

prepare from its records special statistical compilations; and to furnish transcripts of its studies, tables, and other records, upon the payment of the actual cost of such work by the person, firm, or corporation requesting it.

SEC. 2. All moneys hereafter received by the Department of Commerce in payment of the cost of such work shall be deposited in a special account to be administered under the direction of the Secretary of Commerce. These moneys may be used, in the discretion of the Secretary of Commerce, and notwithstanding any other provision of law, for the ordinary expenses incidental to the work and/or to secure in connection therewith the special services of persons who are neither officers nor employees of the United States.

SEC. 3. The Secretary of Commerce shall prescribe rules and regulations for the enforcement of this Act; and the Secretary of Commerce shall make a report to Congress, at the beginning of each regular session, giving a detailed statement showing (1) the name of every person, firm, or corporation for whom work has been performed under the authority of this statute; (2) the nature of the services rendered to him; (3) the price charged for these services by the Department of Commerce; and (4) the manner in which the moneys received were deposited or used.

Approved, May 27, 1935.

Transcripts; cost.

Payments; deposit.

Use.

Rules, etc., to be prescribed.
Report to Congress; contents.

[CHAPTER 149.]

AN ACT

To extend the time during which domestic animals which have crossed the boundary line into foreign countries may be returned duty free.

May 27, 1935.
[H. R. 6143.]
[Public, No. 75.]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding the provisions of subparagraph (c) of paragraph 1606 of title II of the Tariff Act of 1930, horses, mules, asses, cattle, sheep, and other domestic animals, straying across the boundary line into any foreign country, or which have been driven across such boundary line by the owner for temporary pasturage purposes only, or which may so stray or be driven before November 1, 1935, and the offspring and increase of any such animals, whether or not accompanying the parent animals, shall be admitted free of duty under regulations to be prescribed by the Secretary of the Treasury, if brought into the United States at any time before June 30, 1936.

Approved, May 27, 1935.

Domestic animals.
Free admission of, when crossed international boundary line before November 1, 1935.
Vol. 46, p. 673.

Condition.

[CHAPTER 150.]

AN ACT

To provide additional home-mortgage relief, to amend the Federal Home Loan Bank Act, the Home Owners' Loan Act of 1933, and the National Housing Act, and for other purposes.

May 28, 1935.
[H. R. 6021.]
[Public, No. 76.]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subdivision (6) of section 2 of the Federal Home Loan Bank Act, as amended, is amended by striking out the word "three" and inserting in lieu thereof the word "four".

SEC. 2. Subsection (k) of section 6 of the Federal Home Loan Bank Act, as amended, is amended to read as follows:

"(k) All stock of any Federal Home Loan Bank shall share in dividend distributions without preference."

Additional home mortgage relief.
Federal Home Loan Bank Act, amendment.
"Home mortgage", definition modified.
Vol. 48, p. 1264.
Dividends.
Vol. 47, p. 729; U.S.C., p. 465.
Distributions, without preference.

Federal Home Loan Bank, management. Vol. 47, p. 730; U. S. C., p. 465.

Directors; number, qualifications.

Appointments; terms of office.

Classification.

Elected members.

Vol. 47, p. 730.

Designated subsections relettered. Vol. 47, p. 730; U. S. C., p. 466.

Vol. 47, p. 731.

Federal Savings and Loan Advisory Council.

Creation; membership.

Residence.

Compensation; allowances.

Meetings, officers, etc.

Powers.

Federal Home Loan Bank Act, amendment. Vol. 47, p. 731; Vol. 48, p. 1261; U. S. C., p. 467.

Advances to members; security; regulations.

SEC. 3. (a) Subsections (a), (b), and (c) of section 7 of the Federal Home Loan Bank Act, as amended, are amended, effective January 1, 1936, to comprise four subsections to read as follows:

“(a) The management of each Federal Home Loan Bank shall be vested in a board of twelve directors, all of whom shall be citizens of the United States and bona fide residents of the district in which such bank is located.

