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TITLE 6—AGRICULTURAL CREDIT

Chapter I—Farm Credit Administration, Department of Agriculture

Chapter I—Farm Credit Administration, Department of Agriculture, is hereby revised to read as follows:

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2. Organization, functions, and procedures of the Farm Credit Administration, Washington, D. C.
3. Functions of administrative officers.
4. Public information, submittals, and requests.
5. Surplus property disposal.
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1.2 Transfer of Division of Cooperative Marketing to Federal Farm Board.
1.3 Allocation of funds to meet the necessity for relief in stricken agricultural areas.
1.4 Allocation of funds to the Farm Credit Administration for the making of emergency crop loans.

§ 1.1 *Reorganization of agricultural credit agencies.* After investigation, it is found and declared that the following changes in executive agencies and the functions thereof are necessary to accomplish the purposes set forth in section 401, Legislative Appropriation Act, fiscal year 1933, as amended, (47 Stat. 1517; 5 U. S. C. and Sup., 124):

(a) The functions of the Secretary of Agriculture as a member of the Federal Farm Board, and the offices of the appointed members of the Federal Farm Board, except the office of the member

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designated as chairman thereof, are abolished.

(b) The name of the Federal Farm Board is changed to the Farm Credit Administration.

(c) The name of the office of Chairman of the Federal Farm Board is changed to Governor of the Farm Credit Administration, and he is vested with all the powers and duties of the Federal Farm Board.

(d) The functions of the Secretary of the Treasury as a member of the Federal Farm Loan Board, and the offices of the appointed members of the Federal Farm Loan Board, except the office of the member designated as Farm Loan Commissioner, are abolished, and all the powers and functions of the Federal Farm Loan Board are transferred to and vested in the Farm Loan Commissioner, subject to the jurisdiction and control of the Farm Credit Administration as herein provided.

(e) There are transferred to the jurisdiction and control of the Farm Credit Administration:

(1) The Federal Farm Loan Bureau and the functions thereof; together with the functions of the Federal Farm Loan Board, including the functions of the Farm Loan Commissioner;

(2) The functions of the Treasury Department and the Department of Agriculture, and the Secretaries thereof, under Executive authorizations to give aid to farmers, dated July 26, 1918, and any extensions or amendments thereof;

(3) The functions of the Secretary of Agriculture under all provisions of law relating to the making of advances or loans to farmers, fruit growers, producers and owners of livestock and crops, and to individuals for the purpose of assisting in forming or increasing the capital stock of agricultural-credit corporations, livestock-loan companies, or like organizations, except Public Resolution No. 74, Seventieth Congress, approved December 21, 1928 (45 Stat. 1067), providing for the Puerto Rican Hurricane Relief Commission;

(4) The Crop Production Loan Office and the Seed Loan Office of the Department of Agriculture, and the functions thereof;

(5) The functions of the Reconstruction Finance Corporation and its Board of Directors relating to the appointment of officers and agents to manage regional agricultural credit corporations formed under section 201 (e) of the Emergency Relief and Construction Act of 1932 (47 Stat. 713; 12 U. S. C. 1148); relating to the establishment of rules and regulations for such management; and relating to the approval of loans and advances made by such corporations and of the terms and conditions thereof.

(f) The functions vested in the Federal Farm Board by section 9 of the Agricultural Marketing Act (46 Stat. 15; 12 U. S. C. 1141g) are abolished, except that such functions shall continue to be exercised to such extent and for such time as may be necessary to permit the orderly winding up of the activities of stabilization corporations heretofore recognized under authority of such section, and the government of the Farm Credit Administration shall take appropriate action for winding up at the earliest practicable date the activities of such corporations and all affairs related to the exercise of such functions.

(g) The records, property (including office equipment), and personnel used and employed in the execution of the functions hereinbefore transferred are transferred to the jurisdiction and control of the Farm Credit Administration.

(h) The sum of $2,000,000 of the unexpended balances of appropriations made to the Federal Farm Board by Public Resolutions No. 43 and No. 51 of the Seventy-second Congress (47 Stat. 741, 799) shall be impounded and returned to the Treasury, which sum shall be in addition to the other savings to be effected by the Farm Credit Administration as a result of this order.

(i) The unexpended balances of appropriations to the Secretary of Agriculture, the Federal Farm Loan Bureau, and the Federal Farm Board for salaries, expenses, and all other administrative expenditures in the execution of the functions herein vested in the Farm Credit Administration shall be transferred to and vested in the Farm Credit Administration as a single fund for its use for salaries, expenses, and all other administrative expenditures for the execution of any or all of such functions without restriction as to the particular functions for the execution of which the same were originally appropriated. All other appropriations, allotments, and other funds available for use in connection with the functions and executive agencies hereby transferred and consolidated are hereby transferred to and vested in the Farm Credit Administration, and shall be available for use by it, for the same purposes as if the Farm Credit Administration were named in the law or authority providing such appropriations, allotments, or other funds.

(j) All power, authority, and duties conferred by law upon any officer, executive agency, or head thereof, from which or from whom transfer is hereinbefore made, in relation to the executive agency or function transferred, are

transferred to and vested in the Governor of the Farm Credit Administration.

(k) The Governor of the Farm Credit Administration is directed to dismiss, furlough, transfer, or make other appropriate disposition of such of the officers and employees under his jurisdiction and control as are not required for the proper execution of the functions of the Farm Credit Administration.

(m) The Governor of the Farm Credit Administration is authorized to execute any and all functions and perform any and all duties vested in him through such persons as he shall by order designate or employ.

(n) The Governor of the Farm Credit Administration, by order or rules and regulations, may consolidate, regroup, and transfer offices, bureaus, activities, and functions in the Farm Credit Administration, so far as may be required to carry out the purposes to which this order is directed, and may fix or change the names of such offices, bureaus, and activities and the duties, powers, and titles of their executive heads.

This order shall take effect upon the sixty-first calendar day after its transmission to Congress unless otherwise determined in accordance with the provisions of section 407 of the Legislative Appropriation Act, fiscal year 1933, as amended. (Secs. 401, 403, 407, as amended by sec. 16, 47 Stat. 1517–1519, 48 Stat. 16; 5 U. S. C. and Sup., 124, 126, 130) [E. O. 6084, Mar. 27, 1933]

§ 1.2 *Transfer of Division of Cooperative Marketing to Federal Farm Board.*[1] The whole of the Division of Cooperative Marketing in the Bureau of Agricultural Economics of the Department of Agriculture, all functions pertaining to the work and services of such division, its records, property, including office equipment, personnel, and unexpended balances of appropriation, pertaining to such work or services is hereby transferred from the Department of Agriculture to the jurisdiction and control of the Federal Farm Board. The transfer above mentioned shall be effective from and including October 1st, 1929. (Sec. 13 (e), 46 Stat. 18; 12 U. S. C. 1141 h) [E. O. 5200, Oct. 1, 1929]

§ 1.3 *Allocation of funds to meet the necessity for relief in stricken agricultural areas.* There is hereby allocated to the Director of Emergency Conservation Work for the establishment and maintenance of Civilian Conservation Corps camps, the sum of $12,500,000; to the Farm Credit Administration for making loans to farmers for seed, feed, freight, summer fallowing, and similar purposes, under such terms and conditions as the Governor thereof may prescribe, the sum of $25,000,000; to the Federal Emergency Relief Administration for making grants to States the sum of $56,250,000, and for the purpose of increasing employment through the purchase of lands in the stricken areas, the sum of $12,500,000; and to the Secretary of Agriculture or such agency as he may designate the sum of $43,750,000 for the purchase, sale, gift, or other disposition of seed, feed, and livestock, and for transportation thereof. (49 Stat. 115) [E. O. 6747, June 23, 1934]

§ 1.4 *Allocation of funds to the Farm Credit Administration for the making of emergency crop loans.* (a) There is set aside from funds provided by the Emergency Relief Appropriation Act of 1935 (49 Stat. 115) for the use of the Farm Credit Administration for the purpose of making loans to farmers during the year 1936, under limitation (b) in section 1 of the said act, in the United States, Hawaii, and Puerto Rico, for fallowing, for the production of crops, for planting, cultivating, and harvesting crops, for supplies incident to and necessary for such production, planting, cultivating, and harvesting, and for feed for livestock, or for any of such purposes, under such terms and conditions as the Governor of the Farm Credit Administration (hereinafter referred to as the Governor) may prescribe, a sum not to exceed $30,000,000, of which the sum of $7,000,000 is hereby allocated to the said Administration to be supplemented from time to time by such additional allocations as may be necessary.

(b) The amount which may be lent to any one borrower shall not exceed $200, and each applicant for a loan shall establish to the satisfaction of the proper officer or employee of the Farm Credit Administration, under such conditions as the Governor may prescribe, that the applicant is unable to procure such loans from any other source: *Provided,* That preference shall be given to the applications of farmers whose cash requirements are small.

(c) Loans made under the provisions of this section shall be secured by a first lien, or by an agreement to give a first lien, upon all crops of which the production, planting, cultivating, or harvesting is to be financed, in whole or in part, with the proceeds of such loan, or, in case of any loan for the purchase or production of feed for livestock, a first lien upon the livestock to be fed. Such loans shall be made and collected under such regulations as the Governor shall prescribe, and shall bear interest at the rate of 5½ per centum per annum.

(d) Fees for recording, filing, registration, and examination of records (including certificates) in connection with each loan made hereunder shall be paid by the borrower: *Provided, however,* That such fees aggregating not to exceed 75 cents per loan may be paid by him from the proceeds of his loan. No fees for releasing liens given to secure loans shall be paid from the funds made available hereunder.

(e) The funds hereby or hereafter allocated may be used also for all necessary administrative expenses in carrying out the provisions of this section to and including June 30, 1937.

(f) In carrying out the provisions of this section, the Farm Credit Administration may (1) make expenditures for supplies and equipment, traveling expenses, rental of offices, printing and binding, and other necessary expenses, and (2) accept voluntary and uncompensated services, appoint officers and employees without regard to the provisions of the Civil Service laws and regulations, and fix the compensation of any officers and employees so appointed without regard to the Classification Act of 1923 (42 Stat. 1488, as amended; 5 U. S. C. and Sup., 661–674). [E. O. 7305, Feb. 28, 1936]

[1] The Farm Credit Administration has succeeded to the functions of the Federal Farm Board. See E. O. 6084, Mar. 27, 1933, 6 CFR 1.1.

PART 2—ORGANIZATION, FUNCTIONS, AND PROCEDURES OF THE FARM CREDIT ADMINISTRATION, WASHINGTON, D. C.

Sec.
2.1 Organization.
2.2 Functions and procedures.

AUTHORITY: §§ 2.1 and 2.2 issued under sec. 40, 48 Stat. 51; 12 U. S. C. 636.

§ 2.1 *Organization.* All functions and activities of the Farm Credit Administration are conducted under the general supervision of the Secretary of Agriculture. The work of the Farm Credit Administration is directed by the Governor of the Farm Credit Administration, assisted by the Deputy Governors, and is performed by the four Commissioners named in sec. 80, 48 Stat. 273, 12 U. S. C. 638, and the several divisions of the Farm Credit Administration as follows:

(a) The Land Bank Commissioner, assisted by the personnel of the Land Bank Division, regulates and supervises the twelve Federal land banks, the national farm loan associations, and the joint stock land banks under 39 Stat. 360, as amended; 12 U. S. C., Chap 7, Subchap. I; and regulates and supervises the Federal Farm Mortgage Corporation in the discharge of its functions as disposal agency for surplus agricultural and forest real property under the Surplus Property Act of 1944 (58 Stat. 765, as amended; 50 U. S. C. App., Sup. 1611–1646).

(b) The Intermediate Credit Commissioner, assisted by the personnel of the Intermediate Credit Division, regulates and supervises the twelve Federal intermediate credit banks under 42 Stat. 1454, as amended; 12 U. S. C. Chap. 7, Subchap. III.

(c) The Production Credit Commissioner, assisted by the personnel of the Production Credit Division, regulates and supervises the twelve production credit corporations and the production credit associations under 48 Stat. 257, as amended; 48 Stat. 266, as amended; 12 U. S. C. Chap 7, Subchaps. IV and VI.

(d) The Cooperative Bank Commissioner, assisted by the personnel of the Cooperative Division, regulates and supervises the twelve district banks for cooperatives and the Central Bank for Cooperatives under 48 Stat. 257, as amended; 48 Stat. 266, as amended; 12 U. S. C. Chap. 7, Subchaps. V and VI. The Cooperative Bank Commissioner is ex officio the chairman of the board of directors of the Central Bank for Cooperatives and that Bank has its headquarters with the Farm Credit Administration in Washington, D. C., and utilizes the personnel and facilities of the Farm Credit Administration.

(e) The Mortgage Corporation Service Division, headed by the Director of that Division who is also the Executive Vice

President of the Federal Farm Mortgage Corporation, performs various functions for that Corporation which conducts its affairs under 48 Stat. 48, as amended; 48 Stat. 344, as amended; 12 U. S. C. and Sup., Chap. 7, Subchaps. II and II A. The Governor and the Land Bank Commissioner, together with the Secretary of the Treasury or an officer of the Treasury designated by him, are ex officio the directors of the Federal Farm Mortgage Corporation, and that Corporation has its headquarters with the Farm Credit Administration in Washington, D. C., and utilizes the personnel and facilities of the Farm Credit Administration. The Land Bank Commissioner makes loans on behalf of the Federal Farm Mortgage Corporation under 48 Stat. 48, as amended; 12 U. S. C. and Sup., Chap. 7, Subchap. II.

(f) The Regional Agricultural Credit Division, headed by the Director of that Division, regulates and supervises the Regional Agricultural Credit Corporation of Washington, D. C., under 47 Stat. 713, as amended; 12 U. S. C., Chap. 7, Subchap. VIII. The Regional Agricultural Credit Corporation of Washington, D. C., has its headquarters with the Farm Credit Administration in Washington, D. C., and utilizes the personnel and facilities of the Farm Credit Administration.

(g) The Revolving Fund Section, headed by the Director of the Revolving Fund, conducts the liquidation of loans made to cooperative associations out of the Revolving Fund created by the Agricultural Marketing Act (46 Stat. 11, as amended; 12 U. S. C. 1141–1141j), and the liquidation of loans made to individuals to capitalize local agricultural credit corporations under 46 Stat. 1932, as amended by 46 Stat. 1160, and 47 Stat. 60, as amended; 12 U. S. C. 1401–1404.

(h) The Cooperative Research and Service Division, headed by the Director of that Division, gathers and disseminates information pertaining to cooperatives and promotes the organization and development of cooperative associations, under the Cooperative Marketing Act (44 Stat. 802; 7 U. S. C. 451–457) and the Agricultural Marketing Act (46 Stat. 11, as amended; 12 U. S. C. 1141–1141j).

(i) The Examination Division, headed by the Chief Examiner, conducts examinations of the various institutions supervised by the Farm Credit Administration.

In addition, there are five other staff divisions in the Farm Credit Administration which perform, for the Administration as a whole, the services denoted by their titles as follows: Finance and Accounts; Administrative; Personnel; Information and Extension; and Economic and Credit Research.

Prior to the enactment of the Farmers' Home Administration Act of 1946 (Pub. Law 731, 79th Cong., 60 Stat. 1062), the Farm Credit Administration, through the Emergency Crop and Feed Loan Division, made and collected emergency crop, feed, drought, and rehabilitation loans under an act of Congress approved January 29, 1937 (50 Stat. 5), and a number of earlier statutes and Executive orders. The Farmers' Home Administration Act of 1946 abolished these functions of the Farm Credit Administration and vested in the Farmers' Home Administration the function of collecting such loans.

§ 2.2 *Functions and procedures*—(a) *Supervision of institutions in farm credit districts.* The Farm Credit Administration regulates and supervises the Federal land banks and national farm loan associations, the Federal intermediate credit banks, the production credit corporations and production credit associations, and the district banks for cooperatives, through the respective Commissioners under the general direction of the Governor. Such regulation and supervision is exercised in the various respects and by the methods stated in the respective statutes enumerated in § 2.1 (a) to (d). The Farm Credit Administration also conducts examinations of these institutions. The substantive rules and regulations promulgated by the Farm Credit Administration with respect to these institutions are contained in Subchapters B, D, E, and F of this chapter.

(b) *Functions with respect to the Federal Farm Mortgage Corporation.* The Governor of the Farm Credit Administration and the Land Bank Commissioner, together with the Secretary of the Treasury or an officer of the Treasury designated by him, are ex officio the directors of the Federal Farm Mortgage Corporation and as such they direct its affairs. The loans of the Federal Farm Mortgage Corporation are made on its behalf by the Land Bank Commissioner. The Farm Credit Administration conducts examinations of the Federal Farm Mortgage Corporation.

The functions of the Department of Agriculture as disposal agency for surplus agricultural and forest real property under the Surplus Property Act of 1944 (58 Stat. 765; 50 U. S. C. App. Sup., 1611–1646), have been delegated by the Secretary of Agriculture to the Governor of the Farm Credit Administration, and redelegated by the Governor to the Federal Farm Mortgage Corporation, which utilizes the facilities of the Federal land banks in performing these functions. The Farm Credit Administration regulates and supervises the execution of these functions. The regulations issued by the Farm Credit Administration, with the approval of the Secretary of Agriculture, are contained in Part 5 of this subchapter.

(c) *Functions with respect to the Central Bank for Cooperatives.* The Cooperative Bank Commissioner is ex officio chairman of the board of directors of the Central Bank for Cooperatives, and the other six directors are appointed by the Governor of the Farm Credit Administration. The Cooperative Bank Commissioner is also the chief executive officer of the Central Bank. The Commissioner, as chairman of the Board, and the Governor prescribe rules and regulations governing the activities of the Central Bank and these rules and regulations are contained in Subchapter F of this chapter. The Farm Credit Administration conducts examinations of the Central Bank and supervises it in other respects and by the methods stated in 48 Stat. 257, 266, as amended; 12 U. S. C., Chap. 7, Subchaps. V and VI.

(d) *Functions with respect to the Regional Agricultural Credit Corporation of Washington, D. C.* The Farm Credit Administration prescribes the charter provisions and bylaws of the Regional Agricultural Credit Corporation of Washington, D. C., appoints its directors and officers, prescribes rules and regulations governing its activities, and conducts examinations of its affairs. The rules and regulations governing the Corporation are contained in Subchapter G of this chapter.

(e) *Revolving Fund Section.* The Farm Credit Administration, through this Section, conducts the liquidation of loans made to cooperative associations by the Federal Farm Board and the Farm Credit Administration out of the Revolving Fund created by the Agricultural Marketing Act (46 Stat. 11, as amended; 12 U. S. C. 1141–1141j). Since loans to cooperative associations for the purposes specified in the Agricultural Marketing Act are now available from the banks for cooperatives, loans under that act are not ordinarily made by the Farm Credit Administration out of the Revolving Fund, except in furtherance of the liquidation by outstanding loans. The requirements for such loans and the terms and conditions thereof are stated in the Agricultural Marketing Act.

The Farm Credit Administration, through the Revolving Fund Section, also conducts the liquidation of loans made to individuals by the Secretary of Agriculture to capitalize local agricultural credit corporations under 46 Stat. 1032, as amended by 46 Stat. 1160, and 47 Stat. 60, as amended; 12 U. S. C. 1401–1404. No loans under these statutes are now being made.

A cooperative association desiring to apply for a loan from the Revolving Fund should submit an application on a prescribed form to the Director of the Revolving Fund, together with evidence of the association's eligibility under the act, and of the authority of its officers to execute the loan documents, and statements of its financial condition. Forms for making application for loans may be obtained from the Director of the Revolving Fund upon request.

Real and personal properties acquired by the United States as a result of loans made from the Revolving Fund are leased and sold in accordance with the provisions of 46 Stat. 13, as amended; 12 U. S. C. 1141b (7). Ordinarily, these properties are advertised and sold on the basis of sealed bids, reserving the right to reject any and all bids. Each bidder is notified of the acceptance or rejection of his bid.

Certain indebtedness of farmers being liquidated by the Farm Credit Administration through the Revolving Fund Section may be compromised, adjusted, or canceled, in appropriate cases, in accordance with 58 Stat. 836; 12 U. S. C. Sup., 1150–1150c; and the regulations contained in Part 01 of Subtitle A of this title. Applications of debtors for compromise, adjustment, or cancelation of their debts should be submitted on prescribed forms which may be obtained

from the Director of the Revolving Fund upon request.

