved, March 3, 1933.

[CHAPTER 270.]

AN ACT

To amend the Federal Farm Loan Act, as amended, to permit loans for additional purposes, to extend the powers of Federal land banks in the making of direct loans, to authorize upon certain terms the reamortization of loans by Federal and joint-stock land banks, and for other purposes.

March 4, 1933.
 [S. 5337.]
 [Public, No. 430.]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 7 of the Federal Farm Loan Act, as amended (U. S. C., title 12, chap. 7, secs. 711-722), is amended by adding at the end thereof the following new paragraph:

Federal Farm Loan Act, amendments.
 Vol. 39, p. 367.
 U. S. C., p. 302.

"Whenever it shall appear to the Federal Farm Loan Board that national farm-loan associations have not been formed in any locality in the continental United States, or that the farmers residing in the territory covered by the charter of a national farm-loan association are unable to apply to the Federal land bank of the district for loans on account of the inability of such association to indorse such loans, the Federal Farm Loan Board may, in its discretion, authorize said bank, at any time within five years after this paragraph takes effect, to make direct loans to borrowers secured by first mortgages on farm lands situated within any such locality or territory. Except as herein otherwise specifically provided, all provisions of this Act applicable with respect to loans made through national farm-loan associations shall, in so far as practicable, apply with respect to such direct loans, and the Federal Farm Loan Board is authorized to make such rules and regulations as it may deem necessary with respect to such direct loans: *Provided*, That no such loan shall be made for more than \$15,000. Each borrower who obtains a direct loan from a Federal land bank shall subscribe and pay for stock in such bank in the sum of \$5 for each \$100 or fraction thereof borrowed."

Federal Farm Loan Board.
 Direct loans to borrowers authorized.

Security.

Applicability of Act to such loans.

Rules, etc., authorized.

Proviso.
 Maximum loan.
 Subscription to stock.

Loan restrictions.
 Vol. 39, p. 370; Vol. 41, p. 371.
 U. S. C., p. 305.

SEC. 2. Paragraph "Fourth" of section 12 of the Federal Farm Loan Act, as amended (U. S. C., title 12, ch. 7, sec. 771), is amended to read as follows:

Purposes of loans.

"Fourth. Such loans may be made for the following purposes and for no other:

"(a) To provide for the purchase of land for agricultural uses.

"(b) To provide for the purchase of equipment, fertilizers, and livestock necessary for the proper and reasonable operation of the mortgaged farm; the term 'equipment' to be defined by the Federal Farm Loan Board.

"(c) To provide buildings and for the improvement of farm lands; the term 'improvement' to be defined by the Federal Farm Loan Board.

"(d) To liquidate indebtedness of the owner of the land mortgaged incurred for agricultural purposes, or incurred prior to January 1, 1933.

"(e) To provide the owner of the land mortgaged with funds for general agricultural uses."

Powers of Federal land banks.
Vol. 39, p. 372.
U. S. C., p. 306.
Note, p. 14, amended.
Real estate holdings.

SEC. 3. Subparagraph (b) of paragraph "Fourth" of section 13 of the Federal Farm Loan Act, as amended (U. S. C., title 12, ch. 7, sec. 781), is amended by adding at the end thereof a new sentence to read as follows: "Every such bank may carry real estate as an asset, for a period of not exceeding five years, at its normal value but not to exceed the amount of the bank's investment therein at the time of acquirement of such real estate."

Limitation.

Loans on first mortgages.
Vol. 39, p. 372.
U. S. C., p. 305.

SEC. 4. Section 13 of the Federal Farm Loan Act, as amended (U. S. C., title 12, chap. 7, sec. 771), is amended by adding at the end thereof the following new paragraphs:

Unpaid balances. Payment may be postponed.