“(b) Four of such directors shall be appointed by the Board and shall hold office for terms of four years; except that the terms of office of the two such directors heretofore appointed shall expire at the end of the calendar years 1936 and 1937, respectively, and the terms of office of the first two such directors hereafter appointed shall expire at the end of the calendar years 1938 and 1939, respectively.

“(c) Six of such directors, two of whom shall be known as class A directors, two of whom shall be known as class B directors, and two of whom shall be known as class C directors, shall be elected as provided in subsection (e), and shall hold office for terms of two years; except that the terms of office of the directors heretofore elected or appointed shall expire at the end of the terms for which they were elected or appointed.

“(d) Two of such directors shall be elected by the members of the Federal Home Loan Bank without regard to classes under rules and regulations to be prescribed by the Board, and shall hold office for terms of two years; except that the term of office of one of the directors first elected under this subsection shall expire at the end of the calendar year 1936.”

(b) Section 7 of the Federal Home Loan Bank Act, as amended, is further amended, effective January 1, 1936, by relettering subsections (d), (e), (f), (g), (h), and (i) as (e), (f), (g), (h), (i), and (j), respectively.

SEC. 4. The Federal Home Loan Bank Act, as amended, is amended by adding after section 8 a new section to read as follows:

“FEDERAL SAVINGS AND LOAN ADVISORY COUNCIL

“SEC. 8a. There is hereby created a Federal Savings and Loan Advisory Council, which shall consist of one member for each Federal Home Loan Bank district to be elected annually by the board of directors of the Federal Home Loan Bank in such district and six members to be appointed annually by the Board. Each such elected member shall be a resident of the district for which he is elected. All members of the Council shall serve without compensation, but shall be entitled to reimbursement from the Board for traveling expenses incurred in attendance at meetings of such Council. The Council shall meet at Washington, District of Columbia, at least twice a year and oftener if requested by the Board. The Council may select its chairman, vice chairman, and secretary, and adopt methods of procedure, and shall have power—

“(1) To confer with the Board and board of trustees of the Federal Savings and Loan Insurance Corporation on general business conditions, and on special conditions affecting the Federal Home Loan Banks and their members and such Corporation.

“(2) To request information, and to make recommendations, with respect to matters within the jurisdiction of the Board and the board of trustees of such Corporation.”

SEC. 5. Subsection (a) of section 10 of the Federal Home Loan Bank Act, as amended, is amended to read as follows:

“(a) Each Federal Home Loan Bank is authorized to make advances to its members upon the security of home mortgages, or obligations of the United States, or obligations fully guaranteed by

the United States, subject to such regulations, restrictions, and limitations as the Board may prescribe. Any such advance shall be subject to the following limitations as to amount:

"(1) If secured by a mortgage insured under the provisions of title II of the National Housing Act, the advance may be for an amount not in excess of 90 per centum of the unpaid principal of the mortgage loan.

Limitations on amount of loans. Vol. 48, p. 1247.

"(2) If secured by a home mortgage given in respect of an amortized home mortgage loan which was for an original term of six years or more, or in cases where shares of stock, which are pledged as security for such loan, mature in a period of six years or more, the advance may be for an amount not in excess of 65 per centum of the unpaid principal of the home mortgage loan; but in no case shall the amount of the advance exceed 60 per centum of the value of the real estate securing the home mortgage loan.

"(3) If secured by a home mortgage given in respect of any other home mortgage loan, the advance shall not be for an amount in excess of 50 per centum of the unpaid principal of the home mortgage loan; but in no case shall the amount of such advance exceed 40 per centum of the value of the real estate securing the home mortgage loan.

"(4) If secured by obligations of the United States, or obligations fully guaranteed by the United States, the advance shall not be for an amount in excess of the face value of such obligations."