(f) *Cooperative Research and Service Division.* The Farm Credit Administration, through this Division, conducts studies and gathers information regarding the organization and operations of agricultural cooperative associations, and disseminates such information and gives technical assistance to cooperative associations and persons and groups interested in the organization or operation of such associations, in accordance with the Cooperative Marketing Act (44 Stat. 802; 7 U. S. C., 451–457) and the Agricultural Marketing Act (46 Stat. 11, as amended; 12 U. S. C., 1141–1141j). The Division prepares various publications and distributes them generally to cooperative associations and other interested persons and groups, and confers and advises with individual associations, persons, and groups on their problems with respect to the organization and operation of particular cooperative associations.

(g) *Liquidation of joint stock land banks.* The Farm Credit Administration supervises and examines the few remaining joint stock land banks which are now in process of liquidation. Plans for the voluntary liquidation of joint stock land banks are subject to approval by the Farm Credit Administration in accordance with 39 Stat. 374, as amended; 12 U. S. C. 822. In the case of some insolvent joint stock land banks, the Farm Credit Administration has appointed receivers to liquidate them under its supervision in accordance with 39 Stat. 381, as amended; 12 U. S. C. 963.

PART 3—FUNCTIONS OF ADMINISTRATIVE OFFICERS

Sec.

3.1 Authority of Deputy Governor and other officials to act in the absence of the Governor.
3.2 Functions, powers, authority, and duties of Land Bank Commissioner.
3.3 Authority and designation of order of precedence of Deputy and Assistant Deputy Land Bank Commissioners and Chief of NFLA Section to act as Land Bank Commissioner.
3.3a Authority and designation of Assistant Deputy Land Bank Commissioners and Chief of NFLA Section to act as Deputy Land Bank Commissioner.
3.4 Authorization to approve acts of receivers of joint stock land banks.
3.5 Authorization to approve the holding by Federal land banks of title to real estate for a period longer than 5 years.
3.6 Authorization to approve the holding by joint stock land banks of title to real estate for a period longer than 5 years.
3.7 Authorization to grant charters and amendments to charters of national farm loan associations.
3.8 Authorization to approve loans by the Federal land banks in excess of $25,000.
3.9 Approval of loans by the Federal land banks to livestock corporations.
3.10 Approval of Land Bank Commissioner loans to livestock corporations.
3.11 Authority of Deputy Land Bank Commissioners to approve retirement of capital stock of Federal land banks.
3.12 Authorization of Deputy Land Bank Commissioners to sign certificates of authority.
3.13 Authority of Deputy Land Bank Commissioners to sign orders in conservatorship cases.
3.14 Functions, powers, authority, and duties of Intermediate Credit Commissioner.
3.15 Authority and designation of order of precedence, of Deputy Intermediate Credit Commissioner, Assistant Intermediate Credit Commissioner, and Assistant Deputy Intermediate Credit Commissioner, to act as Intermediate Credit Commissioner.
3.16 Functions, powers, authority, and duties of Production Credit Commissioner.
3.17 Authority and designation of order of precedence, of Deputy Production Credit Commissioner, Assistant Production Credit Commissioner, and Assistant Deputy Production Credit Commissioners, to act as Production Credit Commissioner in the absence of the latter.
3.18 Authority of production credit corporation presidents to approve production credit association bylaws and amendments thereto.
3.19 Authority of production credit corporation vice presidents to approve production credit association bylaws and amendments thereto.
3.20 Functions, powers, authority, and duties of the Cooperative Bank Commissioner, Deputy Cooperative Bank Commissioner, and Assistant Deputy Cooperative Bank Commissioners.
3.21 Functions and duties of Director of the Revolving Fund.
3.22 Official acts of Treasurer and Assistant Treasurer of the Revolving Fund ratified.
3.23 Functions, powers, authorities, and duties of the Director and the Assistant Director of the Regional Agricultural Credit Division.
3.24 Designation of Acting Director, Assistant Director, and Acting Assistant Director of the Regional Agricultural Credit Division.
3.25 Functions, powers, authority, and duties of Chief, Administrative Division.
3.26 Functions, powers, authority, and duties of Assistant Chief, Administrative Division.
3.27 Authority of Chief Clerk and Assistant to the Chief Clerk to issue certificates.
3.28 Attestation of signatures of officials.

AUTHORITY: §§ 3.1 to 3.28, inclusive, issued under secs. 7.17a, 39 Stat. 365, 375, secs. 39, 40, 80, 80 (a), 80 (b), 48 Stat. 50, 51, 273, 1221, sec. 5, 50 Stat. 6, 58 Stat. 836; 12 U. S. C. 636–638 (b), 719, 831 (a), 1020m, 1776, 12 U. S. C. Sup. 1150–1150c; E. O. 6084, Mar. 27, 1933, 6 F. R. 1.1 (m). Additional authority is noted in parentheses following sections affected.

§ 3.1 *Authority of Deputy Governor and other officials to act in the absence of the Governor.* (a) J. E. Wells, Jr., Deputy Governor, is hereby authorized to execute and perform all functions, powers, authority, and duties pertaining to the office of Governor of the Farm Credit Administration, in the event that the Governor is unavailable to act, by reason of absence from the Washington office of the Farm Credit Administration, or for any other cause.

(b) One of the four commissioners or one of the deputy commissioners in the Farm Credit Administration who is designated by the Governor for such purpose is hereby authorized to execute and perform all functions, powers, authority, and duties pertaining to the office of Governor of the Farm Credit Administration, in the event that the Governor and Deputy Governor Wells are unavailable to act, by reason of absence from the Washington office of the Farm Credit Administration, or for any other cause.

§ 3.2 *Functions, powers, authority, and duties of Land Bank Commissioner.* The Land Bank Commissioner shall, subject to the jurisdiction and control of the Farm Credit Administration, execute and perform all functions, powers, authority, and duties heretofore vested in or conferred upon the Federal Farm Loan Board or the Land Bank Commissioner (previously known as the Farm Loan Commissioner), except functions, powers, authority, and duties pertaining to intermediate credit and to matters incidental thereto and to the administration of the provisions of law relative to Federal intermediate credit banks, and shall, subject to such supervision and control, execute and perform all functions, powers, authority, and duties of the Farm Credit Administration relative to the administration of the provisions of law relating to Federal land banks, national farm loan associations, and joint stock land banks.

§ 3.3 *Authority and designation of order of precedence of Deputy and Assistant Deputy Land Bank Commissioners and Chief of NFLA Section to act as Land Bank Commissioner.* Carl Colvin, Deputy Land Bank Commissioner, is authorized and empowered to execute and perform any and all functions, powers, authority, and duties which the Land Bank Commissioner is authorized and empowered to execute or perform in the event the Land Bank Commissioner is absent or unable to serve for any reason.

Ernest Diebel, Assistant Deputy Land Bank Commissioner, is authorized and empowered to execute and perform any and all functions, powers, authority, and duties which the Land Bank Commissioner is authorized and empowered to execute or perform in the event the Land Bank Commissioner and Deputy Land Bank Commissioner Colvin are absent or unable to serve for any reason.

E. C. Johnson, Assistant Deputy Land Bank Commissioner, is authorized and empowered to execute and perform any and all functions, powers, authority, and duties which the Land Bank Commissioner is authorized and empowered to execute or perform in the event the Land Bank Commissioner, Deputy Land Bank Commissioner Colvin, and Assistant Deputy Land Bank Commissioner Diebel are absent or unable to serve for any reason.

Horace A. Lake, Chief of NFLA Section, is authorized and empowered to execute and perform any and all functions, powers, authority, and duties which the Land Bank Commissioner is authorized and empowered to execute or perform in the event the Land Bank Commissioner, Deputy Land Bank Commissioner Colvin, and Assistant Deputy Land Bank Commissioners Diebel and Johnson are absent, or unable to serve for any reason.

§ 3.3a *Authority and designation of Assistant Deputy Land Bank Commissioners and Chief of NFLA Section to act as Deputy Land Bank Commissioner.* Ernest Diebel and E. C. Johnson, Assistant Deputy Land Bank Commissioners, and Horace A. Lake, Chief of NFLA Section, severally and not jointly and in the order named, are authorized to execute and perform any and all functions, powers, authority, and duties which the Deputy Land Bank Commissioner is now or hereafter authorized and empowered to execute or perform in the event that the Deputy Land Bank Commissioner is absent or unable to act for any reason.

§ 3.4 *Authorization to approve acts of receivers of joint stock land banks.* Authorization is given, severally and not jointly, to the Land Bank Commissioner, any deputy land bank commissioner, M. E. Menk, Assistant Deputy Land Bank Commissioner, and L. A. Wallace, Chief, Fiscal and Joint Stock Land Bank Section, to approve, on such terms as he shall direct, the acts pursuant to section 29 of the Federal Farm Loan Act (39 Stat. 381; 12 U. S. C. 961–967), as amended, of any receiver of any joint stock land bank appointed under the provisions of said section 29. (Sec. Memo 846, Jan. 6, 1940)

§ 3.5 *Authorization to approve the holding by Federal land banks of title to real estate for a period longer than 5 years.* Authorization is given, severally and not jointly, to any deputy land bank commissioner, and to the Chief, Assistant Chief, and Farm Service Analyst of the Loan Service and Real Estate Section, to approve, on such terms as he shall direct, the holding by Federal land banks of title and possession of real estate for a period longer than 5 years pursuant to paragraph Fourth (b) of section 13 of the Federal Farm Loan Act (39 Stat. 372; 12 U. S. C. 781 "Fourth" (b), as amended). (Sec. Memo. 846, Jan. 6, 1940)

§ 3.6 *Authorization to approve joint stock land banks' holding title to real estate for a longer period than 5 years.* Authorization is given, severally and not jointly, to any deputy land bank commissioner, any assistant deputy land bank commissioner, and the Chief, Fiscal and Joint Stock Land Bank Section, to approve, on such terms as he shall direct, joint stock land banks' holding title and possession of real estate for a period longer than 5 years pursuant to paragraph Fourth (b) of section 13 of the Federal Farm Loan Act (39 Stat. 372; 12 U. S. C. 781 "Fourth" (b)), as amended. (Sec. Memo. 846, Jan. 6, 1940)

§ 3.7 *Authorization to grant charters and amendments to charters of national farm loan associations.* Authorization is given, severally and not jointly, to any deputy land bank commissioner, to grant, on such terms as he shall direct, charters and amendments to charters of national farm loan associations. (Sec. Memo. 846, Jan. 6, 1940)

§ 3.8 *Authorization to approve loans by the Federal land banks in excess of $25,000.* Authorization is given, severally and not jointly, to any deputy land bank commissioner; the Chief, Appraisal Subdivision; the Chief, Appraisal Review and Analysis Section; the Chief Loan Analyst; any reviewing appraiser, assigned to the central office; and, in the respective farm credit districts to which they are assigned, to any reviewing appraiser and any special reviewer, to approve loans by the Federal land banks in excess of $25,000, pursuant to paragraph Seventh of section 12 of the Federal Farm Loan Act (39 Stat. 370; 12 U. S. C. 771 "Seventh"), as amended. (Sec. Memo. 846, Jan. 6, 1940)

§ 3.9 *Approval of loans by the Federal land banks to livestock corporations.* Authorization is given, severally and not jointly, to any deputy land bank commissioner; the Chief, Appraisal Subdivision; the Chief, Appraisal Review and Analysis Section; the Chief Loan Analyst; any reviewing appraiser, assigned to the central office; and, in the respective farm credit districts to which they are assigned, to any reviewing appraiser and any special reviewer, to permit, pursuant to paragraph Sixth of section 12 of the Federal Farm Loan Act as amended by section 18 of the Farm Credit Act of 1935 (39 Stat. 370, sec. 18, 49 Stat. 319; 12 U. S. C. 771 "Sixth"), loans by the Federal land banks to corporations engaged in the raising of livestock where not all the stock of the corporation is owned by individuals themselves personally actually engaged in the raising of livestock on the farm to be mortgaged as security for the loan, but at least 75 percentum in value and number of shares of the stock of the corporation is owned by individuals personally actually so engaged. (Sec. Memo. 846, Jan. 6, 1940)

§ 3.10 *Approval of Land Bank Commissioner loans to livestock corporations.* Authorization is given, severally and not jointly, to any deputy land bank commissioner; the Chief, Appraisal Subdivision; the Chief, Appraisal Review and Analysis Section; the Chief Loan Analyst; any reviewing appraiser, assigned to the central office; and, in the respective farm credit districts to which they are assigned, to any reviewing appraiser and any special reviewer, to permit, pursuant to section 32 of the Emergency Farm Mortgage Act of 1933, as amended by section 2 (c) of the Farm Credit Act of 1935 (48 Stat. 48, sec. 2 (c), 49 Stat. 313; 12 U. S. C. and Sup. 1016), loans by the Land Bank Commissioner to corporations engaged in the raising of livestock where not all the stock of the corporation is owned by individuals themselves personally actually engaged in the raising of livestock on the land to be mortgaged as security for the loan, but at least 75 per centum in value and number of shares of the stock of the corporation is owned by individuals personally actually so engaged. (Sec. Memo. 846, Jan. 6, 1940)

§ 3.11 *Authority of Deputy Land Bank Commissioners to approve retirement of capital stock of Federal land banks.* Authorization is given, severally and not jointly, to each deputy land bank commissioner to approve, on such terms as any one of them shall direct, the retirement of the capital stock of Federal land banks pursuant to the provisions of section 7 of the Federal Farm Loan Act (39 Stat. 365; 12 U. S. C. 721).

§ 3.12 *Authorization of Deputy Land Bank Commissioners to sign certificates of authority.* Authorization is given, severally and not jointly, to each deputy land bank commissioner to sign certificates authorizing Federal land banks to make loans to applicants through national farm loan associations under the provisions of section 25 (b) of the Farm Credit Act of 1937 (50 Stat. 711; 12 U. S. C. 724), and authorizing and empowering said associations to do all things provided for by, and in accordance with the provisions of, said section 25 (b).

§ 3.13 *Authority of Deputy Land Bank Commissioners to sign orders in conservatorship cases.* Authorization is hereby given, severally and not jointly, to each deputy land bank commissioner to sign orders, pursuant to the provisions of section 29 of the Federal Farm Loan Act, as amended by section 25 (d) of the Farm Credit Act of 1937 (39 Stat. 381, sec 25 (d), 50 Stat. 713; 12 U. S. C. 967) and the rules and regulations of the Farm Credit Administration, (a) appointing conservators for national farm loan associations and (b) approving reports of conservators, fixing the fair book value of the stock of national farm loan associations for the purposes of said section, and terminating the appointments of conservators.

§ 3.14 *Functions, powers, authority, and duties of Intermediate Credit Commissioner.* The Intermediate Credit Commissioner shall, subject to jurisdiction and control of the Farm Credit Administration, execute and perform all functions, powers, authority, and duties relative to intermediate credit and to matters incidental thereto, and to the administration of the provisions of law relative to Federal intermediate credit banks, inclusive of the functions, powers, authority, and duties previously vested in or conferred upon the Federal Farm Loan Board and/or the Farm Loan Commissioner under the provisions of law relative thereto.

§ 3.15 *Authority, and designation of order of precedence, of Deputy Intermediate Credit Commissioner, Assistant Intermediate Credit Commissioner, and Assistant Deputy Intermediate Credit Commissioner to act as Intermediate Credit Commissioner.* Arthur C. Sullivan, Deputy Intermediate Credit Commissioner, is hereby authorized to execute and perform all functions, powers, authority, and duties pertaining to the office of Intermediate Credit Commissioner in the event that the Intermediate Credit Commissioner is unavailable to act by reason of absence from the central office of the Farm Credit Administration or for any other cause.

Martin H. Uelsmann, Assistant Intermediate Credit Commissioner, is hereby authorized to execute and perform all functions, powers, authority, and duties pertaining to the office of Intermediate Credit Commissioner in the event that

the Intermediate Credit Commissioner and Deputy Intermediate Credit Commissioner Arthur C. Sullivan are unavailable to act by reason of absence from the central office of the Farm Credit Administration or for any other cause.

Franklin D. Van Sant, Assistant Deputy Intermediate Credit Commissioner, is hereby authorized to execute and perform all functions, powers, authority, and duties pertaining to the office of the Intermediate Credit Commissioner in the event that the Intermediate Credit Commissioner, Deputy Intermediate Credit Commissioner Arthur C. Sullivan, and Assistant Intermediate Credit Commissioner Martin H. Uelsmann are unavailable to act by reason of absence from the central office of the Farm Credit Administration or for any other cause.

§ 3.16 *Functions, powers, authority, and duties of Production Credit Commissioner.* The Production Credit Commissioner shall, subject to the jurisdiction and control of the Governor of the Farm Credit Administration, execute and perform all functions, powers, authority, and duties relative to production credit and to matters incidental thereto, and to the administration of the provisions of law relative to production credit corporations and production credit associations.

§ 3.17 *Authority, and designation of order of precedence, of Deputy Production Credit Commissioner, Assistant Production Credit Commissioner, and Assistant Deputy Production Credit Commissioners, to act as Production Credit Commissioner in the absence of the latter.* A. T. Esgate, Deputy Production Credit Commissioner, is authorized to execute and perform all functions, powers, authority, and duties pertaining to the office of Production Credit Commissioner in the event that the Production Credit Commissioner is unavailable to act by reason of absence from the central office of the Farm Credit Administration or for any other cause.

K. L. Scott, Assistant Production Credit Commissioner, is authorized to execute and perform all functions, powers, authority, and duties pertaining to the office of Production Credit Commissioner in the event that the Production Credit Commissioner and Deputy Production Credit Commissioner Esgate are both unavailable to act by reason of absence from the central office of the Farm Credit Administration or for any other cause.

Paul Fankhauser, Assistant Deputy Production Credit Commissioner, is authorized to execute and perform all functions, powers, authority, and duties pertaining to the office of Production Credit Commissioner in the event that the Production Credit Commissioner, Deputy Production Credit Commissioner Esgate, and Assistant Production Credit Commissioner Scott are all unavailable to act by reason of absence from the central office of the Farm Credit Administration or for any other cause.

Homer G. Smith, Assistant Deputy Production Credit Commissioner, is authorized to execute and perform all functions, powers, authority, and duties pertaining to the office of Production Credit Commissioner in the event that the Production Credit Commissioner, Deputy Production Credit Commissioner Esgate, Assistant Production Credit Commissioner Scott, and Assistant Deputy Production Credit Commissioner Fankhauser are all unavailable to act by reason of absence from the central office of the Farm Credit Administration or for any other cause. (Sec. Memo. 846, Jan. 6, 1940)

§ 3.18 *Authority of production credit corporation presidents to approve production credit association bylaws and amendments thereto.* The president of each production credit corporation is designated the amanuensis of the Governor of the Farm Credit Administration to endorse his approval upon all production credit association bylaws which conform with Form PCA–202 and amendments thereto, the forms of which have been approved by him.

§ 3.19 *Authority of production credit corporation vice presidents to approve production credit association bylaws and amendments thereto.* The vice president of each production credit corporation is designated an amanuensis with full power and authority, in the absence or disability of the president of such production credit corporation, to endorse the Governor's approval upon all bylaws which conform with Form PCA–202 and amendments thereto heretofore or hereafter approved by the Governor, and which have been formally adopted by the respective boards of directors of production credit associations located within the district served by such production credit corporation.

§ 3.20 *Functions, powers, authority, and duties of the Cooperative Bank Commissioner, Deputy Cooperative Bank Commissioner, and Assistant Deputy Cooperative Bank Commissioners.* The Cooperative Bank Commissioner shall, subject to the jurisdiction and control of the Governor of the Farm Credit Administration, execute and perform all functions, powers, authority, and duties pertaining to the administration of the provisions of law relative to the Central Bank for Cooperatives and the district banks for cooperatives.

B. F. Viehmann, Deputy Cooperative Bank Commissioner, is hereby authorized to execute and perform the functions, powers, authority, and duties pertaining to the office of Cooperative Bank Commissioner with respect to the Central Bank for Cooperatives in the event that the Cooperative Bank Commissioner is unavailable to act, by reason of absence from the central office of the Farm Credit Administration, or for any other cause, and with respect to the district banks for cooperatives in the event that the Cooperative Bank Commissioner and S. Y. McConnell, Assistant Deputy Cooperative Bank Commissioner, are unavailable to act, by reason of absence from the central office of the Farm Credit Administration, or for any other cause.