"Eleventh. At any time within five years after the date this paragraph takes effect, any borrower who has obtained a loan from a Federal land bank may on application to such Federal land bank and upon approval of such application by the directors of the bank postpone the payment of any unpaid installment or installments in the manner herein provided in this section. Such postponed payment shall be made by paying at the time each succeeding annual installment is due, one-tenth of the amount of the postponed payment, and, in the case of semiannual installments, by paying at the time each succeeding semiannual installment is due, one-twentieth of the postponed payment, until the amount of such postponed payment has been paid. In any case in which the number of remaining installments due on the mortgage is less than ten, in the case of annual installments, or less than twenty, in the case of semiannual installments, the amount of the postponed payment shall be distributed proportionately over the remaining number of installment payments.

Terms and conditions.

Simple interest on extended payments stipulated.

"Twelfth. For the period of five years after the date this paragraph takes effect, every borrower shall pay simple interest on extended payments at the same rate of interest as stipulated in the mortgage securing the loan as to payments not in default and by express covenant in his mortgage deed shall undertake to pay when due all taxes, liens, judgments, or assessments which may be lawfully assessed against the land mortgaged. Taxes, liens, judgments, or assessments not paid when due, and paid by the mortgagee, shall become a part of the mortgage debt and shall bear interest at the rate provided in the mortgage.

Unpaid taxes, etc.

Reamortization of loans.

"Thirteenth. When in the judgment of the directors conditions justify it, and with the approval of the Federal Farm Loan Board, to reamortize, in whole or in part, the aggregate amount remaining unpaid under the terms of any mortgage, and to accept payment of such aggregate amount on an amortization plan by means of a fixed

number of annual or semiannual installments sufficient to cover the interest payable on the mortgage, and in addition thereto such amounts to be applied upon the principal as will extinguish the debt within an agreed period of not more than forty years from the date of the reamortization; to deposit such mortgages with the farm loan registrar as collateral security for farm-loan bonds at an amount not exceeding the principal of the original loan remaining unpaid at the date of such amortization; and with the approval of the Federal Farm Loan Board to charge the borrower an amount not to exceed the actual cost incurred in connection with such reamortization."

Period not to exceed 40 years.

Use of, as collateral security.

SEC. 5. (a) Paragraph "Second" of section 14 of the Federal Farm Loan Act, as amended (U. S. C., title 12, ch. 7, sec. 791), is amended to read as follows:

Bank restrictions; exemptions. Vol. 39, p. 373. U. S. C., p. 307.

"Second. To loan on first mortgage except through national farm-loan associations as provided in section 7 and section 8 of this Act, or through agents as provided in section 15, or direct to borrowers as provided in section 7."

Loan direct to borrower, added.

(b) Section 14 of the Federal Farm Loan Act, as amended, is further amended by adding at the end thereof the following new paragraph:

Vol. 39, p. 373. New matter.

"Sixth. To accept as additional security for any loan to any borrower under this Act, or any installment on any such loan, any security other than Federal land-bank stock or mortgages on farm real estate; and the transfer to any Federal land bank of any security if it may not be accepted by the bank under this paragraph shall be void: *Provided*, That any bank may accept an assignment of the landlord's rent to the amount of any taxes paid on such land by the bank, or any interest due."

Additional security for loan, other than land-bank stock, etc.

Proviso. Assignment of landlord's rent to cover taxes.

SEC. 6. (a) The fourth paragraph of section 19 of the Federal Farm Loan Act, as amended (U. S. C., title 12, ch. 7, sec. 854), is amended to read as follows:

Farm-loan bonds. Vol. 39, p. 376. U. S. C., p. 309.

"No mortgage shall be accepted by a farm-loan registrar from a land bank as part of an offering to securing farm-loan bonds, either originally or by substitution, except first mortgages made subject to the conditions prescribed in sections 4, 7, 12, 15, and 16: *Provided*, That such registrar, when authorized and directed to do so by the Federal Farm Loan Board, shall accept or retain in his custody as collateral, if otherwise eligible under the provisions of such sections, any first mortgage in connection with which the land bank depositing the same has agreed to defer for a period of not more than ten years the collection of the principal portion of maturing installments and to accept payment of the aggregate amount of such principal on an amortization plan by means of a fixed number of annual or semi-annual installments sufficient to cover the interest payable thereon and in addition thereto such amounts to be applied on the principal after the expiration of the period of deferment as will extinguish the debt within an agreed period of not more than forty years from the date of such agreement."