SEC. 6. Clauses numbered (1) and (2) of subsection (b) of section 10 of the Federal Home Loan Bank Act, as amended, are amended to read as follows: "(1) the home mortgage loan secured by it has more than twenty years to run to maturity, or (2) the home mortgage exceeds \$20,000, or"

Vol. 47, p. 732; U. S. C., p. 467.

Home mortgages as security.

SEC. 7. The Federal Home Loan Bank Act, as amended, is amended by adding after section 10a the following new section:

Vol. 47, p. 731; Vol. 48, p. 1261.

"SEC. 10b. Each Federal Home Loan Bank is authorized to make advances to nonmember mortgagees approved under title II of the National Housing Act. Such mortgagees must be chartered institutions having succession and subject to the inspection and supervision of some governmental agency, and whose principal activity in the mortgage field must consist of lending their own funds. Such advances shall not be subject to the other provisions and restrictions of this Act, but shall be made upon the security of insured mortgages, insured under title II of the National Housing Act. Advances made under the terms of this section shall be at such rates of interest and upon such terms and conditions as shall be determined by the Federal Home Loan Bank Board, but no advance may be for an amount in excess of 90 per centum of the unpaid principal of the mortgage loan given as security."

Nonmember borrowers; advances to. Vol. 48, p. 1247. Conditions.

Security.

Interest rates, terms, etc.

Amount.

SEC. 8. The first sentence of section 13 of the Federal Home Loan Bank Act, as amended, is amended to read as follows: "Any and all notes, debentures, bonds, and other such obligations issued by any bank, and consolidated Federal Home Loan Bank bonds and debentures, shall be exempt both as to principal and interest from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by the United States, by any Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority."

Tax exemptions; consolidated Federal Home Loan Bank bonds. Vol. 47, p. 735.

SEC. 9. Section 19 of the Federal Home Loan Bank Act, as amended, is amended by adding at the end thereof the following new sentence: "The receipts of the Board derived from assessments upon the Federal Home Loan Banks and from other sources (except receipts from the sale of consolidated Federal Home Loan Bank

Receipts from bank assessments. Vol. 47, p. 737; U. S. C., p. 470.

Deposit; withdrawal and use.

bonds and debentures issued under section 11) shall be deposited in the Treasury of the United States, and may be from time to time withdrawn therefrom to defray the expenses of the Board, and the salaries of its members and employees, whose employment, compensation, leave, and expenses shall be governed solely by the provisions of this Act, specific amendments thereof, and rules and regulations of the Board not inconsistent therewith."

Home Owners' Loan Act of 1933, amended. Vol. 48, p. 129; U. S. C., p. 471.

Definitions modified. "Home mortgage"; "real estate".

SEC. 10. Sections 2 (c) and 4 (d) of the Home Owners' Loan Act of 1933, as amended, are amended by striking out "upon which there is located a dwelling for not more than four families, used by the owner as a home or held by him as his homestead, and having a value not exceeding \$20,000" and inserting in lieu thereof "upon which there is located a dwelling or dwellings for not more than four families, which is used in whole or in part by the owner as a home or held by him as his homestead, and which has a value of not to exceed \$20,000".

Vol. 48, pp. 129, 643, 1263; U. S. C., p. 472.

SEC. 11. The first sentence of subsection (c) of section 4 of the Home Owners' Loan Act of 1933, as amended, is amended to read as follows:

Bond issue authorized.

"(c) In order to provide for applications heretofore filed, for applications filed within thirty days after this amendment takes effect, and for carrying out the other purposes of this section, the Corporation is authorized to issue bonds in an aggregate amount not to exceed \$4,750,000,000, which may be exchanged as hereinafter provided, or which may be sold by the Corporation to obtain funds for carrying out the purposes of this section or for the redemption of any of its outstanding bonds; and the Corporation is further authorized to increase its total bond issue for the purpose of retiring its outstanding bonds by an amount equal to the amount of the bonds to be so retired (except bonds retired from payments of principal on loans), such retirement to be at maturity or by call or purchase or exchange or any method prescribed by the Board with the approval of the Secretary of the Treasury: *Provided*, That no bonds issued under this subsection, as amended, shall have a maturity date later than 1952."