S. Y. McConnell, Assistant Deputy Cooperative Bank Commissioner, is hereby authorized to execute and perform the functions, powers, authority, and duties pertaining to the office of Cooperative Bank Commissioner with respect to the district banks for cooperatives in the event that the Cooperative Bank Commissioner is unavailable to act, by reason of absence from the central office of the Farm Credit Administration, or for any other cause, and with respect to the Central Bank for Cooperatives in the event that the Cooperative Bank Commissioner, B. F. Viehmann, Deputy Cooperative Bank Commissioner, and W. C. Frazee, Assistant Deputy Cooperative Bank Commissioner, are unavailable to act, by reason of absence from the central office of the Farm Credit Administration, or for any other cause.

W. C. Frazee, Assistant Deputy Cooperative Bank Commissioner, is hereby authorized to execute and perform the functions, powers, authority, and duties pertaining to the office of Cooperative Bank Commissioner with respect to the Central Bank for Cooperatives in the event that the Cooperative Bank Commissioner and B. F. Viehmann, Deputy Cooperative Bank Commissioner, are unavailable to act, by reason of absence from the central office of the Farm Credit Administration, or for any other cause, and with respect to the district banks for cooperatives in the event that the Cooperative Bank Commissioner, S. Y. McConnell, Assistant Deputy Cooperative Bank Commissioner, and B. F. Viehmann, Deputy Cooperative Bank Commissioner, are unavailable to act, by reason of absence from the central office of the Farm Credit Administration, or for any other cause. (Sec. Memo. 846, Jan. 6, 1940)

§ 3.21 *Functions and duties of Director of the Revolving Fund.* The Director of the Revolving Fund is authorized and empowered: (a) To accept or reject applications for loans from the Revolving Fund authorized by the Agricultural Marketing Act (46 Stat. 11; 12 U. S. C. 1141–1141j), in whole or in part, and to make commitments therefor; to designate such officers of the Revolving Fund Section as he may deem necessary and to prescribe their authority and duties; to execute, either in person or through such officer as he may authorize, instruments for the release, modification, renewal, or revival of real and chattel mortgages, pledges, and other lien instruments, and such other documents as may be necessary to carry out the functions of his office, and all such instruments and documents heretofore executed are ratified and confirmed; and to perform any and all functions and duties, in accordance with law, which the Governor of the Farm Credit Administration is authorized to perform with respect to the administration of the Revolving Fund Section of Farm Credit Administration and of the Agricultural Marketing Act Revolving Fund, except the signing of vouchers for the disbursement of money from the Revolving Fund; and (b) to perform any and all functions and duties, in accordance with law, which the Governor of Farm Credit Administration is authorized to perform under the regulations of the Secretary of Agriculture issued pursuant to the provisions of an act of Congress approved December

20, 1944 (58 Stat. 836; 12 U. S. C., Sup. 1150–1150c), insofar as the said act and regulations apply to indebtedness administered by the Revolving Fund Section, and to redelegate any or all of said functions and duties in accordance with said regulations. (Sec. Memos. 846, Jan. 6, 1940, 1086, Apr. 26, 1943)

§ 3.22 *Official acts of Treasurer and Assistant Treasurer of the Revolving Fund ratified.* The office of "Treasurer and Disbursing Officer for the Revolving Fund of the Federal Farm Board," created by a resolution of the Federal Farm Board, adopted November 12, 1929, and the office of "Assistant Treasurer and Deputy Disbursing Officer for the Revolving Fund of the Federal Farm Board," created by a resolution of the Federal Farm Board, adopted March 17, 1930, are hereby discontinued. All official acts of said officers (also entitled Treasurer and Assistant Treasurer of the Agricultural Marketing Revolving Fund and Treasurer and Assistant Treasurer of the Revolving Fund) and in particular all instruments executed by the persons occupying said offices, for the release, modification, renewal, or revival of real or chattel mortgages, pledges, or other lien instruments, are hereby ratified and confirmed. (Sec. Memos. 846, Jan. 6, 1940, 1086, Apr. 26, 1943)

§ 3.23 *Functions, powers, authorities, and duties of the Director and the Assistant Director of the Regional Agricultural Credit Division.* The Director of the Regional Agricultural Credit Division of the Farm Credit Administration is authorized and empowered, subject to the jurisdiction and control of the Governor of the Farm Credit Administration, to execute and perform all functions, powers, authority, and duties which the Governor of the Farm Credit Administration is authorized to do and perform relative to all matters and things arising in connection with the administration of the regional agricultural credit corporations and the provisions of law pertaining thereto.

The Assistant Director of the Regional Agricultural Credit Division of the Farm Credit Administration is authorized and empowered to execute and perform all functions, powers, authority, and duties pertaining to the office of the Director of the Regional Agricultural Credit Division of the Farm Credit Administration in the event the Director is unavailable to act, by reason of absence from the Washington office of the Farm Credit Administration, or for any other cause.

§ 3.24 *Designation of Acting Director, Assistant Director, and Acting Assistant Director of the Regional Agricultural Credit Division.* Arthur C. Sullivan, in addition to his functions as Deputy Intermediate Credit Commissioner, is hereby designated to serve as Acting Director of the Regional Agricultural Credit Division in the absence of C. C. Jacobsen, Director of said Division, and in that capacity he is hereby authorized to execute and perform all functions, powers, authority, and duties pertaining to the office of Director of the Regional Agricultural Credit Division in the absence of C. C. Jacobsen.

The designation of Robert T. Hall as Assistant Director of the Regional Agricultural Credit Division, heretofore made as of June 16, 1939, is hereby confirmed and continued, and all acts done by him in that capacity are hereby ratified and approved; and he is hereby authorized to execute and perform all functions, powers, authority, and duties pertaining to the office of Director of the Regional Agricultural Credit Division in the absence of C. C. Jacobsen and Arthur C. Sullivan.

The designation of C. W. Bachman to serve as Acting Assistant Director of the Regional Agricultural Credit Division, heretofore made as of October 17, 1942, is hereby confirmed and continued, and all acts done by him in that capacity are hereby ratified and approved; and he is hereby authorized to execute and perform (in addition to his functions as Special Representative of the Regional Agricultural Credit Corporation of Minneapolis, Minnesota) all functions, powers, authority, and duties pertaining to the office of Director of the Regional Agricultural Credit Division in the absence of C. C. Jacobsen, Arthur C. Sullivan, and Robert T. Hall. (Sec. Memo. 846, Jan. 6, 1940)

§ 3.25 *Functions, powers, authority, and duties of Chief, Administrative Division.* The Chief, Administrative Division, is authorized and empowered:

(a) To supervise and direct the Administrative Division.

(b) To consult and advise with the Governor, deputy governors, and division heads, on matters pertaining to the organization of new activities, the reorganization of existing activities and offices, and general administrative policies.

(c) To sign letters of authorization for travel.

(d) To sign contracts covering the procurement of goods, space, and services other than personnel. (Sec. Memo. 846, Jan. 6, 1940)

§ 3.26 *Functions, powers, authority, and duties of Assistant Chief, Administrative Division.* The Assistant Chief, Administrative Division, is authorized to execute and perform all functions, powers, authority, and duties pertaining to the office of the Chief, Administrative Division, in the event the Chief, Administrative Division, is unavailable to act by reason of absence from the central office of the Farm Credit Administration or for any other cause. (Sec. Memo. 846, Jan. 6, 1940)

§ 3.27 *Authority of Chief Clerk and Assistant to the Chief Clerk to issue certificates.* The Chief Clerk and the Assistant to the Chief Clerk of the Farm Credit Administration are hereby authorized to execute and issue under the seal of the Farm Credit Administration, statements (a) authenticating copies of, or excerpts from, official records and files of the Farm Credit Administration; (b) certifying, on the basis of the records of the Farm Credit Administration, the effective periods of regulations, orders, instructions, and regulatory announcements; and (c) certifying, on the basis of the records of the Farm Credit Administration, the appointment, qualification, and continuance in office of any officer or employee of the Farm Credit Administration, or any conservator or receiver acting under the supervision or direction of the Farm Credit Administration. (Sec. Memos. 846, Jan. 6, 1940, 1086, Apr. 26, 1943)

§ 3.28 *Attestation of signatures of officials.* The Chief Clerk and the Assistant to the Chief Clerk of the Farm Credit Administration are hereby authorized to sign official documents and to affix the seal of the Farm Credit Administration thereon for the purpose of attesting the signatures of officials of the Farm Credit Administration. (Sec. Memos. 846, Jan. 6, 1940, 1086, Apr. 26, 1943)

PART 4—PUBLIC INFORMATION, SUBMITTALS, AND REQUESTS

Sec.

4.1 Officers and employees of Farm Credit Administration and of corporations functioning thereunder.
4.2 Information regarding personnel.
4.3 Information regarding borrowers and applicants for loans.
4.4 Officer or employee summoned as witness.
4.5 General information.
4.6 Submittals and requests.
4.7 Official records.

AUTHORITY: §§ 4.1 to 4.7, inclusive, issued under sec. 6, 47 Stat. 14, sec. 17, 39 Stat. 375, sec. 2, 42 Stat. 1459, secs. 1–43, 48 Stat. 257, et seq., as amended, sec. 4, 46 Stat. 13, sec. 201 (e), 47 Stat. 713, sec. 6, 44 Stat. 803; 12 U. S. C. 665, 831, 1101, 1131–1138f, 1141b, 1148, 7 U. S. C. 456.

§ 4.1 *Officers and employees of Farm Credit Administration and of corporations functioning thereunder.* (a) Except as specifically authorized by law or rules and regulations promulgated thereunder, no officer, employee, or agent of the Farm Credit Administration or of any corporation under its supervision and control:

(1) Shall, in any manner directly or indirectly, participate in the deliberation upon, or the determination of, any question affecting his personal interest, those of any person related to him by blood or marriage, or those of any partnership, association, or any corporation in which he is directly or indirectly interested;

(2) Shall divulge to another person, except in the performance of his official duties, or utilize for his personal benefit or that of another, any fact or information acquired by such officer, employee, or agent, directly or indirectly, by virtue of his employment;

(3) Shall speculate, directly or indirectly, in any agricultural commodity or product thereof, or in contracts relating thereto, or in the stock or membership interests of any association or corporation engaged in handling, processing, or disposing of any such commodity or product;

(4) Shall, by any agreement or arrangement whatever, divide or share, directly or indirectly, with another person any compensation or other emolument received by such officer, employee, or agent for or on account of services rendered in the performance of his official duties;

(5) Shall accept or receive any salary, fee, commission, honorarium, or substantial gift, or other benefit for any purpose or in any way, directly or indirectly, from any borrower from or debtor to the Farm Credit Administration or any such corporation, or from any loan applicant or representative thereof.

(b) In this connection, particular attention is directed to the following provisions of law containing the Federal penal provisions which relate particularly to officers, employees, and agents of the Farm Credit Administration and the corporations under its supervision and control: section 31 of the Federal Farm Loan Act (39 Stat. 382; 12 U. S. C. 981) as amended; paragraphs (a) to (e), inclusive, of section 211 of the Agricultural Credits Act of 1923 (42 Stat. 1459; 12 U. S. C. 1121–1125) as amended; paragraphs (b), (c), and (d) of section 15 of the Agricultural Marketing Act (46 Stat. 18; 12 U. S. C. 1141j); section 3 (b) of the Act of February 3, 1933 (47 Stat. 795); section 10 (g) of the Act of May 12, 1933 (Agricultural Adjustment Act) (48 Stat. 37; 7 U. S. C. 610); and paragraphs (a), (c), (e), and (f) of section 64 of the Farm Credit Act of 1933 (48 Stat. 267; 12 U. S. C. 1138d).

§ 4.2 *Information regarding personnel.* Lists of employees shall not be released by a division, office, or corporate unit of the Farm Credit System without the approval of the Governor, a deputy governor, or a commissioner having general supervision over such division, office, or corporate unit. This section is subject to the exceptions set forth in paragraphs (a) to (d), inclusive, of this section.

(a) Federal and State taxing authorities shall be supplied, on request, with the names, addresses, and compensation of the officers, agents, and employees of any association, bank, or corporation. Requests for similar information shall be forwarded to the Farm Credit Administration at Washington, D. C., when they relate to personnel of the Federal Farm Mortgage Corporation or of the Farm Credit Administration (including registrars, reviewing appraisers, and examiners).

(b) A Federal land bank may release lists of the national farm loan association of its district, and their secretary-treasurers; and for use in connection with the nomination and election of members of a district farm credit board by national farm loan associations, a Federal land bank may release lists of the presidents and directors of national farm loan associations of its district.

(c) A production credit corporation may release lists of the production credit associations of its district, and their secretary-treasurers; and for use in connection with the nomination and election of members of a district farm credit board by production credit associations, a production credit corporation may release lists of the presidents and directors of production credit associations of its district.

(d) A bank for cooperatives may release lists of cooperative associations which hold stock in the bank or which have subscribed to its guaranty fund, and lists of the presidents of such cooperative associations, for use in connection with the nomination and election of members of a district farm credit board.

§ 4.3 *Information regarding borrowers and applicants for loans.* Every bank, association, corporation, and loan office of the Farm Credit System, its officers, directors, and employees, shall hold in strict confidence all information regarding the character, credit standing, and property of borrowers and applicants for loans, and shall not exhibit or quote the following listed documents: loan applications; supplementary statements by applicants; letters and statements relative to the character, property, and credit standing of borrowers and applicants; recommendations of loan committees; and reports of inspectors, fieldmen, and appraisers. This section is subject to the exceptions set forth in paragraphs (a) to (j) of this section.

(a) Examiners and other accredited representatives of the Farm Credit Administration shall have free access to all information, records, and files.

(b) Accredited representatives of the following offices of the United States Government, at their request, may be given information pertinent to official investigations of individual cases by such offices, and may be permitted to examine such portions of the records and files as contain the pertinent information: Secret Service and Bureau of Internal Revenue, Treasury Department; Federal Bureau of Investigation, Department of Justice; and Office of the Chief Inspector, Post Office Department. Before information is given to any such representative, he should be required to present his official identification card, and to make a written request identifying the individual case on which information is sought and the particular information desired and certifying that such information is pertinent to the official investigation of that case and is requested for confidential use of the investigating office.

(c) Accredited employees of bureaus and offices of the United States Department of Agriculture (other than the Farm Credit Administration) may be supplied with statistical data and impersonal information concerning borrowers, applicants, and loans, when such information is requested for a stated official purpose. If it appears that undue work would be involved in assembling the desired information, the request should be handled as follows: in the case of a national farm loan association, referred to the Federal land bank; in the case of a production credit association, referred to the production credit corporation; in the case of a regional agricultural credit corporation, referred to the Director, Regional Agricultural Credit Division; and in the case of any unit of a district Farm Credit Administration, referred to the appropriate commissioner. Thus, if the matter is not readily adjusted in the field, the appropriate Farm Credit Administration official in the central office may consult the head of the requesting unit, and agree upon a practical method of cooperation.

(d) The general agents and the presidents of the Federal land banks, Federal intermediate credit banks, production credit corporations, and banks for cooperatives may supply statistical and other impersonal information pertaining to groups of borrowers, applicants, and loans, in response to requests from any department or independent office of the Government of the United States, with the understanding that the information is requested for official use, and that it will not be published. Such information may be given in response to requests from non-Government sources, but only with the approval of the Governor, a deputy governor, or the appropriate commissioner.

(e) Full information concerning individual borrowers may be given for the confidential use of any bank, association, corporation, or loan office of the Farm Credit System, or any other Government agency, in response to inquiries made in contemplation of the extension of credit or the collection of loans. To the extent that such information relates to the character and personal traits of a borrower, it shall be ascribed to reports from unnamed sources believed to be reliable, and shall be accompanied by the statement that no responsibility is assumed for the accuracy of such reports.

(f) Information may be given in confidence to reliable private institutions (lending and mercantile) concerning the amount, terms, and payment records of loans to individual borrowers, in response to inquiries made in contemplation of the extension of credit.

(g) Credit information concerning any institutional borrower (including cooperative associations) may be given when such borrower consents thereto in writing: *Provided, however,* That opinions as to the ability of such borrower to meet its obligations and commitments may be given to creditors and prospective creditors of such borrower without its consent upon the following conditions: (1) that the opinion is to be held in strict confidence by the creditor or prospective creditor; (2) that the opinion is for the private use of the creditor or prospective creditor; and (3) that the opinion be accompanied by a statement that no responsibility for its accuracy is assumed.

(h) The loan application and any supplementary statements signed by a borrower may be examined and their contents may be proved in court by the borrower who signed them, or by his accredited representative, or by the successor in interest of a deceased borrower.

(i) An unsuccessful loan applicant, or a person authorized to inquire in his behalf, may be informed of impersonal credit factors which caused the rejection of his application, but if a loan is denied because of the applicant's personal shortcomings, no explanation may be made which would tend to defame his character or betray the confidence of an informant.

(j) In litigation between a borrower (or his successor in interest) and the United States or a bank or association of the Farm Credit System, any competent evidence may be introduced on be-

half of either party with respect to any relevant statements made orally or in writing by or to the borrower or his successor.

§ 4.4 *Officer or employee summoned as witness.* If an officer or employee of any association, bank, corporation, or loan office of the Farm Credit System is summoned as a witness in litigation to which neither the Government nor any farm credit agency is a party for the purpose of testifying and/or producing documentary evidence with respect to matters which he is forbidden by these regulations to disclose, he shall arrange, if possible, with counsel who obtained the summons, to be excused from testifying. If such arrangement cannot be made, the officer or employee shall appear in response to the summons, and respectfully decline to give any testimony or produce any documents containing information which is designated as confidential by these regulations. Immediately upon receiving any such summons, the officer or employee shall notify counsel for the agency with which he is connected, requesting advice and assistance, and for this purpose, the officers and employees of national farm loan associations and production credit associations shall consult counsel for the appropriate Federal land bank or production credit corporation.

§ 4.5 *General information.* Information regarding the Farm Credit Administration or any of its activities, and general information regarding any of the institutions under its supervision (named in § 2.2 of this chapter) may be obtained from the Farm Credit Administration, Washington, D. C., or from the particular institution concerned.

§ 4.6 *Submittals and requests.* Submittals and requests pertaining to the activities of the Farm Credit Administration should be sent to the Farm Credit Administration, Washington, D. C. Submittals and requests pertaining to the activities of any particular institution supervised by the Farm Credit Administration should be sent to that institution.

§ 4.7 *Official records.* The Farm Credit Administration and the several institutions under its supervision keep confidential the classes of records enumerated in §§ 4.1 to 4.4, inclusive. Information contained in other official records in the custody of the Farm Credit Administration or of a particular institution may be made available to persons directly and properly concerned upon written application to the Farm Credit Administration or the particular institution. Such application must identify the specific information sought and must show how the applicant is concerned therewith. Such applications with respect to official records in the custody of the Farm Credit Administration may be granted by the Governor or any deputy governor or by the commissioner or other division head in charge of the functions to which the records relate. Such applications with respect to official records in the custody of a particular institution may be granted by the chief executive officer of the institution.

PART 5—SURPLUS PROPERTY DISPOSAL

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AUTHORITY: §§ 5.103–01 to 5.704–04, inclusive, issued under 58 Stat. 765; 50 U. S. C., App. Sup., 1611 et seq.

NOTE: In §§ 5.103–01 to 5.704–04, inclusive, the numbers to the right of the decimal point correspond with the respective section numbers in the Surplus Property Disposal Manual, issued as of July 12, 1946.

DEFINITIONS AND DELEGATIONS OF AUTHORITY

§ 5.103–01 *Definitions; Surplus Property Act of 1944.* The following definitions are contained in the act and are adopted for the purposes of this part:

(a) The term "Government agency" means any executive department, board, bureau, commission, or other agency in the executive branch of the Federal Government, or any corporation wholly owned (either directly or through one or more corporations) by the United States.

(b) The term "owning agency," in the case of any property, means the executive department, the independent agency in the executive branch of the Federal Government, or the corporation (if a Government agency), having control of such property otherwise than solely as a disposal agency.