Acceptability as collateral security.

Proviso. Custody where land bank defers collecting principal portion of maturing installments, etc.

Amortization arrangements.

(b) Section 19 of the Federal Farm Loan Act, as amended (U. S. C., title 12, chap. 7, secs. 851-856), is further amended by adding at the end thereof the following new paragraph:

Vol. 39, p. 376. U. S. C., p. 309.

"Such farm-loan registrar shall also accept purchase money mortgages as collateral security in place of mortgages withdrawn. The banks shall have power to execute all necessary conveyances, transfers, and assignments to carry out this provision."

Purchase money mortgages may be accepted as security.

Consolidated bonds.
Vol. 42, p. 1477.
U. S. C., p. 310.

Prerequisites to participation of land banks in.

Deposit of security.

Approval required.

Approved security to be segregated and held as collateral for bonds.

Payments constituting trust fund.

Use of.

Land banks required to report on the disposition of all payments on principal of mortgages so held.

Maintenance of collateral for issue of consolidated bonds.

Exchange of consolidated, for farm-loan bonds previously issued individually.

Additional security for protecting consolidated bonds.

Exchange of bonds permitted.

Unobligated balance to be used in extending or making loans.

Ante, pp. 13, 36.

SEC. 7. The eleventh paragraph of section 21 of the Federal Farm Loan Act, as amended (U. S. C., title 12, ch. 7, sec. 881), is amended by substituting in lieu thereof the following:

"When any Federal land bank shall desire to participate in a consolidated issue of farm-loan bonds it shall make application to the Federal Farm Loan Board for the approval on its behalf of such issue and tender to the registrar approved farm mortgages, or obligations of the United States Government, as security therefor, and no banks shall participate in such consolidated issue until such application has been approved by the Federal Farm Loan Board. Such approved farm mortgages or obligations of the United States Government shall be held by each farm-loan registrar as collateral security for consolidated bonds, separate and apart from the mortgages and/or Government bonds held by him as collective security for the bonds previously issued or assumed individually by the Federal land bank of his district. Amortization and other payments on the principal of first mortgages held by a farm-loan registrar as collateral security for the issue of consolidated farm-loan bonds shall constitute a trust fund in the hands of the Federal land bank receiving the same and shall be applied or employed in the manner provided in section 22 with respect to payments on principal of first mortgages held as collateral for farm-loan bonds of individual banks.

"Every Federal land bank shall notify the farm-loan registrar of the disposition of all payments made on the principal of mortgages held as collateral security for the issue of consolidated farm-loan bonds, and said registrar is authorized, at his discretion to order any of such payments, or the proceeds thereof, wherever deposited or however invested, to be immediately transferred to his account as trustee aforesaid. Each bank shall maintain with the farm-loan registrar of its district collateral security for the issue of consolidated farm-loan bonds in an amount at least equal to the face amount of such bonds issued on its behalf.

"When any Federal land bank shall surrender to the farm-loan registrar of its district any consolidated Federal farm-loan bonds, canceled or uncanceled, said land bank shall be entitled to withdraw first mortgages and bonds previously pledged as collateral in connection with any issue of consolidated farm-loan bonds to an amount equal to the consolidated farm-loan bonds so surrendered and it shall be the duty of such registrar to permit and direct the delivery of such mortgages and bonds to such land bank.

"The Federal Farm Loan Board may at any time call upon any Federal land bank for additional security to protect the consolidated bonds issued under the provisions of this section. Each bank shall pay when due, without notice, all bonds and coupons issued on its behalf hereunder.

"Every Federal land bank shall have power to exchange consolidated farm-loan bonds for farm-loan bonds previously issued or assumed by it individually, with the approval of and under rules and regulations promulgated by the Federal Farm Loan Board."

SEC. 8. The balance of the \$125,000,000 provided for the Federal land banks by the Act of January 23, 1932, not heretofore used for the extension of loans or the making of new loans shall be used by such banks for the extension of loans and the making of new loans as authorized by this Act and the Federal Farm Loan Act, as amended.

Approved, March 4, 1933.