Aggregate amount.

Retirement of outstanding bonds authorized.

Proviso.
Maturity date.

Vol. 48, p. 131.

SEC. 12. Subsection (d) of section 4 of the Home Owners' Loan Act of 1933, as amended, is amended by adding at the end thereof the following new paragraph:

Assessments upon real property for public improvements.

Determination of reasonableness when property offered as security.

"For the purposes of this Act, levies of assessments upon real property, made by any special district organized in any State for public improvements, shall be treated as general-tax levies are treated. The Board shall determine the reasonableness of the total annual burden of taxes and assessments of all kinds upon any property offered as security for the payment of a loan made by the Corporation and the effect of the total levies upon the loanable value of such property, but no deduction shall be made from the loanable value of any property for levies not due at the time of making such loan in any instance where the total annual taxes and assessments borne by the said property for all purposes does not exceed a sum which, in the discretion of the Board, is a reasonable annual tax burden for such property."

Vol. 48, p. 132.

SEC. 13. Subsection (j) of section 4 of the Home Owners' Loan Act of 1933, as amended, is amended, effective ninety days after the date of enactment of this Act, by adding at the end thereof the following new sentence: "No person shall be appointed or retained as an officer, employee, agent, or attorney, at a fixed salary, in any regional or State office of the Corporation who is an officer or director of any firm, corporation, or association engaged in lending money on real estate; nor shall any person be appointed or retained as an officer,

Field officers and employees; qualifications.

employee, agent, or attorney in any State or district office of the Corporation, who has not been a bona fide resident of the State served by such office for a period of at least one year immediately preceding the date of his appointment."

SEC. 14. Subsection (l) of section 4 of the Home Owners' Loan Act of 1933, as amended, is amended by striking out the last comma therein and the following: "or in any case in which the home mortgage or other obligation or lien is held by an institution which is in liquidation".

Vol. 48, p. 644.
Bond exchange where
lien held by institution
in liquidation.

SEC. 15. Subsection (h) of section 4 of the Home Owners' Loan Act of 1933, as amended, is amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following: "Provided, That no person shall be allowed to act as appraiser if he is in the employ of any company holding a loan on the property, or if he is interested in the subject matter of the loan."

Appraisers for Cor-
poration; qualifica-
tions.
Vol. 48, p. 131;
U. S. C., p. 473.

SEC. 16. Subsection (m) of section 4 of the Home Owners' Loan Act of 1933, as amended, is amended by striking out "\$300,000,000" and inserting in lieu thereof "\$400,000,000".

Amount for cash ad-
vances, increased.
Vol. 48, pp. 645, 1264.

SEC. 17. (a) Section 4 of the Home Owners' Loan Act of 1933, as amended, is amended by adding at the end thereof a new subsection to read as follows:

Vol. 48, pp. 645, 1264.

"(n) The Corporation is authorized to purchase Federal Home Loan Bank bonds, debentures, or notes, or consolidated Federal Home Loan Bank bonds or debentures. The Corporation is also authorized to purchase full-paid-income shares of Federal Savings and Loan Associations after the funds made available to the Secretary of the Treasury for the purchase of such shares have been exhausted. Such purchases of shares shall be on the same terms and conditions as have been heretofore authorized by law for the purchase of such shares by the Secretary of the Treasury: *Provided*, That the total amount of such shares in any one association held by the Secretary of the Treasury and the Corporation shall not exceed the total amount of such shares heretofore authorized to be held by the Secretary of the Treasury in any one association. The Corporation is also authorized to purchase shares in any institution which is (1) a member of a Federal Home Loan Bank, or (2) whose accounts are insured under title IV of the National Housing Act, if the institution is eligible for insurance under such title; and to make deposits and purchase certificates of deposit and investment certificates in any such institution. Of the total authorized bond issue of the Corporation \$300,000,000 shall be available for the purposes of this subsection, without discrimination in favor of Federally chartered associations, and bonds of the Corporation not exceeding such amount may be sold for the purposes of this subsection."