(c) The term "disposal agency" means any Government agency designated under section 10 of the act to dispose of one or more classes of surplus property.

(d) The term "property" means any interest, owned by the United States or any Government agency, in real or personal property, of any kind, wherever located, but does not include (1) the public domain, or such lands withdrawn or reserved from the public domain as the Surplus Property Board (created by section 5 of the act) determines are suitable for return to the public domain for disposition under the general land laws, or (2) naval vessels of the following categories: battleships, cruisers, aircraft carriers, destroyers, and submarines.

(e) The term "surplus property" means any property which has been determined to be surplus to the needs and responsibilities of the owning agency in accordance with section 11 of the act.

(f) The term "contractor inventory" means (1) any property related to a terminated contract of any type with a Government agency or to a subcontract thereunder; and (2) any property acquired under a contract pursuant to the terms of which title is vested in the Government, and in excess of the amounts needed to complete performance thereunder; and (3) any property which the Government is obligated to take over under any type of contract as a result of any change in the specifications or plans thereunder.

(g) The term "care and handling" includes completing, repairing, converting, rehabilitating, operating, maintaining, preserving, protecting, insuring, storing, packing, handling, and transporting, and, in the case of property which is dangerous to public health or safety, destroying, or rendering innocuous, such property.

(h) The term "person" means any individual, corporation, partnership, firm, association, trust, estate, or other entity.

(i) The term "State" includes the several States, Territories, and possessions of the United States, and the District of Columbia.

(j) The term "tax-supported institution" means any scientific, literary, educational, public-health, or public-welfare institution which is supported in whole or in part through the use of funds derived from taxation by the United States, or by any State or political subdivision thereof.

§ 5.103–02 *Definitions; regulations of War Assets Administrator.* The following definitions are contained in WAA revised Regulation 5 and are adopted for the purposes of the regulations in this part:

(a) "Administration" means the War Assets Administration.

(b) "Administrator" means the War Assets Administrator.

(c) "Continental United States" means the 48 States and the District of Columbia.

(d) "Former owner" means the person from whom the real property was acquired by the Government.

(e) "Nonprofit institution" means any scientific, literary, educational, public-health, public-welfare, charitable, or eleemosynary institution, any hospital or similar institution, and any volunteer fire company, (1) which is supported in whole or in part through the use of funds derived from taxation by the United States, its territories or possessions, or by any State or political subdivision thereof, or (2) which is exempt from taxation under section 101 (6) of the Internal Revenue Code.

(f) "Educational institution" means any school, school system, library, college, university, or other similar institution, organization, or association, which is organized for the primary purpose of carrying on instruction or research in the public interest, and which is a nonprofit institution.

(g) "Offer" means a written offer to purchase surplus real property or a written application by a Government agency or a State or local government requesting that such property be held for disposal to it.

(h) "Owner-operator" means a person who will personally operate and cultivate agricultural land to earn a livelihood rather than lease it to a tenant.

(i) "Priority" means the right of a person, subject to stated conditions and limitations, to purchase surplus real property to the exclusion of other persons.

(j) "Public-health institution" means any hospital, board, agency, institution, organization, or association, which is organized for the primary purpose of carrying on medical, public health, or sanitational services in the public interest, or research to extend the knowledge in these fields, and which is a nonprofit institution.

(k) "Real property" means any interest, owned by the United States or any Government agency, in real property, of any kind, wherever located, but does not include the public domain, or such lands withdrawn or reserved from the public domain as the War Assets Administration determines are suitable for return to the public domain for disposition under the general land laws. It is not limited to the definition thereof as contained in section 23 of the act.

(l) "Section 23 real property" means property consisting of land, together with any fixtures and improvements thereon (including hotels, apartment houses, hospitals, office buildings, stores, and other commercial structures) located outside the District of Columbia, but does not include (1) commercial structures constructed by, at the direction of, or on behalf of any Government agency, (2) commercial structures which the Administrator determines have been made an integral part of a functional or economic unit which should be disposed of as a whole, and (3) war housing, industrial plants, factories, airports, airport facilities, or similar structures and facilities, or the sites thereof, or land which the Administrator determines essential to the use of any of the foregoing.

(m) "State or local government" means any State, territory, or possession of the United States, the District of Columbia, and any political subdivision or instrumentality thereof.

(n) "Veteran" means any person who served in the active military or naval service of the United States during the present war, or any person who served in the active military or naval service of the United States on or after September 16, 1940, and prior to the termination of the present war, and who has been discharged or released therefrom under honorable conditions. "Veterans released" from military or naval service shall include persons on terminal leave or final furlough and those whose status has been changed from "active" to "inactive."

(o) "War housing" means real properties improved with housing structures, acquired or constructed by the Government subsequent to September 8, 1939, either (1) for the purpose of housing servicemen, war workers, and their families, or (2) by the use of funds earmarked or appropriated for the housing of persons engaged in national defense activities, and their families.

(p) "Own" business enterprise of a veteran means one of which more than fifty (50) percent of the invested capital thereof is beneficially, and not merely nominally or formally, owned by a veteran or veterans, or one of which more than fifty (50) percent of the net income thereof beneficially, and not merely nominally or formally, accrues to a veteran or veterans.

(q) "Small business" as used herein with respect to a veteran, means a veteran's own small business and may include any commercial, agricultural, or industrial enterprise or group of enterprises under common ownership or control, which does not at the date of purchase of surplus real property hereunder have more than five hundred (500) employees, or any such enterprise which, by reason of its relative size and position in its industry, is determined by the disposal agency to be a small business. The disposal agency may in its discretion apply either or both criteria in determining whether or not the applicant is a small business.

§ 5.103–03 *Definitions; regulations of Farm Credit Administration.* As used in this part:

(a) "Act" means the Surplus Property Act of 1944 as modified by the act of Sept. 18, 1945 (Pub. Law 181, 79th Cong., 59 Stat. 533; 50 U. S. C. App. Sup., 1614a,

1614b), E. O. 9689, Jan. 31, 1946, and any other amendatory or supplementary acts or executive orders.

(b) "FCA" means the Farm Credit Administration.

(c) "Central office" means the central office of the Farm Credit Administration.

(d) "District office" means the office of the FFMC maintained in each of the 12 Federal land banks, including the Regional Director of Surplus Property Disposal and district vice president.

(e) "FFMC" or "Corporation" means the Federal Farm Mortgage Corporation.

(f) "FLB" or "bank" means the Federal land bank serving the farm credit district in which a project of surplus agricultural and forest property concerned is located.

(g) "Project" means the area included in a particular assignment which may or may not be composed of contiguous parts.

(h) "Project office" means an office established on the site of the project or at such other place as may be designated where business relating to the disposal of property in the project may be transacted.

(i) "Tract" means a separate parcel of land as acquired by the Government or any other unit established by the disposal agency in reblocking an area.

(j) "USDA" means the United States Department of Agriculture.

(k) "WAA" means War Assets Administrator or War Assets Administration.

§ 5.105–02 *Delegations of authority.* (a) An order of the Secretary of Agriculture dated April 26, 1945 (10 F. R. 4647), delegates, subject to his general supervision and direction, authority and responsibility to the Governor of the FCA, with authority to redelegate to any appropriate officer, agent, or employee of the FCA or of the USDA, including the FFMC, with a provision that the services and facilities of the Federal land banks and national farm loan associations may be used.

(b) An order of the Governor of the FCA dated April 28, 1945 (10 F. R. 4694), redelegates, subject to his general supervision and direction, authority and responsibility to FMC, with a provision that the services and facilities of the Federal land banks and national farm loan associations may be used.

(c) An order of the Governor of the FCA dated August 3, 1945, redelegates to the Land Bank Commissioner, subject to the Governor's supervision and direction, his supervisory powers related to surplus property disposal, and permits redelegation thereof to any officer or employee in the Land Bank Division of the FCA. An order of the Land Bank Commissioner, dated August 9, 1945, makes a further redelegation, subject to the Commissioner's supervision, to the Director of Surplus Property Disposal.

(d) A resolution of the Board of Directors of the FFMC adopted April 30, 1945, authorizes the President of the FFMC to act for the FFMC in executing the surplus property disposal program. An order of the President of the FFMC dated August 3, 1945, appoints the president of each Federal land bank ex officio an executive officer of the Corporation with the title of Regional Director of Surplus Property Disposal and makes the Regional Director of Surplus Property Disposal responsible for the Corporation's surplus property disposal activities in the district, subject to the supervision of the president of the Corporation. A letter from the president of the Corporation to each district vice president dated August 3, 1945, appearing in the Appendix hereto as Exhibit 33,[1] outlines the powers and duties of the district vice president and subordinates his authority and responsibility to that of the Regional Director of Surplus Property Disposal.

(e) A resolution of the Board of Directors of the FFMC adopted April 30, 1945, authorizes any vice president of the Corporation to sign deeds, leases, and other instruments in connection with the surplus property disposal program.

PURCHASE OF SURPLUS PROPERTY BY OFFICERS, EMPLOYEES, OR AGENTS

§ 5.109–01 *Purchase of surplus property by officers, employees, or agents.* No officer, employee, or agent of the Farm Credit Administration, the Federal Farm Mortgage Corporation, or any institution under the supervision of the Farm Credit Administration shall, except in the exercise of a priority right pursuant to the Surplus Property Act of 1944 (58 Stat. 765; 50 U. S. C., App., Sup., 1611 et seq.), purchase any surplus property assigned for disposal to the Department of Agriculture as disposal agency for agricultural and forest property; and no sale of any such surplus property to any such officer, employee, or agent in the exercise of any such priority right shall be made except with the prior approval of the Farm Credit Administration.

FUNCTIONAL ORGANIZATION

§ 5.201–01 *Services and facilities of existing Farm Credit Administration units.* The units of the FCA whose services and facilities are used in the disposal of surplus property will function under the general direction of the Governor or officials designated by him. The experience of the Farm Credit Administration in connection with the servicing and selling of real estate acquired by the FFMC and the Federal land banks in the course of their regular business, the trained personnel in the various units concerned, the existing field organization, and the distribution of offices make it unnecessary to set up a special separate organization to dispose of surplus real property. Whatever services may be required should be rendered with as little disturbance to the regular organization as practicable. Such time records should be maintained as will facilitate reimbursement of all expenses.

§ 5.201–02 *Federal Farm Mortgage Corporation.* The responsibility for disposal of surplus agricultural and forest property is that of the FFMC by delegation of authority from the Governor of the FCA. The Board of Directors of the Corporation has authorized the president of the Corporation to administer the program on behalf of the Corporation. Provision has been made for the use of the facilities of the FCA and the Federal land bank and, where desired, the national farm loan associations, in the performance of the necessary operations.

§ 5.201–03 *Facilities of central office of Farm Credit Administration.* Services and facilities of the central office of the Farm Credit Administration will be used to the extent necessary or appropriate in administering the program.

§ 5.201–04 *Federal land banks.* It is expected that the services and facilities of the Federal land banks will be made available to the Corporation as needed in administering the program and in executing established policies, but the banks shall not exercise any authority or bear any responsibility of the disposal agency as such.

§ 5.201–05 *National farm loan associations.* While it is recognized that not many national farm loan association offices will be so located that their facilities can be used effectively, nevertheless in case such offices are located near project areas, it is possible that their services and facilities will be used if that is found convenient and practicable. The associations will not exercise any authority or bear any responsibility of the disposal agency as such.

§ 5.202–01 *Farm Credit Administration central office organization.* (a) The Governor of the FCA exercises general supervision and direction of the program and as President of the FFMC exercises the Corporation's authority and is responsible for actions taken in its name.

(b) The Land Bank Commissioner, subject to the supervision and direction of the Governor, is responsible for the direction and supervision of the disposal program, using the facilities of the Land Bank Division and appropriate service divisions of the FCA, and supervises the Federal land banks (and national farm loan associations when used) in the discharge of their responsibilities in rendering services to the FFMC.

(c) The Director of Surplus Property Disposal, under supervision and direction of the Land Bank Commissioner, exercises supervision and direction of disposal program; advises with representative of WAA and with the office of Assistant Secretary of Agriculture on operations; advises with USDA agencies and other Government agencies concerned; advises with FCA service units; is responsible for assembling of data and preparation of necessary reports, maintenance of necessary control records and files, correspondence, and the formulation, preparation, and issuance of appropriate regulations; makes recommendations on policies and procedures to Land Bank Commissioner.

(d) *Service units*—(1) *Legal.* Legal services to the FCA and FFMC in connection with the disposal of surplus agricultural and forest property will be rendered by the Office of the Solicitor.

(2) *Appraisal.* The Appraisal Subdivision will render assistance in developing policies and operating procedures relating to appraisal; exercise general su-

[1] Not filed with the Division of the Federal Register.

pervision over appraisers; cooperate with the banks in arranging for appraisal services as needed; make field reviews of appraisal work; and render such other services relating to appraisals as may be deemed advisable.

(3) *Real estate service and sales.* This section of the Land Bank Division will assist in developing policies and procedures relating to leasing, care and handling, and sale of real property; advise with the Federal land banks on operating problems; and render such other services as may be considered advisable.

(4) *Finance and accounts.* The Finance and Accounts Division will be responsible for developing a manual of accounts in cooperation with the field units responsible for accounting operations; for maintenance of necessary accounts in the central office; for assembling necessary data for the preparation of reports; for general supervision of accounting operations; and for such other assistance on fiscal problems as may be necessary.

(5) *Examination.* (i) The operations of Farm Credit Administration, Federal Farm Mortgage Corporation, Federal land banks, and national farm loan associations relating to surplus property disposal shall be included within the scope of the examinations of these agencies conducted by the Examination Division of the Farm Credit Administration. The Examination Division is designated the compliance organization to perform the functions and duties required by Surplus Property Administration Regulation 15, dated November 16, 1945, and any other related requirements of the Surplus Property Administrator, the Department of Agriculture, or the Farm Credit Administration.

(ii) Section 5 of SPA Regulation 15, dated November 16, 1945 (32 CFR, 1945 Supp., 8315.5) provides that subject to the provisions set forth in 32 CFR, 1945 Supp., 8315.6, the Examination Division shall perform such investigatory functions as are necessary to insure compliance with the provisions of the act and with the regulations, orders, directions, and policy statements of the Administrator including:

(*a*) Periodic surveys of field unit disposal operations, to prevent or correct irregularities in the disposition of surplus property.

(*b*) Such special investigations as the agency or the Administrator may consider necessary to insure the observance of prescribed disposal procedures.

(*c*) Investigations upon the receipt of complaints or information from any source indicating irregular or improper disposal of surplus property.

(6) *Personnel.* Personnel actions will be processed in accordance with established procedure of the Farm Credit Administration.

(7) *Information and extension.* This division will render appropriate assistance with reference to publicity and advertising.

(8) *Files and clerical.* Such services as may be necessary to maintain adequate files, conduct necessary correspondence and other clerical service will be rendered by the sections engaged in similar work for the FCA.

§ 5.203–01 *District organization.* (a) The president of the Federal land bank, as president of the Federal land bank, is responsible for the services rendered by the bank in executing the disposal program; and as regional director of Surplus Property Disposal of the FFMC, exercises general supervision and direction of the program on behalf of the FFMC, under general direction of the President of the FFMC.

(b) The district supervisor of Surplus Property Disposal, under the direction of the president of the FLB, exercises direction and supervision of the services and facilities of the bank and the national farm loan associations in connection with surplus property disposal in the district; advises with service units of the FLB; communicates with district U. S. Engineer's office concerning available information on particular projects; advises with FCA central office on operations problems, including proposed communications and contacts with other Government agencies; makes recommendations on prices and offers to purchase to vice president of FFMC and on any other transactions requiring the approval of the FFMC.

(c) The project manager, under the direction of the District Supervisor of Surplus Property Disposal, is responsible for field operations, arranging for appraisals, recommending prices and sales offers; maintenance of field records and correspondence; and other activities as may be assigned.

(d) The district vice president of FFMC, under the general direction of the Regional Director of Surplus Property Disposal of FFMC, takes such official action on behalf of the Corporation as may be assigned by the regional director, including approval of prices and signing of instruments and documents in accordance with established procedure.

(e) The district service units will render such service as may be necessary and advisable in discharging the responsibilities of the banks and associations to the FFMC. These service units include legal, personnel, appraisal, accounting, association service division, files, and clerical and records. It is expected that it will ordinarily not be necessary to assign personnel on a full-time basis or to create new sections for the purposes of the disposal program.

PREPARATORY STEPS

§ 5.301–01 *Receipt of declaration by disposal agency.* After real property is declared surplus by the owning agency, reported to the WAA, and classified by it, two copies of the declaration (WAA Form 1005 or Form SPB 5), with accompanying schedules, will be forwarded by the WAA to the FCA, either to the central office or in care of one of the Federal land banks. If the copies of the declaration are sent to the central office, it will reproduce such information as it deems necessary for its use and forward both copies of the declaration to the district supervisor. Date of assignment will be the date the declaration is received by the FCA.

§ 5.302–01 *Obtaining information from owning agency.* Section 10 (d) of SPA Revised Regulation 5 (32 CFR, Supps., 8305.10 (d)) provides that, upon request of the disposal agency, the owning agency shall immediately supply the disposal agency with the originals or true copies of all information and documents pertaining to the surplus real property in the possession of the owning agency and copies of which have not been filed with the declaration. Upon receipt of the copies of the declaration, the district supervisor will request from the owning agency originals or true copies of all such information and documents. This material ordinarily will include appraisal reports, maps, abstracts of title, tax receipts, affidavits of title, copies of judgment in condemnation proceedings, and other title papers relating to the property. In instances where the War Department is the owning agency, requests for abstracts of title or other title papers should be addressed to the Office of the Chief of Engineers, Attention: Director of Real Estate, Washington 25, D. C.

§ 5.302–02 *Return of documents to owning agency.* Any papers or documents which the owning agency requests be returned to it shall be returned promptly when there is no further need for them in connection with the disposal operations.

§ 5.303–01 *Assumption of custody and control of property.* Upon the filing of a declaration of surplus real property, the War Assets Administration shall work out with the owning agency mutually satisfactory arrangements for the assumption by the Administration of the custody and control of, and accountability for, the property covered by such declaration. After assumption of custody and control of the property, the Administration shall be responsible for the care and handling of such property pending its disposition or pending its assignment, in whole or in part to another disposal agency. When surplus real property is assigned to the Farm Credit Administration as disposal agency, the district supervisor shall promptly work out by agreement with the appropriate regional office of the WAA mutually satisfactory arrangements for the disposal agency's assumption of the physical custody and control of, and accountability for the property covered by the declaration of assignment. This acceptance of accountability should be signed by the district vice president of the Federal Farm Mortgage Corporation.

§ 5.303–02 *Repairs and improvements.* The disposal agency shall make repairs necessary for the preservation and maintenance of the property; no disbursement may be made for these purposes without the approval of the district office. The disposal agency is not authorized to expend any funds for improvement of real property declared to it as surplus or for the erection of structures thereon, except as may be specially authorized by the WAA.

§ 5.303–03 *Leasing.* In proper cases the disposal agency may lease or grant

permits on the property as provided in § 5.610–01, et seq.

§ 5.303–04 *Insurance.* In accordance with the general policy of the Government not to incur expense for the insurance of public property, insurance shall not be obtained or carried on improvements at Government expense.

§ 5.304–01 *Descriptions.* The disposal agency shall obtain the full and correct legal description of the property to be disposed of and take the steps necessary to determine its exact location and area.

§ 5.305–01 *Surveys.* Surveys shall be made when necessary and markers or monuments placed upon the ground in order to establish the boundaries of tracts as acquired by the Government. Ordinarily it will not be advisable to make the survey prior to appraisal in order that appraisals may conform to the area of the original tracts.

§ 5.306–01 *Subdivisions; economic units.* For disposal to other than Government agencies, State or local governments, former owners or tenants, surplus real property shall be subdivided by the disposal agency into appropriate units for disposal. Section 23 real property classified as suitable for agricultural use shall be subdivided by the disposal agency into economic family-size units wherever practicable. The size of such units may vary according to the conditions and farming practices in the locality where the land is situated. Section 23 real property not classified as suitable for agricultural use shall be subdivided or regrouped into appropriate units considering the character of the property, the use or uses to which it may be put, and the possibility of giving veterans and those who will use the property personally a fair opportunity to acquire and utilize the property. Plans for repatterning should be developed as soon as practicable after the disposal agency receives the declaration of surplus and the actual work of repatterning should be completed at the earliest possible date after the expiration of the priority period. Repatterning may be delayed if it appears that the property will be absorbed by the priorities of Government agencies, State or local governments, former owners, or tenants.