Bond, etc., purchases
authorized.

Terms and condi-
tions.

Proviso.
Maximum amount.

Authority to pur-
chase shares of certain
institutions, etc.

Sum available; bond
sale authorized.

(b) Section 9 of the Act entitled "An Act to guarantee the bonds of the Home Owners' Loan Corporation, to amend the Home Owners' Loan Act of 1933, and for other purposes", approved April 27, 1934, is hereby repealed.

Bond purchases of
Federal Home Loan
Banks; repealed.
Vol. 48, p. 646.

SEC. 18. Subsection (c) of section 5 of the Home Owners' Loan Act of 1933, as amended, is amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following: "*And provided further*, That any such association which is converted from a State-chartered institution may continue to make loans in the territory in which it made loans while operating under State charter."

Federal savings and
loan associations.
Vol. 48, p. 132;
U. S. C., p. 474.

SEC. 19. Section 6 of the Home Owners' Loan Act of 1933, as amended, is amended (1) by striking out "\$500,000" and inserting in lieu thereof "\$700,000", and (2) by adding at the end of the section

State chartered insti-
tutions converted into,
may continue local
business.

Encouragement of
saving and home fi-
nancing.
Vol. 48, pp. 134, 647.

the following new sentence: "The sums appropriated and made available pursuant to this section shall be used impartially in the promotion and development of local thrift and home-financing institutions, whether State or Federally chartered."

Vol. 48, p. 135.

Criminal Code; application of designated provisions to Corporation.

Vol. 48, p. 135.
Vol. 35, pp. 1094, 1095, 1096, 1108, 1109.
U. S. C., pp. 724, 725, 726, 735.

Sec. 20. Subsection (d) of section 8 of the Home Owners' Loan Act of 1933, as amended, is amended to read as follows:

"(d) The provisions of section 29, 30, 32, 35, 37, 39, 112, 113, and 117 of the Criminal Code of the United States (U. S. C., title 18, secs. 73, 74, 76, 82, 83, 88, 91, 202, 203, and 207), insofar as applicable, are extended to apply to the Home Owners' Loan Corporation, its contracts or agreements, and an association under this Act which, for the purposes herein shall be held to include advances, loans, discounts, and purchase or repurchase agreements; extensions and renewals thereof; and acceptances, releases, and substitutions of security therefor."

Vol. 48, pp. 135, 647;
U. S. C., p. 475.

Penalty provisions. Soliciting unauthorized fees, etc.

Sec. 21. Subsection (e) of section 8 of the Home Owners' Loan Act of 1933, as amended, is amended to read as follows:

"(e) No person, partnership, association, or corporation shall, directly or indirectly, solicit, contract for, charge, or receive, or attempt to solicit, contract for, charge, or receive, from any person applying to the Corporation for a loan, (1) any fee, charge, or other consideration, whether bond or cash, except ordinary fees authorized and required by the Corporation for services actually rendered for examination and perfection of title, appraisal, and like necessary services, or (2) any moneys, check, note, or other form of obligation, representing payment of any difference which may exist between the market value and the par value of the bonds of the Home Owners' Loan Corporation. Any person, partnership, association, or corporation violating the provisions of this subsection shall, upon conviction thereof, be fined not more than \$5,000, or imprisoned not more than two years, or both."

Punishment for.

Federal Savings and Loan Insurance Corporation.

Franking privilege; expenditure of public funds.

Vol. 48, p. 1256.

SEC. 22. Paragraph (5) of subsection (c) of section 402 of the National Housing Act is amended by adding the following sentence at the end thereof: "The Corporation shall be entitled to the free use of the United States mails for its official business in the same manner as the executive departments of the Government, and shall determine its necessary expenditures under this Act and the manner in which the same shall be incurred, allowed, and paid, without regard to the provisions of any other law governing the expenditure of public funds."

National Housing Act; amendments.

Vol. 48, p. 1257.
Time extended for building up 5% reserve on insured accounts.

Dividend payments.

SEC. 23. Subsection (b) of section 403 of the National Housing Act is amended (1) by striking out the words "ten years" and inserting in lieu thereof the words "twenty years", and (2) by striking out the period at the end of the subsection and inserting in lieu thereof a colon and the following: "Provided, That for any year dividends may be declared and paid when losses are chargeable to such reserves if the declaration of such dividends in such case is approved by the Corporation."

Vol. 48, p. 1258.

Admission fee charged applicant for insurance.

SEC. 24. Subsection (d) of section 403 of the National Housing Act is amended to read as follows:

"(d) Any applicant which applies for insurance under this title after the first year of the operation of the Corporation shall pay an admission fee based upon the reserve fund of the Corporation, which, in the judgment of the Corporation, is an equitable contribution."

Insurance premiums reduced.

Vol. 48, p. 1258.

SEC. 25. (a) Subsections (a) and (b) of section 404 of the National Housing Act are amended by striking out "one-fourth" and inserting in lieu thereof "one-eighth".

(b) Section 404 of the National Housing Act is further amended by adding at the end thereof the following new subsection:

"(c) Each insured institution which has paid a premium charge in excess of one-eighth of 1 per centum of the total amount of the accounts of its insured members and its creditor obligations shall be credited on its future premiums with an amount equal to the total amount of such excess."

SEC. 26. The last sentence of section 406 (b) of the National Housing Act is amended to read as follows: "The surrender and transfer to the Corporation of an insured account in any such association which is in default shall subrogate the Corporation with respect to such insured account, but shall not affect any right which the insured member may have in the uninsured portion of his account or any right which he may have to participate in the distribution of the net proceeds remaining from the disposition of the assets of such association."

SEC. 27. Section 406 of the National Housing Act is further amended by adding at the end thereof a new subsection to read as follows:

"(f) In order to prevent a default in an insured institution or in order to restore an insured institution in default to normal operation as an insured institution, the Corporation is authorized, in its discretion, to make loans to, purchase the assets of, or make a contribution to, an insured institution or an insured institution in default; but no contribution shall be made to any such institution in an amount in excess of that which the Corporation finds to be reasonably necessary to save the expense of liquidating such institution."

SEC. 28. (a) The first sentence of section 2 of the National Housing Act is amended (1) by striking out "January" and inserting in lieu thereof "April", and (2) by inserting before the period at the end thereof a comma and the following: "including the installation of equipment and machinery".

(b) The last sentence of section 2 of the National Housing Act is amended to read as follows: "No insurance shall be granted under this section to any such financial institution with respect to any obligation representing any such loan, advance of credit, or purchase by it (1) unless the obligation bears such interest, has such maturity, and contains such other terms, conditions, and restrictions, as the Administrator shall prescribe; and (2) unless the amount of such loan, advance of credit, or purchase is not in excess of \$2,000, except that in the case of any such loan, advance of credit, or purchase made for the purpose of such financing with respect to real property improved by or to be converted into apartment or multiple family houses, hotels, office, business or other commercial buildings, hospitals, orphanages, colleges, schools, or manufacturing or industrial plants, such insurance may be granted if the amount of the loan, advance of credit, or purchase is not in excess of \$50,000."

SEC. 29. (a) Subsection (c) of section 203 of the National Housing Act is amended by adding at the end thereof the following new sentence: "In the event that the principal obligation of any mortgage accepted for insurance under this section is paid in full prior to the maturity date specified in the mortgage, the Administrator is further authorized in his discretion to require the payment by the mortgagor of a premium charge in such amount as the Administrator determines to be equitable, but not in excess of the aggregate amount of the premium charges that the mortgagee would otherwise have been required to pay if the mortgage had continued to be insured under this section until such maturity date."