§ 5.306–02 *Contacts with other agencies.* In repatterning real property into economic family-size units, consideration shall be given to any available information published by the Department of Agriculture relating to economic size of farms in the area concerned. Ordinarily it will be desirable to confer on the site with representatives of the Bureau of Agricultural Economics, Soil Conservation Service, Agricultural Extension Service, and local representatives. In most instances agencies of the Department would be represented in such conferences by persons from regional offices of the agencies. Arrangements for such conferences and requests for information should be made by the district supervisor through the central office of the Farm Credit Administration except that any State and local contacts may be made direct.

§ 5.307–01 *Notice and advertisement; wide publicity.* The disposal agency shall avail itself of all suitable means to give wide publicity to the availability for disposal of surplus real property.

§ 5.307–02 *Publication of notice.* Except where a transfer is requested by a Government agency, the disposal agency, upon receipt of a declaration of surplus real property, shall promptly and widely publicize the property, giving information adequate to inform interested persons of the general nature of the property and its possible uses. Such publicity shall be by public advertising and also may include press releases, display advertisements, and other appropriate means which it is customary to use in advertising public notices of sale. Public advertising shall consist of a sale notice containing substantially the matter set forth in exhibit 34,[1] including a reservation of fissionable materials, as provided in 32 CFR, Supps. 8305.12 (f). (5). With respect to other than section 23 real property, including structures to be disposed of separate from land, such notice shall be published one or more times during the 10 days following the date of the first publication. With respect to section 23 real property, exclusive of structures to be disposed of separate from land, such notice shall be published at least three times during the 90 days following the date such notice is first published, at approximate intervals of 21 days, unless a Government agency or State or local government exercises its priority to acquire the property within the prescribed 10-day priority period for such claimants. The priority chart set forth in exhibit 35 [1] hereof may be used as a guide in preparing the notice for publication. Ordinarily it will not be necessary to include all the information in the chart in any one notice. For example, if the declaration indicates that all tracts within the project area were acquired by the Government on or before December 31, 1939, it will not be necessary in preparing the notice to call attention to the priorities applicable only to section 23 real property acquired after that date.

§ 5.307–03 *Notice of sale.* In the "Notice of Sale" the FFMC shall be indicated as the disposal agency. If an office is established on the site, the address of the office, and ordinarily the name of the project manager, shall be shown in the notice for the benefit of persons seeking information about the project. If no project office is established on the site and a project manager will not be available there, such other address shall be indicated as will enable all persons to obtain information readily. The notice of sale shall be signed by the district vice president of the FFMC authorized by order of the Secretary of Agriculture to contract with the newspaper for advertising space.

§ 5.307–04 *Advertising order.* The disposal agency shall arrange with the newspapers selected for the publication of the notice of sale on Government Advertising Order, Standard Form No. 1053.

[1] Not filed with the Division of the Federal Register.

§ 5.307–05 *Payment of public voucher for advertising.* The following forms set forth the requirements to be met as a condition to payment of the voucher:

Statement of Advertising Rates—Std. Form No. 1052.
Public Voucher for Advertising—Std. Form No. 1054 (white copy).
Public Voucher for Advertising—Std. Form No. 1054a (yellow memorandum copy).

Standard Form No. 1052 requires that the publisher file with the department or office a sworn statement of his advertising rates which must be the commercial rates charged to private individuals with the usual discounts. After this sworn statement is once filed with the district office and space is again purchased from the same newspaper, it will not be necessary for the publisher to again file his sworn statement of advertising rates unless there has been a change in the rates charged subsequent to the filing of the last statement. The district office should determine that Standard Form No. 1054 has been properly completed by the publisher and that a clipping from the publication is pasted thereon; if the voucher is to be supported by a Standard Form No. 1052 previously received from the publisher, appropriate indication that a form 1052 is on file, and the date thereof, should be stated in the block provided for additional statements by the Corporation. The district vice president of the Federal Farm Mortgage Corporation should execute the certifications at the bottom of the voucher. The bank should retain in its files, as evidence of its payment as agent of the Corporation, a copy of the notice originally submitted to the publisher, a copy of the advertising order, and the voucher, to which should be attached a copy of the notice published.

§ 5.307–06 *Authority for payment of public voucher.* Authority is furnished the vice president of the Federal Farm Mortgage Corporation to sign Standard Form No. 1053 in contracting for newspaper space under order of the Secretary of Agriculture dated September 7, 1945 (10 F. R. 11415). Copies of this order may be used as required in furnishing the publisher with evidence of the authority of the officer in contracting for newspaper space. Ordinarily the information to be furnished on the advertising order showing the date of authority to advertise should be sufficient evidence to the publisher of the authority of the officer contracting for newspaper space. Ordinarily, in purchasing advertising space from a particular newspaper arrangements should be made for the four publications of the notice at the time of submitting the advertising order. This would obviate the necessity of furnishing the same newspaper with additional advertising orders and provide for the payment of one voucher covering the total cost of the four publications required.

§ 5.307–07 *Selection of newspapers.* In selecting the newspaper in which to publish the notice and advertisement, consideration should be given to the total circulation of newspapers and to the coverage of the general area in which

the project is located. Within the discretion of the district office the notice may be in the form of a display ad or a legal notice depending upon the circumstances, with due regard for the need for economy.

§ 5.307–08 *Notice by mail.* Where (a) a transfer is requested by one of the armed forces for national defense purposes prior to the conclusion of peace, its need being recognized as paramount, or (b) a transfer is requested by the National Housing Administrator pursuant to Public Law 292, 79th Congress (59 Stat. 674; 42 U. S. C. Sup., 1572), no notice to other Government agencies is required. In all other cases where a transfer is requested by a Government agency, the disposal agency shall send (not publish) a notice of availability by mail to all Government agencies listed in exhibit 36 [1] of the regulations in this part. When publication is required, as provided by § 5.307–02, at the time of the first publication of the notice, the disposal agency shall send a copy of the notice by mail to all Government agencies listed in exhibit 36 hereof, to the State and the political subdivision in which the property is located, and to the former owner when he is entitled to priority. The notice to the former owner shall be sent by registered mail to his last known address with return receipt requested. Where the former owner is outside the continental United States, a copy of the notice to the former owner may be sent to the spouse at the last known address. Notices to the State governments shall be addressed to the Secretary of State, and those to political subdivisions of a State should be addressed to appropriate officers. In order to bring to the attention of the proper officials the special priority of State and local governments in reestablishing highways or streets, a covering letter to the Secretary of State should be sent with the notice of sale, advising him that no additional notice has been mailed to the other State officers and requesting that he bring this matter to the attention of the appropriate State officials who might be interested. Also a copy of the notice should be sent by registered mail to the county highway commissioners and other appropriate officials of incorporated cities or municipalities or other political subdivisions in which the property is located. Such notices should be accompanied by a covering letter, which may be a circular letter, calling attention to the special priorities provided by the act and regulations and quoting the pertinent portion of WAA Regulation 5, section 11 (32 CFR, Supps., 8305.11). If there is any question as to the political subdivisions within a State, information should be requested from the Secretary of State prior to sending out notices.

§ 5.307–09 *Form of notice by mail.* Where publication is not required, as provided in §§ 5.307–02 and 5.307–08, the form of notice shall be prepared in substantially the same form as that prescribed for publication. Where publication is required, a copy of the notice published in newspapers will be sufficient to constitute appropriate notice by mail. In order that these notices may be mailed as of the date of publication in newspapers, the district office should request preprints from the newspapers in sufficient quantity to cover its needs for all notices by mail. One preprint of each notice as first published shall be mailed to the central office for its records, and one should be retained in the project file in the district supervisor's office. In the event preprints cannot be obtained, copies of the notice may be prepared in appropriate form and substituted for the preprints in meeting the requirements of this section.

§ 5.307–10 *Additional notice.* If the disposal agency decides to permit priority holders who have not exercised their priorities during the priority period to submit offers after such period has expired, such additional notice may be given to priority holders as the disposal agency shall deem proper.

§ 5.308–01 *Time when, and nature of, information to be made available.* Every effort shall be made to have available in the office of the officer having charge of the disposal, as soon as possible after notice of availability is first published, all necessary information concerning the property. This shall include the appraised value of the property, the unit sizes in which the property will be sold to various classes of purchasers, the priorities and the time and method of exercising them, the maximum prices which may be charged different priority buyers, and all other terms and conditions of sale. Any person shall be entitled, upon request, to receive such information or have access thereto at all reasonable times, as well as information concerning offers, exercises of priorties, and sales that have been made at the time of the inquiry.

APPRAISALS

§ 5.401–01 *Application of established policies and standards.* The policies, standards, definitions, and basic methods for determining values as established and used in the regular appraisal work of the FCA shall be followed in appraising surplus agricultural and forest property insofar as they are applicable to particular situations.

§ 5.401–02 *Scope of information.* Because of the numerous priority rights established by the act, it is important that appraisers develop complete information and data which may affect any of the values established for each property. Appraisal reports should reflect full information on all factors which have a bearing upon the appraiser's conclusions as to values established.

§ 5.401–03 *Developing information.* The act establishes rights to be accorded various groups of priority holders and the regulations provide that information regarding the appraised value of property, unit sizes in which the property will be sold to various classes of purchasers, and the maximum prices which may be charged different priority buyers shall be made available to anyone who requests it. Accordingly, in developing appraisal information the appraiser should refer to all available sources in order that the conclusions reached may be supported by valid evidence. It is particularly important that the damage or benefit to property as a result of action by the United States be fixed only after thorough consideration of the original appraisal data, the results of court action in case of condemnation proceedings, and of any available information furnished by the former owner, the former tenant, or others in the community.

§ 5.402–01 *Current market value.* (a) This value is the highest price the property will bring in terms of money if offered for sale in the open market with reasonable time to find a purchaser, buying with knowledge of the uses and purposes to which it is adapted and for which it is capable of being used. The appraiser should approach the problem from the viewpoint of the average buyer or seller in the community. Emphasis should be placed upon those factors affecting the sale price of the particular property, such as the productivity and earning power of the land, and proximity to towns and real estate developments. Consideration should be given to the highest and best use to which the property is reasonably adapted. Actual sales of similar properties in the community are the best evidence of market value. The appraiser should have intimate knowledge of recent sales and prices for which properties are offered for sale. When no recent transfers have been made, sales of more remote date may be used provided consideration is given to the trend of real estate values from the time of such sales to the date of appraisal. The sales information should be verified, the subject property inspected, and the conditions determined under which the transfers were made. It is believed that sales where the soil is of similar type and productivity can be used by making appropriate adjustments to compensate for differences, such as the absence of community advantages, the lack of buildings, or the fact that the land may be somewhat out of condition. Comparative studies of such information should be helpful in estimating the value of the particular property and in substantiating the conclusions reached.

(b) The appraisal supervisor will be responsible for the development of a list of comparable sales where practicable, to be used by the appraisers and other project personnel. To be of most value to those who will use it, the list should include the actual transfer data as taken from the records, a statement as to whether the sales data was verified, including any special conditions under which the transfer was made, and a brief general description of the property transferred. The list should be accompanied by a map showing the location of the listed properties in relation to the project. In view of the great variation among projects, it will be discretionary with the project appraisal supervisor as to whether the complete list or portions thereof be included in the individual ap-

[1] Not filed with the Division of the Federal Register.

praisal reports. At any rate, the list should be made a matter of record in the project office, and two copies should be furnished the chief reviewing appraiser.

§ 5.402–02 *Adjusted value to be used as basis for price to former owners and tenants.* (a) In cases of section 23 real property acquired by the Government after December 31, 1939, former owners, or the spouse and children of deceased former owners, and tenants of former owners at the time of acquirement are entitled to purchase substantially the identical tract which the Government acquired from them, at the lower of (1) current market value or (2) the price for which the property was acquired by the Government, adjusted to reflect any increase or decrease in the value of such property resulting from action by the United States. In order to establish this price it is necessary to make a determination as to the effect on the value of the property, which was acquired by the Government and which has been assigned for disposal, of any improvement or damage resulting from action by the United States.

(b) The acquisition price shall be the basis for determining this adjusted value regardless of whether such acquisition price was based on the value in the acquisition appraisal report or was fixed by negotiation or by court action. The land, building, and unit values shown in the acquisition appraisal report will furnish evidence as to their relative value at the time of acquirement, which should prove helpful to the appraiser in the determination of adjusted value.

(c) In those cases where only a portion of the original tract acquired by the Government is being disposed of, the acquisition price of the portion to be sold will be determined by prorating the purchase price of the whole tract on the basis of the relative value of each portion at the time of acquisition. In most cases a study of the original acquisition appraisal report in conjunction with a field inspection will be required in order to properly determine the relative proportion of the acquisition price assignable to the part to be sold. This proportionate amount shall thereafter represent the acquisition price of the tract to be disposed of.

(d) In those cases where only a part of a farm was acquired by the Government, the acquisition price shall include any amount which may have been allowed for "severance damage." "Severance damage" may be defined as the amount paid by the Government over and above the value of the portion taken, representing payment for damages to the remainder caused by the taking. While the methods perhaps varied considerably, the general practice in connection with appraisals made at the time of acquisition by the Government, where the case involved a partial taking, consisted fundamentally of (1) appraising the value of the entire unit as it existed before the taking and (2) appraising the value of the portion remaining considered as a unit by itself. The difference between these two values constitutes the acquisition price in such cases.

(e) In many cases where the Government acquired land for war purposes the amount paid the owners for land purchased included a certain amount for damages to growing crops. If the amount paid for crop damage can be determined as a separate item, it should not be included in the "acquisition price" of the tract.

(f) In some cases the owners of the land reserved, in their sale to the Government, certain buildings or improvements which they removed from the land at their own expense. In some such instances the Government deducted an amount, representing the fixed or agreed salvage value of the improvements, from the actual purchase price of the farm and paid the owner the balance. If, in those cases, the amount so deducted can be determined, it should be included in establishing the "acquisition price" of the tract. The removal of the improvements, even though it was actually done by the owner, will be considered to be action of the Government and will be reflected in the "adjusted value." In other words for all practical purposes the reservation of the improvements would be treated as a separate transaction representing a resale by the Government to the former owner.

(g) The direct effect of action by the United States ordinarily will relate to such factors as the removal of buildings, fences, other types of improvements, the construction of ditches, or other changes that may affect the farm from the viewpoint of facility of farming operations. Also, it may be appropriate to consider the indirect effect of actions such as the elimination of roads and the removal of schools or other community facilities. Ordinarily, information should be available prior to appraisal as to the intention of the State or local government with reference to the placement of public roads and perhaps other community facilities. Insofar as practicable, damages should be calculated upon those factors which lend themselves to objective measurement. The removal of a church or community center from a community is an example of an action the effect of which would be difficult to establish by any objective method in fixing the value of a particular tract of land. On the other hand, if it can be determined that in reestablishing any such facilities assessments against a tract of land will be made, appropriate weight should be given to this fact. Likewise, consideration should be given to any measurable benefits that have accrued or may accrue as a result of actions by the United States. For example, the improvement of drainage facilities or elimination of ditches may have resulted in measurable benefits to the tracts in the area affected; such benefits should be reflected in the value to be established.

(h) In estimating this increase or decrease in the value of the property substantially the same general procedure will be followed as is used to determine in the case of land bank loans the effect of a partial release on the value of property which, as outlined in paragraph (d) of this section, is also the usual procedure followed by the War Department in determining severance damage where only a portion of the farm is to be acquired. In applying this principle the acquisition price will be the value of the property before action by the United States and the adjusted value will reflect any changes resulting from the action of the United States. In effect the adjusted value will be an estimate of what the value of the property would have been as of the date of acquisition if the damage or improvement caused by action of the United States such as removal or construction of buildings, destruction or building of roads, or other changes had occurred at that time. This estimate should be made on the basis of the same levels of value as are reflected in the acquisition price regardless of how such acquisition price was determined.

§ 5.402–03 *Value to be used in fixing price to veterans.* Veterans, or the spouse and children of deceased veterans or the spouse and children of deceased servicemen, are given the right to purchase surplus real property at a price fixed by the disposal agency after taking into consideration the character of the property and if income producing the estimated earning capacity thereof on the basis of its highest and best use. This value in no event should be greater than the current market value and is defined as a price that is justified on the basis of expected returns with appropriate consideration given to present conditions and current commodity prices as well as to normal conditions and prices. It can be considered as a price which a purchaser is warranted in paying for the property for continued use or as a long-term investment.

§ 5.402–04 *Fair value.* Government agencies are accorded the right to acquire surplus real property at a price equal to the fair value. Fair value is defined as the maximum price a well-informed buyer acting intelligently and voluntarily would be warranted in paying if he were acquiring the property as a long-term investment or for continued use with the intention of devoting it to the best or most productive type of use for which the property is suitable or capable of being adapted. The appraiser shall give consideration to the character of the property, and if income-producing, the estimated earning capacity thereof. This value in no event shall be greater than the current market value and may be further defined as a price that is justified on the basis of expected returns with appropriate consideration given to present conditions and current commodity prices as well as to normal conditions and prices. In making the appraisal of fair value to be used in disposal to Government agencies, neither the original cost to the Government nor the purposes for which it is being acquired shall be taken into account. For the purpose of appraisal of "Section 23 real property", the term "fair value" is considered virtually synonymous with the "price to veterans" as defined in § 5.402–03.

§ 5.404–01 *Developing basic information.* It is likely that each project will present special problems and in order to plan the work effectively the appraisal supervisor and the appraisers should (a) study the appraisal data and all other information furnished by the owning agency on each tract acquired by the Government, and the instructions under which the appraiser operated when the original appraisals were made; (b) make a general survey of the project noting (1) the type of community, (2) the condition of the land, (3) the changes since acquirement, such as removal of buildings and destruction of roads, and whether any buildings constructed by the owning agency can be utilized for farming operations, (4) possible uses that may be made of the land, (5) wells or other sources of water supply, and (6) conveniences, such as telephone, electric power lines, schools, churches, and roads that are or will be available; (c) establish tentative levels of value for the different grades of land in the project; (d) assemble where practicable recent sales data for use in supporting the current market values established as outlined in § 5.402–01 (b); and (e) develop information as to the demand for land of the type in the particular project. (Since it is important to have the standards used in establishing values consistent among projects, the chief reviewing appraiser should, if possible, assist in this preliminary survey.)

§ 5.404–02 *Appraising the individual tracts.* With respect to section 23 real property acquired by the Government after December 31, 1939, in making appraisals of the individual tracts arrangements should be made for the former owner to accompany the appraiser during his inspection of the property, if practicable. This will give him an opportunity to present to the appraiser any information he may have as to the changes in the property and the effect on the price for which he is entitled to repurchase his farm. The appraisers will assign a current market value and also estimate the adjusted price at which each tract may be sold to the former owner or tenant. It will not be feasible to establish the price to veterans at this time unless (a) it is anticipated that only a relatively small part of the land will be sold to higher priority holders and (b) it is unnecessary to make changes in the original boundaries in order to block the land into economic units before offering it for sale to veterans. In other words, it would not be practicable to establish the price to veterans until it is determined definitely what land will be available to offer to them. Likewise it will not be feasible to establish the fair value at this time unless it is contemplated that disposal will be made to a Government agency. In such instance the fair value will be established for the specific acreage or property to be acquired by the Government agency.

§ 5.404–03 *Appraisal report.* (a) Since in many instances it will not be practicable to establish the price to the former owner and to veterans at the same time, two appraisal report forms are provided, FCA 1181 SPD and FCA 1181a SPD. Where the price for all priority holders is established at the same time, it will not be necessary to duplicate any information in the second report that is included in the first. In such cases the second form will be in the nature of a supplemental report. In reporting the fair value of "section 23 real property" Form FCA 1181a SPD will be used, adapting it where necessary to fit the case. In making appraisals, full information should be shown in the report to substantiate the conclusions reached. This will include any sales data used in establishing the current market value of the particular property and a clear statement of the consideration given to various factors relating to the estimate of the increase or decrease in value resulting from action by the United States.

(b) It is extremely important to maintain a high degree of consistency in the valuations of the various tracts of each project. The appraisal supervisor shall not release the appraisal reports until the valuations on all the properties have been completed and adjustments made to correct any inconsistencies in values among the individual units. A representative of the chief reviewing appraiser's office should participate in this final review.

(c) After the review is made the appraisal reports should be prepared in final form in duplicate in the project office. The original copies will be transmitted to the district office and the duplicate copies will be filed in the tract folders in the project office.

§ 5.404–04 *Appraisal report (Form FCA 1181 SPD).* (a) The "Current Market Value" and the "Adjusted Value" will be furnished on Form FCA 1181 SPD. However, since former owners or tenants of former owners do not have any priority to purchase property acquired by the Government on or before December 31, 1939, this form will not be used in any instance where the property was acquired on or prior to that date.

(b) The following should be observed in completing Form FCA 1181 SPD:

(1) *Sections A to D.* This page is designed to enable the appraiser to give in sections A and C, a description of the immediate area and the property at the present time and to list in sections B and D the changes in both the area and property since acquirement. This information is necessary to substantiate the current market value and to show the factors considered in determining the increase or decrease in value resulting from action by the United States. The information should be complete and the changes in the property described in some detail in order to show clearly the factors taken into consideration in establishing the price at which former owners and tenants are entitled to purchase the property.

(2) *Section E; acreage classification.* This space is provided to give the acreage breakdown by types and grades of land, a description of the various classifications, and information with respect to the present condition and changes since acquirement. The acre values and total land value will not be shown.

(3) *Section F; description of buildings.* Each building or improvement of a structural nature should be described in this section of the report. However, it will not be necessary to show building values in this report except in those cases where the particular building has relatively little or no "in place" value and should be sold separate from the land. In that event the current market value of the building as defined in § 5.405–03, relating to buildings to be removed, will be shown in the column headed "current market value." The total of any such values should be shown on the face of the report as the "C. M. V. of Buildings Surplus to this Property", and the general remarks should include the appraiser's recommendation as to whether such buildings should be disposed of separate from the land. Ordinarily where it is recommended that the buildings be sold separate from the land, they should not be considered in the establishment of a value on the tract as a whole. In any event, this point should be clarified in the remarks.

(4) *Section G; classification of property.* An agricultural property should be classified in its present condition on the basis of the definitions for classification of farms in sections A205 and A209 of the Manual for Land Bank Appraisers. If the property is not agricultural then the classification may be omitted; however, in such event the nature of the property should be indicated together with the appraiser's opinion as to its highest and best use.

(5) *Section H; general remarks.* It is important that a statement be included in each report showing any material assumptions or factors on which the values established are based such as the reestablishment of roads, the availability of electricity and telephone, etc. Unless special circumstances make it necessary to take into account a prospective delay in delivering possession to a purchaser the appraisal should be based on the assumption that possession will be delivered immediately upon sale, and this assumption need not be expressed in the report. Cases of sales subject to unexpired leases will be handled as provided in § 5.610–05.

(6) *Plat of farm.* The plat is to be prepared in the regular manner using the standard legend except that land use will be designated by the words "crop," "pasture," etc., instead of by coloring. The plat should be prepared in all cases on the appraiser's copy of the report for use by the appraisal supervisor and the chief reviewing appraiser in checking and correlating the values established on the properties in the project. It is discretionary with the disposal agency whether the plat is furnished on the report when it is prepared in final form.

§ 5.404–05 *Appraisal report (Form FCA 1181a SPD).* (a) The "Price to Veterans" will be furnished on Form FCA 1181a SPD. This form will also be used in reporting the "Fair Value" of real property where purchase is contemplated by a Government agency. In the event

the form is used at the time the first appraisal is made or at a later date in reappraising the identical tract on which a report on Form 1181 has been made, any information shown in the former report need not be repeated. It will, however, be necessary to show any changes in the property or in the current market value since the previous appraisal.

(b) The following instructions should be observed in completing Form FCA 1181a SPD:

(1) *Sections A and B.* Sections A and B are the same as A and C in Form 1181.

(2) *Section C; earning power of farm.* The act requires that the earning capacity of the property be taken into consideration in establishing the price to veterans. In connection with agricultural property the cropping program and estimated yields should be on the basis of the present condition of the farm except that any improvement to the land or buildings which will require only a nominal amount of expense may be anticipated. The income should be estimated on the basis of normal prices. Full explanatory statements should be made in the event it is not possible to visualize a crop setup or income that may be expected because of the condition of the property.

(3) *Section D.* In the appraisal of agricultural property the classifications, descriptions, and valuations should be on the same basis as in regular farm appraisal work. In the appraisal of property not suitable for agriculture the acre values and total land values will not be shown.

(4) *Section E.* (i) In the appraisal of agricultural property the buildings will be described and the value to the farm established on the same basis as used in regular farm appraisal work, except those buildings referred to in subdivision (iii) of this subparagraph. The normal agricultural value and normal market value will be established on the same basis as used in regular farm appraisals.

(ii) In the appraisal of property not suitable for agriculture the buildings will be described, but individual building values will not be shown except for those buildings referred to in subdivision (iii) of this subparagraph. The space provided for the "normal agricultural value" will not be used in the appraisal of nonagricultural property.

(iii) Those buildings which have relatively little or no "in place" value and which should be sold separate from the land are to be handled in the same manner as prescribed for such buildings in connection with report Form FCA 1181 SPD (see § 5.404–04 (b) (3)).

(5) *Section F.* The same instructions will apply to this section as to section G of Form 1181.

(6) *Section G.* Section G is the same as section H in Form 1181.

(7) *"Fair value."* In reporting the "fair value" for sale to Government agencies it will not be necessary to show the current market value on Form 1181a.

§ 5.405–01 *Buildings and improvements to be sold separate from land.* In some instances the disposal agency may be called upon to dispose of certain buildings and improvements which cannot be sold advantageously with the land. As in the disposal of surplus land, Government agencies are entitled to purchase buildings and improvements at a fair value, the criterion for which is furnished in the following section. In the appraisal of such buildings and improvements to be removed from the land, unless otherwise designated the estimate of value shall be based on the assumption that the buildings and improvements will be sold "as is" to be removed from the premises by the purchaser within a specified time at his own expense.

§ 5.405–02 *Fair value of buildings and improvements to be removed.* The fair value shall be considered to be the maximum price which a well informed buyer acting intelligently and voluntarily would be warranted in paying if he were acquiring the property for the purpose of devoting it to its highest and best use or for adopting it or the material therein to equally useful purposes, taking into account the fact that the building or improvement will have to be removed to a new location. In this connection, the appraiser will consider the most probable and economical method or methods of removal and the cost thereof, i. e., whether the building can be moved intact, or in sections, or whether it may be necessary to dismantle it completely. This factor will require special consideration in rural areas where the cost of removal and reestablishment of the structures may be lower than in more industrialized areas. The estimate of fair value shall take into account only those rights in structures and facilities or equipment therein or attached thereto which would be of use to such a buyer and only to the degree to which they would be of use. It shall be recognized that the fair value of the property is not in excess of the prices at which other similar properties having a like utility are actually selling on the market or which amount together with cost of removal to a new location will not exceed the total cost which would be required to erect and equip a similarly useful structure. Neither the cost to the Government nor the characteristics nor readiness to buy of any particular prospective purchaser shall be taken into account.

§ 5.405–03 *Current market value of buildings and improvements.* "Current market value" as relating to improvements to be sold separate from the land is defined as the highest price the property will bring in terms of money if offered for sale in open market with reasonable time to find a purchaser. In establishing this value the appraiser should approach the problem from the viewpoint of the typical purchaser, taking into consideration those factors affecting the sale price of the particular property. Emphasis should be placed on the demand for the type of improvement or for salvageable material therein, with special consideration given to any unusual or enhanced local demand and the adaptability of the improvement or material to the current local needs. The probable method of removal of the building and the cost thereof are other factors to be considered by the appraiser. These factors are especially important in rural areas where a considerable portion of the buildings may be sold to farmers who could use family labor and comparatively low cost hired labor in the removal and reestablishment of the buildings. The appraiser should make a study of recent sales of similar buildings or improvements. If there are no available data on sales of similar improvements, comparative studies should prove helpful, e. g., buildings of entirely different types may have been constructed of similar materials and consequently the salvageable material may be similar or if not similar may have relative values which may be used as a guide in setting the current market value of the improvements or buildings to be sold.

§ 5.406–01 *Appraisal of surplus easements.* For the purpose of appraisal for disposal, easements will be considered from the standpoint of their expected future usefulness. It is anticipated that in some instances surplus easements to be disposed of will be of such nature or so located that they will have a commercial or resale value. In the evaluation of such easements the appraiser ordinarily will follow the same approach as outlined in §§ 5.402–01 to 5.402–04, inclusive. On the other hand there will be surplus easements which have no future use or commercial value as such. Ordinarily these easements will have only a "nuisance value" and will be disposed of to the owner of the land subject to the easement at a nominal consideration or without consideration. In that event no appraisal will be required. However, those easements originally acquired at a substantial consideration including those involving severance damages may be disposed of only at a "reasonable" value. In the determination of the reasonable value the appraiser will consider any improvement in the utility value or enhancement in desirability or salability of the property subject to the easement, which may arise from the elimination of the easement. Unless otherwise designated the appraisal will be based on the assumption that no physical changes or improvement will be effected by the Government, however, consideration should be given to the fact that once the easement is eliminated the owner of the land can make such improvements as are prudent, though at his own expense. In effect the appraiser will use a "before and after" approach in which the enhancement in value is measured by determining the difference between the value of the property subject to the easement (as the value before) and the value of the property with the easement eliminated (as the value after). In making this estimate of reasonable value the appraiser must bear in mind the fact that ordinarily the owner of the property subject to the easement is the only prospective purchaser.

PRIORITIES AND PRICING

§ 5.501–03 *Time and method of exercise of priority by Government agencies.* Government agencies shall have a period of ten (10) days in which to exercise

their priorities after the date notice of availability is first published, as provided in § 5.307–02, or the date on which notice of availability is mailed to them, as provided in § 5.307–08. Within such period the priority holder shall indicate an intention to exercise the priority by submitting to the disposal agency a written offer to purchase. When, however, an offer cannot be made because a disposal agency lacks necessary information on price, units, or other matters, it shall be sufficient if the priority holder files a written statement of its desire to acquire the property or one or more appropriate units thereof. As soon as the necessary information becomes available (whether during or after the priority period or any extension thereof), those that have filed such statements shall be so advised in writing and given fifteen (15) days within which to make an offer. The offer of a Government agency shall be in the form of a written application in duplicate requesting that the property be held for disposal to it. Such application shall state the price applicant would be willing to pay (or that a transfer without reimbursement or transfer of funds is authorized by law), the length of time, if any, needed to acquire funds to purchase the property, all pertinent facts pertaining to the needs of applicant for the property and that the property is being acquired for its own use and not for transfer or disposition. If the applicant shall require time to obtain funds, or authority to take the property without reimbursement or transfer of funds, it shall so state and indicate the length of time needed for that purpose. Upon receipt of such an application containing such a statement, the disposal agency shall forward a copy of the same to the WAA. The Administrator will review the application and determine what time, if any, shall be allowed applicant to obtain such funds and conclude such purchase and will advise the disposal agency and the applicant of such determination. During the time thus allowed, the property may not be disposed of except where the priority period has expired and applicant's price is less than the fair value and either a higher price has been offered by another person or another priority holder has offered the maximum price which he may be charged.

§ 5.502–03 *Time and method of exercise of State and local government priorities.* State and local governments shall have a period of ten (10) days in which to exercise their priority after the date notice of availability is first published, as provided in § 5.307–02. Within such period the priority holder shall indicate an intention to exercise the priority by submitting to the disposal agency a written offer to purchase, accompanied by an appropriate deposit if funds are available at the time for this purpose, it being in the discretion of the district office to determine the amount and whether funds are available. When, however, an offer cannot be made because a disposal agency lacks necessary information on price, units, or other matters, it shall be sufficient if the State or local government files a written statement of its desire to acquire the property or one or more appropriate units thereof. As soon as the necessary information becomes available (whether during or after the priority period or any extension thereof), those who have filed such statements shall be so advised in writing and given fifteen (15) days within which to make an offer. The offer of a State or local government shall be in the form of a written application in duplicate requesting that the property be held for disposal to it. Such application shall state the price applicant would be willing to pay for the property, and the length of time, if any, needed to acquire funds to purchase the property. The application shall show in detail the contemplated use of the property and set forth that the property is being acquired to fulfill, in the public interest, its legitimate needs. If the applicant shall require time to obtain funds, it shall so state and indicate the length of time needed for that purpose. Upon receipt of such application containing such a statement the disposal agency shall forward a copy of the same to the WAA. The Administrator will review the application and determine what time, if any, shall be allowed applicant to obtain such funds and conclude the purchase and will advise the disposal agency and the applicant of such determination. During the time thus allowed, the property may not be disposed of except when the priority period has expired and applicant's price is less than the current market value and a higher price has been offered by another person or another priority holder has offered the maximum price which he may be charged.

§ 5.503–02 *Multiple former owners.* No division of a tract as purchased by the Government from a single ownership may be made to accommodate a former owner. In the case of common or joint former owners, if all wish to exercise their priority rights, they may do so and the entire tract may be sold to them. If one or more of the former owners, but fewer than all, desire to purchase the tract, they may do so. The priority rights of those who do not exercise them within the 90-day period will expire. No tract will be partitioned for the benefit of a former owner and no undivided interest will be sold to a former owner or to former owners pursuant to the priority rights of former owners.

§ 5.503–04 *Time and method of exercise of priority by former owners.* The time for exercise of the former owner's priority shall be a period of ninety (90) days after the date given in the notice required by these regulations, or such additional period as the WAA may allow where necessary or appropriate to facilitate a sale of the property to a former owner entitled to priority; and an additional period of thirty (30) days shall automatically be allowed if the disposal agency determines that the former owner is outside the continental United States. Within such period the former owner shall indicate an intention to exercise the priority by submitting to the disposal agency a written offer to purchase, accompanied by an appropriate deposit as determined by the district office. When, however, an offer cannot be made because the disposal agency lacks the necessary information on the price, units, or other matters, it shall be sufficient if a former owner files a written statement of his desire to acquire the property. As soon as the necessary information becomes available (whether during or after the priority period or in the extension thereof), a former owner who has filed such a statement shall be so advised in writing and given 15 days or the remainder of the priority period, whichever is longer, within which to make an offer.

§ 5.503–06 *Deed to another party where former owner exercises his priority.* It is permissible for the disposal agency to make the wife of a former owner, or any other party, grantee or co-grantee in the deed upon the request of a former owner exercising his priority. Furthermore, a former owner is not prohibited from exercising his priority with the intention of reselling the property. However, no former owner may exercise his priority acting as agent of, or otherwise in a representative or fiduciary capacity for, another party. Therefore, a request from a former owner to name someone else in the deed might, depending upon the circumstances of each case, be deemed sufficient to put the disposal agency on inquiry as to the bona fides of the offerer and to justify a reasonable investigation of the facts.

§ 5.504–03 *Time and method of exercise of tenant's priority.* The time for exercise of a tenant's priority shall be a period of ninety (90) days after the date given in the notice required by the regulations in this part. Within such period the tenant shall indicate an intention to exercise the priority by submitting to the disposal agency a written offer to purchase accompanied by an appropriate deposit as determined by the district office. When, however, an offer cannot be made because the disposal agency lacks the necessary information on the price, units, or other matters, it shall be sufficient if a tenant files a written statement of his desire to acquire the property. After the necessary information becomes available, a tenant who has filed such a statement shall be so advised in writing and be given fifteen (15) days or the remainder of the priority period, whichever is longer, within which to make an offer.

§ 5.504–04 *Extent of tenant's priority.* The priority of a tenant not exercised during the priority period shall expire upon the termination of such period; provided the disposal agency may, in its discretion, permit a tenant to make an offer after the priority period has ended, as set forth in § 5.602–023. The priority of a tenant is limited to the particular property as described in 32 CFR Supps. 8305.11 (a) (4), and no assignment or transfer of a tenant's priority shall be recognized. The provisions of 32 CFR 8305.11 (c) shall apply to the exercise of a tenant's priority.

§ 5.506–01 *Veteran's priority.* A veteran and the spouse and children (in that order) of a person who died while in

the active military or naval service of the United States on or after September 16, 1940, shall be accorded a priority as to all surplus section 23 real property classified by the WAA as suitable for agricultural, residential, or small business purposes. This priority shall be subordinate to the priorities of Government agencies, State and local governments, former owners, and tenants. This priority ceases to exist after its holder has once effectively exercised it, or any other priority accorded by section 23 of the act, with respect to a tract.

§ 5.506–02 *Price to veterans.* The price to veterans shall be fixed after taking into consideration the current market value and the normal agricultural value based on normal returns with appropriate consideration to present conditions and current commodity prices. Any offer by a veteran at a price less than the maximum he may be charged shall be treated as a nonpriority offer.

§ 5.506–03 *Time and method of exercise of veteran's priority.* To exercise this priority a veteran or the spouse and children of a deceased serviceman must within the ninety (90) days after publication of the notice required by the regulations in this part or any extension thereof file a written offer to purchase or statement of desire to acquire the property or an appropriate unit thereof: *Provided,* That the disposal agency may in its discretion permit veterans, or the spouse and children of deceased servicemen, to make offers after the priority period and be considered on the same basis as if they had exercised their priority during the priority period as set forth in § 5.602–023. An offer or statement filed within the priority period, even if restricted by its terms to a specifically identified tract, shall preserve the veteran's priority with respect to any and all tracts of the project. Where an offer cannot be made because the disposal agency lacks the necessary information on the price, units, or other matters, it shall be sufficient if a veteran files a written statement of his desire to acquire the property. As soon as the necessary information becomes available, a veteran who has filed such an offer or statement shall be notified in writing and given fifteen (15) days or the remainder of the priority period, whichever is longer, within which to make an offer.

§ 5.507–04 *Time and method of exercise of owner-operator's priority.* To exercise this priority, an owner-operator must within the ninety (90) days after publication of the notice required by the regulations in this part or any extension thereof file a written offer to purchase or statement of desire to acquire the property or an appropriate unit thereof: *Provided,* That the disposal agency may in its discretion permit owner-operators to make offers after the priority period and be considered on the same basis as if they had exercised their priority during the priority period as set forth in § 5.602–023. An offer or statement filed within the priority period, even if restricted by its terms to a specifically identified tract, shall preserve the owner-operator's priority with respect to any and all tracts of the project. Where an offer cannot be made because the disposal agency lacks the necessary information on the price, units, or other matters, it shall be sufficient if an owner-operator files a written statement of his desire to acquire the property. As soon as the necessary information becomes available, an owner-operator who has filed such an offer or statement shall be notified in writing and given fifteen (15) days or the remainder of the priority period, whichever is longer, within which to make an offer.

§ 5.508–04 *Time and method of exercise of nonprofit institution's priority.* Nonprofit institutions shall have a period of ten (10) days after notice of availability is first published in which to exercise their priority with respect to other than section 23 real property and shall have a period of ninety (90) days from the date notice of availability is first published in which to exercise their priority with respect to section 23 real property. Within the applicable period, a nonprofit institution shall file a written offer to purchase or statement of desire to acquire the property, accompanied by such deposit as the disposal agency may require. The written offer or statement shall show in detail the contemplated use of the property, and set forth that the property is being acquired to fulfill, in the public interest, the legitimate needs of the offeror. Such an offer or statement, even if restricted by its terms to a specifically identified tract, shall preserve the nonprofit institution's priority with respect to any and all tracts of the project. When an offer cannot be made because the disposal agency lacks the necessary information on the price, units, or other matters, it shall be sufficient if a nonprofit institution files a written statement of its desire to acquire the property. As soon as the necessary information becomes available, a nonprofit institution which has filed such a statement shall be notified in writing and given fifteen (15) days or, in the case of section 23 real property, the remainder of the priority period if that is longer, within which to make an offer.