Vol. 48, p. 1259.

Credit allowed.

Liquidation of insured institutions in default.
Vol. 48, p. 1260.

Distribution to shareholders.

Vol. 48, p. 1260.

Loans to insured institutions in default.

Limitation on amount.

Vol. 48, p. 1246.
Insurance of financial institutions.
Post, pp. 722, 1188.

Provisions governing granting of insurance.

Premium charges.
Vol. 48, p. 1248.

Mortgages and re-insurance.
Payment of annual premiums.
Vol. 48, p. 1251.

(b) The first sentence of subsection (f) of section 205 of the National Housing Act is amended by striking out the words "premium charge" and inserting in lieu thereof the words "annual premium charge".

Determination of value of mortgage.
Vol. 48, p. 1249.

(c) The last sentence of subsection (a) of section 204 of the National Housing Act is amended to read as follows: "For the purposes of this subsection, the value of the mortgage shall be determined, in accordance with rules and regulations prescribed by the Administrator, by adding to the amount of the principal of the mortgage which is unpaid on the date of such delivery, (1) interest on such unpaid principal from the date foreclosure proceedings were instituted or the property was otherwise acquired as provided in this subsection to the date of such delivery at the rate provided for in the debentures issued to the mortgagee, less any amount received on account of interest accruing on such unpaid principal between such dates, and (2) the amount of all payments which have been made by the mortgagee for taxes and insurance on the property mortgaged."

Computation.

National Mortgage Associations.
Vol. 48, p. 1253.
Limitation on business transaction.

SEC. 30. Subsection (d) of section 301 of the National Housing Act is amended to read as follows:

Capital stock requirement.

"(d) No association shall transact any business except such as is incidental to its organization until it has been authorized to do so by the Administrator. Each such association shall have a capital stock of a par value of not less than \$2,000,000, and no authorization to commence business shall be granted by the Administrator to any such association until he is satisfied that such capital stock has been subscribed for at not less than par and paid in full in cash or Government securities at their par value."

Vol. 48, p. 1254.

SEC. 31. Section 302 of the National Housing Act is amended to read as follows:

Obligations, issue, etc.

"SEC. 302. Each national mortgage association is authorized to issue and have outstanding at any time notes, bonds, debentures, or other such obligations in an aggregate amount not to exceed (1) twelve times the aggregate par value of its outstanding capital stock, and in no event to exceed (2) the current face value of mortgages held by it and insured under the provisions of title II of this Act, plus the amount of its cash on hand and on deposit and the amount of its investments in bonds or obligations of, or guaranteed as to principal and interest by, the United States. No national mortgage association shall borrow money except through the issuance of such notes, bonds, debentures, or other obligations, except with the approval of the Administrator and under such rules and regulations as he shall prescribe."

Aggregate amount.

Borrowing by association restricted.

Emergency Farm Mortgage Act, 1933.
Vol. 48, pp. 48, 347;
U. S. C., p. 441.

SEC. 32. Section 32 of the Emergency Farm Mortgage Act of 1933, as amended (U. S. C., title 12, sec. 1016), is further amended by inserting after the second sentence thereof the following new sentence:

Loans to farmers.

Valuing farm property for purposes of loans, etc.
Post, p. 313.

"For the purposes of this section, farm property may be valued at an amount representing a prudent investment, consistent with community standards and rentals, if (1) the person occupying the property is not entirely dependent upon farm income for his livelihood but receives a part of his income from other dependable sources, and (2) the farm income from the property, together with earnings from other dependable sources ordinarily available in the community to a person operating such property, would be sufficient to support his family, to pay operating expenses and fixed charges, and to discharge the interest and amortization payments on the loan."

Approved, May 28, 1935.