§ 5.511–01 *Certificate to be executed by disposal agency covering giving of notice and failure of priority holders to exercise priority rights.* After a sales contract is entered into between the disposal agency and a purchaser, the disposal agency shall certify that it has complied with the requirements of the act and of the regulations of the War Assets Administration concerning the giving of notice and that no holder of a priority superior to that, if any, of the purchaser has exercised his priority rights within the time limits fixed by or pursuant to the act. The certificate shall be executed on Form FCA 1183 SPD and signed by the district vice president of the Corporation. A certified copy of such certificate shall be given to any purchaser of the property at the time of transfer.

DISPOSAL

§ 5.601.01 *Terms of disposal.* Disposals generally shall be of the entire interest of the Government, except as indicated in 32 CFR, Supps., Part 8305, and shall be made upon such terms and conditions as may be necessary to protect the interests of the Government and carry out the requirements of the act. No credit shall be extended by the disposal agency in its capacity as such except in special cases and with the prior approval of the central office. The project manager should in no instance recommend any particular credit agency. Where sales are to be on a cash basis, purchasers may be allowed a reasonable time, when necessary, in which to arrange for any financing needed to complete payment of the purchase price.

§ 5.602–02 *Offers to purchase.* (a) During the applicable priority period, the project manager shall receive offers from priority and nonpriority prospective buyers. However, no offer shall be accepted during any priority period except in the following cases:

(1) Where an immediate transfer is requested by one of the armed forces for national defense purposes prior to the conclusion of peace, or

(2) Where an immediate transfer is requested by the National Housing Administrator pursuant to Public Law 292, 79th Congress, and no application has been received from another Government agency offering the maximum priority price and showing a greater need for the property, or

(3) Where surplus section 23 real property is to be advertised for 90 days and a Government agency or State or local government exercises its priority within the prescribed 10-day period, the offer of the Government agency or State or local government may be accepted after the 10-day period and before the termination of the 90-day period, or

(4) Where a former owner exercises his priority to acquire surplus section 23 real property and no offer has been submitted by a Government agency or State or local government at its maximum price within the prescribed 10-day period of priority for such claimants.

(b) Offers by Government agencies, and offers by State and local governments where funds are not available, shall be made as provided in §§ 5.501–03 and 5.502–03. All other offers shall be made on the "Offer to Purchase" form accompanied by a reasonable earnest money deposit ordinarily not less than 10 percent of the purchase price, in the form of cash, certified check, or post office money order payable to the Treasurer of the United States. Submission of offers to purchase by anyone entitled to priority shall not preclude any other party from submitting an offer.

§ 5.602–023 *Failure to exercise priority in time.* The disposal agency may, in its discretion, permit priority holders to make offers after the priority period has ended, and offers may be considered on the same basis as if they had been submitted during the priority period. Such action by the disposal agency, however, shall not be construed as extending the priority period and such offers may not be accepted to the prejudice of a timely and acceptable offer from another

priority offeror. Notice shall be given as provided in § 5.307–10.

§ 5.602–025 *Former owner's and former tenant's affidavits of eligibility.* Before the offer of a former owner or former tenant is accepted, he shall furnish an affidavit to the effect that he is a former owner or former tenant (as the case may be) of the property in question, and that in exercising his right of priority he is acting in his own right and behalf and not in behalf of, or as agent, attorney in fact, or trustee of, or in any representative or fiduciary capacity for, another. Before the affidavit is accepted from the former owner or the former tenant, he shall be informed of the substance of the provisions of section 26 of the act.

§ 5.603–5–01 *Subdividing or regrouping of tracts.* For disposal to others than Government agencies, State or local governments, former owners or tenants, surplus real property shall be divided by the disposal agency into appropriate units for disposal. Section 23 real property classified as suitable for agricultural use shall be divided by the disposal agency into economic family-size units (including part-time farms) wherever practicable. The size of such units may vary according to the conditions and farming practices in the locality where the land is situated. Section 23 real property not classified as suitable for agricultural use shall be subdivided into appropriate units in view of the character of the property, the use or uses to which it may be put, and the possibility of giving veterans and those who will use the property personally a fair opportunity to acquire and utilize the property. Plans for dividing shall be developed as soon as practicable after the disposal agency receives the declaration of surplus. The actual work of dividing shall be completed at the earliest possible date after the expiration of the priority period. Division may be delayed if it appears that the property will be absorbed by the priorities of Government agencies, State or local governments, former owners, or tenants.

OFFERS FROM VETERANS

§ 5.604–01 *Notice to veterans of remaining properties.* After all acceptable offers from Government agencies, State or local governments, former owners, and tenants of former owners have been accepted, and the appraisal and pricing of the remaining tracts and units have been completed, the project manager will make out a list of all tracts and units for sale. In compiling these lists of properties a place for list prices will be indicated, so that the prices may be inserted later, when desired, on the list to be mailed to veterans who have a priority.

In carrying out the policy and intent of the act and the regulations of the War Assets Administration in affording an opportunity to veterans and the spouse or children of a deceased serviceman or servicewoman to acquire surplus property, the project manager shall notify in writing all those who have made offers or who have filed a written statement of their desire to acquire one or more units of property, and give them fifteen (15) days within which to make an offer. This notice should generally describe the tract or units remaining to be sold and the conditions upon which written offers will be received at the project office during the period indicated.

§ 5.604–02 *Obtaining formal offers from veterans.* During the period referred to in § 5.604–01, offers should be received from all veterans who have retained their priority rights by filing a statement during the 90-day priority period. Offers should be made on the regular form for any or all tracts listed as available. Since a veteran can buy only one tract, only one satisfactory earnest money deposit shall be required from a veteran even though he may make an offer on more than one tract. The Property Record will be posted in the project office and a copy of the offer submitted to the district supervisor's office with the remittance and receipt. The same procedure will be followed in the district supervisor's office and in the district office upon receipt of these offers, as was described for offers from others. The Index of Request card in the project office will be posted to show the amount offered and date.

§ 5.604–03 *Selection of acceptable purchasers.* At the end of the designated period all offers from veterans shall be reviewed for the purpose of selecting purchasers. If equal offers are received from two or more veterans on the same property, the offer to be accepted shall be selected by lot. This drawing should be made openly and in the presence of as many as practicable of the interested parties. A record shall be made at the time of the order in which the names are drawn with respect to each tract or unit sold in this manner. If a veteran is selected for more than one unit, he shall elect in writing which property he will take.

§ 5.604–05 *Veteran's affidavit of eligibility.* When the district office is ready to accept a veteran's offer, but before the acceptance is executed, the veteran shall be required to submit an affidavit to the effect that he served in the active military or naval services of the United States on or after September 16, 1940, and prior to the termination of World War II, and has been discharged or released from such service under honorable conditions; that he has not prior to the date of the affidavit purchased under a right of priority a tract or unit of surplus real property pursuant to section 23 of the Surplus Property Act of 1944; that in exercising his right of priority as a veteran, he is acting in his own right and behalf and not on behalf of, or as agent, attorney in fact, or trustee of, or in any representative or fiduciary capacity for, another, and that the property applied for is for the applicant's own personal use for agricultural or residential purposes or to enable him to establish or maintain his own small business enterprise, indicating the particular contemplated use. If the intended use is for his own small business enterprise, it will be necessary to obtain additional factual information in order that the disposal agency may determine if the applicant's own small business comes within the definitions set forth in § 5.103–02 (p) and (q). Before the affidavit is accepted from the veteran, he shall be informed of the substance of the provisions of section 26 of the Surplus Property Act of 1944.

OFFERS FROM OWNER-OPERATORS

§ 5.605–01 *Obtaining offers.* In order to retain their priority rights owner-operators must either express their desire to purchase a particular tract or any of the tracts in a project in a written statement or submit a formal offer on tracts in which they are interested during the 90-day priority period. However, no offer may be legally accepted from an owner-operator until the expiration of the period allowed for submitting offers. After all offers from veterans have been processed, a list of remaining salable tracts shall be prepared showing the current market value, and all offers and statements of desire to acquire property filed by owner-operators shall be reviewed at this time. The project manager shall notify in writing all such owner-operators and give them fifteen (15) days within which to make an offer. This notice should generally describe the tracts remaining to be sold and the conditions upon which offers will be received at the project office during the time allowed.

§ 5.605–02 *Selection of acceptable purchasers.* If acceptable offers are received, they should be handled in accordance with the procedure for processing other types of offers. If only one offer is received for any particular tract and it is acceptable, it may be submitted immediately to the district office for approval. If more than one offer is received for a particular tract at the current market value, the purchaser shall be selected by lot, as in the case of offers from veterans.

§ 5.605–03 *Owner-operator's affidavit of eligibility.* When the district office is ready to accept an owner-operator's offer, but before the acceptance is executed, the owner-operator shall be required to submit an affidavit that he expects to operate and cultivate the land personally to earn a livelihood rather than lease it to a tenant; that he has not theretofore under his right of priority as an owner-operator (as defined in SPA Revised Regulation 5; 32 CFR, Supps., Part 1805) purchased a tract or unit of surplus real property pursuant to section 23 of the Surplus Property Act of 1944; and that in exercising his right of priority as an owner-operator, he is acting in his own right and behalf and not on behalf of, or as agent, attorney in fact, or trustee of, or in any representative or fiduciary capacity for, another. Before the affidavit is accepted from the owner-operator, he shall be informed of the substance of the provisions of section 26 of the act.

OFFERS FROM NON-PROFIT INSTITUTIONS

§ 5.606–01 *Obtaining offers.* In order to retain its priority rights a nonprofit institution must either express its desire to purchase a particular tract or

any of the tracts in a project in a written statement or submit a formal offer on tracts in which it is interested during the 90-day priority period. However, no offer may be legally accepted from a nonprofit institution until the expiration of the period allowed for submitting offers. After all offers from owner-operators have been processed, a list of remaining salable tracts shall be prepared showing the current market value, and all offers and statements of desire to acquire property filed by nonprofit institutions shall be reviewed at this time. The project manager shall notify in writing all such nonprofit institutions and give them fifteen (15) days within which to make an offer. This notice should generally describe the tracts remaining to be sold and the conditions upon which offers will be received at the project office during the time allowed.

SALES TO NON-PRIORITY HOLDERS

§ 5.607–01 *Obtaining offers and acceptance of offers.* After all offers from priority holders have been processed, a list of remaining properties shall be prepared and sales negotiated by the project manager in the manner and upon the basis determined to be to the best interest of the Government. At the discretion of the district office additional notices may be published at this time in newspapers or such other publicity given to the availability of property as may be deemed advisable. Notice should be sent to individuals who have expressed a desire to purchase or who have submitted an offer at some period. Depending upon circumstances, sales may be made on the basis of sealed bids, auctions, or private negotiations. In any event offers must be accepted on the basis of the highest obtainable bid provided that no sale shall be made at a price which is less than 75 percent of the current market value as established by appraisal until such offer has been reviewed and approved by the WAA unless the price offered is the maximum price which may be charged the purchaser. At this time sales may be made to the general public, including any former priority holders. The offers to purchase will be processed and handled in the same manner as indicated in previous sections of these regulations relating to offers from priority holders. If equal acceptable offers are received from two or more nonpriority offerors, selection shall be made by lot unless otherwise authorized by the Administrator.

§ 5.608–02 *Notices in cases of nonperformance by successful bidders.* If performance of the contract of a successful bidder is not completed or if the Government agency or State or local government fails to complete its acquisition of the property after having it held for the time allotted by the WAA, all those who made unsuccessful offers during the priority period or any time allowed thereafter shall be notified by mail that if they renew their offers within fifteen (15) days from the date of mailing the notice, they will be reconsidered on the same basis on which they would have been considered had the offer accepted not been received in the first instance; *Provided,* That any case in which, after acceptance of an offer by the disposal agency, the offeror requests more time for completion of the purchase than the disposal agency is willing to grant, shall be submitted to the central office for transmittal to the War Assets Administration.

LEASING

§ 5.610–01 *Authority.* The disposal agency may lease or grant a permit on surplus property to place it in productive use pending disposition: *Provided,* That such lease shall be revocable at the will of such disposal agency; and may also, with the approval of the Administrator, grant irrevocable leases where such action would be in the best interest of the Government and meet the objectives of the act.

§ 5.610–015 *Terms and form of lease.* Land shall be leased for a period of one crop year with a clause giving the disposal agency the right of revocation at its election, using the form of "Agricultural Lease" supplied for that purpose, and with a reservation of fissionable materials as provided in 32 CFR, Supps., Part 8305. Rental prices shall be substantially in accordance with the prevailing cash rental prices at the time for comparable land in the locality. All leases shall be on a cash basis, payable in advance either annually or quarterly, depending upon the circumstances and the amounts involved. Leases may be revoked at any time during the period of the lease, using the form, "Notice of Revocation," provided for that purpose. When leases are revoked, compensation will be on the basis outlined in the lease agreement.

§ 5.610–02 *Decision to lease and selection of tenant.* The basis of determining whether or not to lease will be of advantage to the Government not only in terms of income and increase of crop production, but also in terms of aid in preventing deterioration of the soil and improvements. Before selecting a tenant, the property to be leased should be advertised in order to insure the acceptance of the highest obtainable offer from a satisfactory tenant. The notice generally describing the property to be leased and inviting offers from parties interested should be approved by the vice president of the Federal Farm Mortgage Corporation and placed in the local newspaper which will afford the greatest publicity. Ordinarily one publication of the notice, to be contracted and paid for under the procedure established by this part, should furnish sufficient publicity and the date set in the notice should be far enough ahead to permit time for those interested to appear at the project office and submit a written offer. Preferably, leases of agricultural land should be made to farm operators with sufficient equipment, labor, and resources to cultivate properly the acreage leased. Where advantages to the Government are considered equal, preference shall be given to former owners. In the discretion of the district office, it will not be necessary to advertise a property for lease in those cases where a satisfactory tenant is already in possession of the property at a rental determined to be fair to the Government. A desirable cropping program should be worked out with the tenant and made a part of each lease and should provide reasonable assurance of proper maintenance of the soil, buildings, and other improvements.

§ 5.610–03 *Preparing lease form.* (a) Upon securing an acceptable offer from a desirable tenant to lease a tract of land, the district supervisor or project manager will prepare the form of Agricultural Lease showing the description of the property, terms of lease, rental arrangement, acreage and crops to be seeded, and possession date. In instances where more than one tract is involved, separate forms will be prepared on each tract. The signature of the tenant, together with his post office address, will be required on all copies of the lease. The three copies of the lease and any rental monies collected will be forwarded to the bank, together with a transmittal letter outlining the project manager's recommendations. A copy of the receipt given for any rental monies collected is to be attached to the remittance letter. The property record card in the project office will be tabbed to show "lease pending" and any necessary follow-up established.

(b) Upon receipt in the district supervisor's office, the district supervisor will make a recommendation to the vice president of the Corporation. If the vice president approves, he will execute all three copies of the lease form. Then the original will be filed in the property folder, the second copy forwarded to the tenant, and the third copy mailed to the project office. The property record card in the district supervisor's office will be posted to show the name and address of the tenant, rental terms, possession date, expiration date, and amounts and dates of any future payments.

(c) Upon the receipt of the executed copy of the lease in the project office, the property record card will be posted, showing the name and address of the tenant, the rental terms, possession date, expiration date, amounts, and dates of future payments, if any, and the property record card will be tabbed to show "leased" and to provide follow-up for billing purposes. A copy of the lease will be filed in the related property folder.

§ 5.610–04 *Revocation of lease.* Where it is decided to revoke a lease, the form of Notice of Revocation will be prepared by the project manager or district supervisor of surplus property disposal, in three copies accompanied by a detailed statement of the facts supporting his recommendation. Upon approval by the district office, the vice president of the Corporation will execute three copies. Thereupon the necessary information will be posted upon the property record card, the original filed in the property folder, the second copy mailed to the tenant with necessary instructions, and the third copy mailed to the project office for posting purposes and filing in the related property folder, if the project office is still in operation.

§ 5.610–05 *Sales subject to leases.* As a general policy, in cases where sales are made to priority holders subject to

leases on which advance rentals are paid to the Government covering a period after the date when the purchaser becomes entitled to a deed, the purchase price should reflect an allowance of a pro rata share of the rentals computed from that date. For this purpose, a purchaser should be considered entitled to deed on the date he completes his payment of the purchase price or date of acceptance of the offer, whichever is later. The allowance for such rentals may be effected in establishing the purchase price. This policy does not necessarily apply to sales to nonpriority holders, where matters such as rentals are ordinarily taken into account by prospective purchasers and the disposal agency in making and considering offers. In practice, it may be advisable for offers taken from priority holders in cases of the type concerned here to provide that the stated dollar amount shall be reduced by an amount determined by application of the formula for prorating the rentals.

DISPOSAL OF IMPROVEMENTS

§ 5.702–01 *Disposal of personalty.* Where equipment and supplies are assigned for disposition in conjunction with real property, they may be disposed of with the real property, and any discount applicable to the real property shall apply also to the equipment and supplies. The disposal agency shall hold the real property and personalty intact until such time as the disposal agency determines that the retention of the personalty will not facilitate the disposition of the real property: *Provided,* That in no event shall the personal property be separated from the real property until such time as such property has been offered for disposition intact and the period for the submission of bids has expired. Upon such determination by the disposal agency, the declaration covering the personal property shall be forwarded to the agency designated in SPA Regulation 1 (32 CFR, Supps., Part 8301) to dispose of such personalty, with notice to the Administrator, and the real property may be readvertised for disposition without the personalty.

§ 5.703–01 *Water rights.* (a) Water rights in connection with real property subject to irrigation shall ordinarily be disposed of with the real property to which they relate, whether such rights are evidenced by stock certificates in irrigation projects or otherwise, and shall be disposed of subject to the provisions of this part.

(b) In order to meet the objectives of the act to discourage disposals for speculative purposes, it shall be the policy of the Administrator to dispose of such rights to the owners of the real property who may be entitled to the benefits thereof, rather than to persons who are not owners, and in quantities proportionate to the amount of property owned by such persons.

(c) Former owners shall be entitled to a priority for any such rights acquired from them in connection with real property which they sold to the Government where such former owners are entitled to and claim priority as to such property.

(d) Except as to former owners who are governed by the provisions of 32 CFR, Supps., Part 8305 as to price, the price to be charged for such water rights shall be the fair value thereof.

§ 5.704–01 *General principles governing disposal of minerals.* This disposal agency is authorized to dispose of mineral interests in land assigned to it for disposal, unless such mineral interests are explicitly assigned to another disposal agency. Fee-owned mineral interests assigned to this disposal agency for disposition shall be disposed of as real property, subject to the provisions of this part.

§ 5.704–02 *Priorities.* Fee-owned mineral interests acquired by the Government separately from the land are subject to the following priorities in the order stated:

(a) Government agencies;

(b) State and local governments;

(c) Former owners—if interests were acquired by the Government after December 31, 1939; and

(d) Nonprofit institutions.

§ 5.704–03 *Leasehold mineral interests.* Former owners of leasehold mineral interests acquired by the Government are not entitled to priority rights as such former owners. The cost to the Government of acquiring leasehold interests shall not be included in computing the acquisition price of real property for the purpose of setting a priority price to a former owner of the real property. However, in the appraisal of the real property, any enhancement of value resulting from freeing the property—whether consisting of surface rights, fee-owned mineral interests, or both—from a mineral lease will be reflected in the appraisal. Furthermore, in establishing the adjusted acquisition price of the real property to a former owner, any such enhancement of value may properly be considered the result of action by the United States in purchasing and extinguishing the mineral lease.

§ 5.704–04 *Disposal of mineral interests separate from the land.* Where leasehold mineral interests acquired by the Government separately from the land are not purchased by priority holders, the disposal agency may exercise its discretion as to whether to sell such interests separately or with the land.

PART 8—FARM CREDIT DISTRICTS

Sec.

8.1 District institutions.

8.2 District organization.

AUTHORITY: §§ 8.1 and 8.2 issued under sec. 5 (a), 50 Stat. 704; 12 U. S. C. 640a.

§ 8.1 *District institutions.* The United States is divided into twelve farm credit districts, each served by a Federal land bank, a Federal intermediate credit bank, a production credit corporation, and a bank for cooperatives. These four institutions in each district maintain their offices together. The city in which their offices are located in each district and the area comprising each district are as follows:

District No.	Location of offices	Area in district
1	Springfield, Mass.	Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, and New Jersey.
2	Baltimore, Md. (Branch office at San Juan, P. R.)	Pennsylvania, Delaware, Maryland, Virginia, West Virginia, District of Columbia, and Puerto Rico.
3	Columbia, S. C.	North Carolina, South Carolina, Georgia, and Florida.
4	Louisville, Ky.	Ohio, Indiana, Kentucky, and Tennessee.
5	New Orleans, La.	Alabama, Mississippi, and Louisiana.
6	St. Louis, Mo.	Illinois, Missouri, and Arkansas.
7	St. Paul, Minn.	Michigan, Wisconsin, Minnesota, and North Dakota.
8	Omaha, Nebr.	Iowa, Nebraska, South Dakota, and Wyoming.
9	Wichita, Kans.	Oklahoma, Kansas, Colorado, and New Mexico.
10	Houston, Tex.	Texas.
11	Berkeley, Calif.	California, Nevada, Utah, and Arizona.
12	Spokane, Wash.	Washington, Oregon, Montana, and Idaho.

§ 8.2 *District organization.* The activities of the Federal land bank, Federal intermediate credit bank, production credit corporation, and bank for cooperatives in each district are coordinated through a farm credit board of seven members elected or appointed in accordance with 50 Stat. 704; 12 U. S. C. 640b–640j. The members of the farm credit board of the district are ex officio the directors of each of the four institutions in the district. Each of the four institutions has its own separate officers and employees, although the same individual may be an officer or employee of more than one institution. In addition, a general agent and other officers and employees appointed by the farm credit board, with approval by the Farm Credit Administration, pursuant to 50 Stat. 706, 12 U. S. C. 640*l*, serve as joint officers and employees of all four institutions. The general agent and the presidents of the four institutions constitute an advisory committee.

Subchapter B—Federal Land Banks, National Farm Loan Associations, Federal Farm Mortgage Corporation, and Joint Stock Land Banks

PART 10—FEDERAL LAND BANKS GENERALLY

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10.10 Security standards for Federal land bank loans.

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AUTHORITY: §§ 10.1 to 10.530–51, inclusive, issued under 39 Stat. 360, as amended, sec. 6, 47 Stat. 14, sec. 32 (b), 48 Stat. 48, sec. 25 (b), 50 Stat. 711; 12 U. S. C. and Sup., Chap. 7, Subchap. I, II.

NOTE: In §§ 10.3 to 10.530–51, inclusive, the numbers to the right of the decimal point correspond with the respective section numbers in the Policy and Operations Manuals for Federal Land Banks, issued as of January 1, 1943.

GENERAL PROVISIONS

§ 10.1 *Organization of Federal land banks.* (a) The twelve Federal land banks, of which there is one in each farm credit district, were organized in 1917 under the Federal Farm Loan Act (39 Stat. 360, as amended; 12 U. S. C. and Sup., Chap. 7, Subchap. I). The location of each bank and the States served by it are given in § 8.1 of this chapter. The activities of the Federal land bank in each district are coordinated with those of the Federal intermediate credit bank, production credit corporation, and bank for cooperatives of the district through the district organization described in § 8.2 of this chapter. The farm credit board in each district elected or appointed under 50 Stat. 704, 12 U. S. C. 640b-j, is ex officio the board of directors of the Federal land bank. This board appoints the officers of the bank and is responsible for the management of its affairs under the general supervision of the Farm Credit Administration.

(b) Under the provisions of the act it was contemplated that the capital stock of the Federal land banks ultimately would be owned entirely by borrowers through their national farm loan associations and some few direct borrowers, although provision also has been made for subscriptions to such stock by the United States. At present the United States owns stock in only one of the land banks.

(c) The Federal land banks, together with the national farm loan associations (see §§ 11.1 and 11.2 of this chapter), constitute a cooperative system known as the land bank system which, since 1934, has been supplemented by the Federal Farm Mortgage Corporation (see §§ 12.1 and 12.2 of this chapter).

§ 10.2 *Functions and procedures of Federal land banks*—(a) *General.* The twelve Federal land banks were established as permanent institutions designed to provide long-term farm mortgage credit for agriculture in accordance with the Federal Farm Loan Act (39 Stat. 360, as amended; 12 U. S. C. and Sup., Chap. 7, Subchap. I). Related thereto is the issuance of farm loan bonds to obtain funds with which to make loans, or obtaining such funds otherwise, and investing in Government securities. As a consequence of the large scale lending by the banks, they have acquired properties through voluntary deeds and foreclosure of mortgages securing loans which have broken down, requiring the management and disposal of such properties. In servicing their loans and acquired properties, the banks have in nearly all instances utilized the services and facilities of national farm loan associations. An important objective of the banks has been the strengthening of the associations both financially and from the standpoint of management.

(b) *Agents for Land Bank Commissioner and Federal Farm Mortgage Corporation.* The Federal land banks also act as agents in making and servicing Land Bank Commissioner loans on behalf of the Federal Farm Mortgage Corporation.

(c) *Loans.* The principal function of the Federal land banks is to make first mortgage loans on farm land to eligible applicants for the purposes and on the terms prescribed in the Federal Farm Loan Act. These bank loans are limited to 65 percent of the normal value of the security and may not exceed $50,000 to any one borrower. The Land Bank Commissioner loans authorized by 48 Stat. 48, as amended, 12 U. S. C. and Sup. 1016,

which the banks make as agents, may be made up to 75 percent of the normal value of the property, or 75 percent of the prudent investment value under certain conditions, but not to exceed $7,500 to any one farmer. They are made either as a first mortgage loan or as a second mortgage loan supplementing a first mortgage land bank loan. The maximum term for land bank and Commissioner loans is 40 years, but they are commonly made for a shorter period. The present contract interest rate on Federal land bank loans made through national farm loan associations is 4 percent, and the rate on Commissioner loans 1 percent higher.

A joint application for a loan (bank or Commissioner or both), on a prescribed form available from the banks and associations, is filed with the secretary-treasurer of the national farm loan association in the territory in which the property offered as security is located. The application calls for information regarding the amount and purposes of the loan sought, the security offered, and the applicant's financial condition. As a first step, the Federal Farm Loan Act provides for an investigation as to the character and solvency of the applicant and the sufficiency of the security offered, by the association loan committee or its investigator, and for a written report thereon. The association loan committee may also request a written report on the value of the security by a land bank appraiser, who is a public official appointed by the Farm Credit Administration. Where such a report by an appraiser has been obtained, the association may notify the applicant of any loan approved by it, subject to further approval by the Federal land bank.

The application and written report of the association loan committee, as well as any report by a land bank appraiser, are next referred to the Federal land bank; if there has been no report by a land bank appraiser, the bank will then obtain one. No loan may be made by the bank unless the reports of both the association and the lank bank appraiser are favorable. On the basis of the association approval and the favorable report by a land bank appraiser, the Federal land bank determines the amount of any loan that can be soundly made. Whether a Land Bank Commissioner loan is to be approved is determined by the bank as agent. The actual passing on applications in each bank is usually done by a loan or executive committee, and notice of its action is duly given to the interested association and the applicant. Loans to livestock corporations in certain circumstances, and land bank loans in excess of $25,000, require the approval of the Land Bank Commissioner which may be given by authorized personnel in the districts (see §§ 3.8, 3.9, 3.10 of this chapter).

There are certain statutory provisions also for direct loans to borrowers by the Federal land banks and loans through agents, where they cannot be made through an association, but the general plan is for the land bank loans to be made through associations.

(d) *Bonds.* Related to the lending functions of the Federal land banks is the issuance of Federal farm loan bonds to obtain funds with which to make loans. While the Federal Farm Loan Act provides both for Federal farm loan bonds to be issued by the banks individually, with the approval of the Farm Credit Administration (39 Stat. 375; 12 U. S. C. 841–844), and for consolidated bonds of the twelve banks to be sold through a common selling agency (39 Stat. 377, as amended; 12 U. S. C. and Sup., 875–886), all issues now outstanding are consolidated bonds. The collateral for consolidated bonds is prescribed in 39 Stat. 376, 377, as amended; 12 U. S. C. and Sup., 857, 875–899. This collateral is deposited or pledged with the farm loan registrars who are public officials appointed for each district by the Farm Credit Administration. Federal farm loan bonds are not guaranteed by the United States either as to principal or interest.

Such bonds intended for sale to the investing public are generally advertised and a prospectus is prepared as to the details of a particular issue. Further information as to such issues may be obtained from the Fiscal Agent of the Federal Land Banks, 31 Nassau Street, New York City.

(e) *Surplus property disposal.* The services and facilities of the Federal land banks are utilized further by the Federal Farm Mortgage Corporation in discharging its functions as disposal agency for surplus agricultural and forest real property under the Surplus Property Act of 1944. A separate Surplus Property Disposal Manual has been issued to cover this work, Part 5 of this chapter.

§ 10.3 *Definitions.* For the purposes of section 12 (Fourth) of the Federal Farm Loan Act, as amended (39 Stat. 370; 12 U. S. C. 771 (4)), the terms "equipment" and "improvement" are defined as follows:

(a) *Equipment.* The term equipment shall include implements appropriate for the operation of a farm, and may consist of teams as well as machinery, tools, and like articles.

(b) *Improvement.* The term improvement shall include any beneficial structure or any useful, permanent physical change tending to increase the productive value of the farm, such as clearing, tiling, drainage, fencing, building, and preparations for irrigation.

§ 10.10 *Security standards for Federal land bank loans.* To be acceptable security for a bank loan, a property must meet each of the following minimum standards:

(a) It must be capable of producing, under typical operation, sufficient normal agricultural earnings to pay farm operating expenses, including taxes and other fixed charges, maintain the property, and meet installments on a bank loan that would be proper to a typical owner of the property.

(b) It must be sufficiently desirable to be readily salable or rentable under normal agricultural conditions.

(c) It must be sufficiently durable to maintain satisfactory production during the loan term specified.

(d) It must have sufficient stability of value to assure that, on a loan that would be proper to a typical owner of the property, the bank could recover its investment if unforeseen difficulties should result in acquirement of the property.

While the normal agricultural earnings must be sufficient to meet the expenses specified in paragraph (a) of this section, it is not necessary that they also be adequate in all cases to meet family living expenses. When it is necessary to rely on income other than farm earnings for family living expenses, such supplemental income must be available to the applicant and to a typical owner from dependable sources and in an amount sufficient to support customary living standards.

§ 10.10–50 *Security standards for first mortgage Commissioner loans.* To be acceptable security for a first mortgage Commissioner loan based on normal agricultural value, a property may be somewhat lacking with respect to the minimum standards for bank loans or be subject to some uncertainty as to future conditions, provided there is reasonable assurance that a loan in a proper amount would prove to be satisfactory. The same requirements are applicable to security for a first mortgage Commissioner loan based on prudent investment value except that, as a minimum, the normal agricultural earnings of the property need be sufficient only to constitute a material contribution to the income or living of the operator.

§ 10.25 *Normal agricultural value basis.* The normal value of farms for agricultural purposes shall be the basis of appraisal for loans. For the purpose of such appraisal, commodity prices received by farmers during the period from 1909 to 1914, with such adjustment as may be necessary because of the change in the economic position of particular products, shall be the basis for determining the earning power of farm land. The normal agricultural value of a farm may be defined as the amount a typical purchaser would, under usual conditions, be willing to pay and be justified in paying for the property for customary agricultural uses, including farm home advantages, with the expectation of obtaining average production and of receiving normal prices for farm commodities.

§ 10.27–50 *Interest rates on loans made through an association or by a branch bank.* Approval is hereby given to an interest rate of 4 per centum per annum on loans by banks through associations, except loans on the security of the classes specified in § 10.28, and to an interest rate of 4½ per centum per annum on loans made pursuant to section 672, Title 12, United States Code, notwithstanding that the interest rate on the Federal farm loan bonds of the last series issued prior to the making of any such loans may be less than 3 per centum per annum.

§ 10.28 *Special interest rates.* For bank loans secured by first mortgages on the following farm property in the continental United States:

(a) Land that is employed primarily in the production of naval stores as defined by section 2 of the Naval Stores Act (Sec. 2, 42 Stat. 1435; 7 U. S. C. 92);

(b) Land used for the raising of livestock, in estimating the earning power and in establishing the value of which leases or permits for the use of other lands were taken into consideration and were a factor in determining the amount of the loan; and

(c) A farm property, a substantial part of the earnings from which is from orchard crops;

approval has been given to the following interest rates:

(1) For loans through associations, one-half of 1 per centum per annum in excess of the interest rate on loans through associations not secured by mortgages on the foregoing classes of farm property, such interest rate not to exceed 6 per centum per annum;

(2) For direct loans, one-half of 1 per centum per annum in excess of the interest rate approved for loans through associations under (1) preceding; and

(3) For loans under section 25 (b) of the Farm Credit Act of 1937 (50 Stat. 711; 12 U. S. C. Sup. 724) through associations, the capital stock of which is impaired, one-fourth of 1 per centum per annum less than the interest rate approved for direct loans under (2) preceding.

§ 10.29 *Special payments.* A bank may accept special payments on a bank loan or payment in full thereof either before or after 5 years from the date the loan was made. Where payment arises from the refinancing of the loan from a non-Government lending source and the loan has not been in force for at least 5 years, the bank may collect from the borrower such a sum as will reimburse it for the expense of making the loan. In all other cases of special principal payments or full payment of bank loans, the bank should not charge a prepayment fee nor should it ordinarily charge interest beyond the date the funds are received.

§ 10.31 *Conditional payments.* Conditional payments shall be held for subsequent credit upon indebtedness to the bank or the Corporation, except in cases of unusual circumstances where the release of the funds is justified. Interest shall be allowed on such payments held for more than 1 month at the effective interest rate applicable to the indebtedness in connection with which such conditional payment is held.

§ 10.101 *Executors and administrators (including temporary administrators).* Bank loans may be made to executors and administrators (including temporary administrators) when (a) either some individual beneficiary of the decedent's estate, or the executor, administrator, or any coexecutor or coadministrator of the estate, independently of his representative capacity, is (1) eligible as a borrower, and (2) owns, or is about to become the owner of, an interest in the property on which the loan is sought, and (3) can and will incur personal liability for the loan and assume the obligations of national farm loan association membership; and (b) a valid lien can and will be given on the property on which the loan is sought. As used in this section, the term "eligible as a borrower" means a person who is engaged in farming operations, or who is shortly to become engaged in farming operations, or who derives the principal part of his income from farming operations.

§ 10.103 *Heirs (including a sole heir taking without administration), devisees, and grantees of a deceased owner of farm land.* Loans may be made to heirs (including a sole heir taking without administration), devisees and grantees of a deceased owner of farm land under the same conditions as will permit a loan's being made to any other owner of farm land.

§ 10.104 *Trustees (whether appointed by will or deed), and other fiduciaries.* Bank loans may be made to trustees (whether appointed by will or deed) when (a) the trustee in his fiduciary capacity is engaged, or shortly to become engaged, in farming operations, or the beneficiaries of the trust are engaged in farming operations or derive the principal part of their income from farming operations; and (b) a valid lien can and will be given on the property on which the loan is sought; and (c) the trustee, or any cotrustee, or some individual beneficiary of the trust can and will incur personal liability for the loan, and assume the obligations of national farm loan association membership.

§ 10.105 *Guardians.* Bank loans may be made to guardians when (a) the guardian in his fiduciary capacity is engaged, or shortly to become engaged, in farming operations, or the wards are engaged in farming operations or derive the principal part of their income from farming operations; and (b) a valid lien can and will be given on the property on which the loan is sought; and (c) the guardian, or any coguardian, independently of his fiduciary capacity owns an interest in the property, and can and will incur personal liability for the loan and assume the obligations of national farm loan association membership.

§ 10.107 *Persons not legally competent (including infants, insane persons, and incompetents) when not represented by a guardian.* Loans may not be made to persons not legally competent (including infants, insane persons, and incompetents) when not represented by a guardian; and property in which such a person, not represented by a guardian, owns an interest, is ineligible as security for a loan.

§ 10.108 *Landlords.* Loans may be made to landlords when (a) the landlord has the right to and does exercise substantial control over the management of the farm on which the loan is sought; or (b) he is engaged, or shortly to become engaged, in farming operations, independently of his capacity as landlord of the farm on which the loan is sought; or (c) the principal part of his income is derived from farming operations.

§ 10.109 *Owners of future interests.* Loans may be made to owners of future interests when (a) all interests necessary to the creation of a fee simple estate in the land on which the loan is sought are included in the mortgage; and (b) the owner of the future interest is engaged, or shortly to become engaged, in farming operations independently of his capacity as owner of a future interest in the farm on which the loan is sought, or derives the principal part of his income from farming operations.

§ 10.110 *Tenants for years.* Bank loans may not be made to tenants for years.

§ 10.112 *Life tenants.* Loans may be made to life tenants when (a) all interests necessary to the creation of a fee simple estate in the land on which the loan is sought are included in the mortgage; and (b) the life tenant, by reason of farming operations conducted by him on the land covered by his life interest, or otherwise, is eligible as a borrower. As used in this section, the term "eligible as a borrower" means a person who is engaged in farming operations, or who is shortly to become engaged in farming operations, or who derives the principal part of his income from farming operations.

§ 10.114 *Husband and wife.* Loans may be made on their respective lands to a husband and wife owning land in severalty.

§ 10.115 *Aliens.* To the extent that State laws do not restrict the right of aliens to hold and convey real estate, loans may be made to aliens upon the same basis as to citizens: *Provided, however,* That such loans are not prohibited by and are made in conformity with the provisions of the Trading with the Enemy Act, as amended, (40 Stat. 411, as amended; 50 U. S. C. App. and Sup. 1–31), the foreign Funds Control regulations, and any other applicable laws and regulations relating to transactions with or property of enemy or other aliens.

CROSS REFERENCE: For Foreign Funds Control regulations, see 31 CFR Parts 130 and 131.

§ 10.116 *Individuals taking title from a corporation (bona fide ownership required).* Loans which are otherwise qualified may be made to individuals who have taken title from a corporation in which they were interested as stockholders, provided the transfer is in good faith and not a mere temporary expedient for the purpose of evading the provisions of the Federal Farm Loan Act (39 Stat. 360, as amended; 12 U. S. C. 641), which preclude loans to corporations other than corporations engaged in the raising of livestock.

§ 10.117 *Corporations.* Loans may be made to corporations (in addition to those engaged in raising livestock, when acting solely in a representative or fiduciary capacity for individual beneficiaries, provided that conditions of §§ 10.101, 12.102, 10.104, 10.105, and 12.106 are satisfied).

§ 10.118 *Livestock corporations.* Loans may be made to livestock corporations, provided the corporation is primarily engaged in the raising of livestock. It may also be engaged in such general farming operations as are incidental to its livestock raising. If it engages in any secondary operations not

strictly incidental to livestock raising, such secondary operations may constitute only a minor part of the corporation's activities.

§ 10.148 *Computing amount loanable to one borrower.* The aggregate amount of existing bank loans to any one borrower for the purpose of applying the limitation in section 12 "Seventh" of the Federal Farm Loan Act (12 U. S. C. 771) shall be the total unpaid principal of all indebtedness to the bank and any other banks of the system which is secured by mortgages or real estate sales contracts on property owned or being acquired by the applicant, or for which the applicant is personally liable, less the unpaid principal of (1) purchase money mortgage or real estate contract indebtedness in connection with which no association or bank stock has been issued, (2) indebtedness which is secured by property the applicant no longer owns and which has been assumed with the permission of the bank by a subsequent owner of the property in accordance with section 12 "Sixth" of the Federal Farm Loan Act (12 U. S. C. 771), and (3) assets purchased from a joint stock land bank under section 16 of the Federal Farm Loan Act.

DIRECT LOANS

§ 10.174 *Applicability of association loan regulations.* Except as otherwise specifically provided in these direct bank loan regulations and in section 7 of the Federal Farm Loan Act, as amended (12 U. S. C. 711–723), all provisions of said act and of the rules and regulations adopted thereunder which are applicable with respect to loans made through national farm loan associations shall, insofar as practicable, apply with respect to direct loans.

§ 10.175 *Receipt evidencing stock subscription.* Each borrower who obtains a direct loan shall be furnished by the bank with a receipt evidencing his subscription and payment for, and the issuance to him of, shares of the capital stock of said bank, the number and amount of such shares to be stated in said receipt. Each such receipt shall contain the following statement:

The shares of stock hereinbefore mentioned are held by the Federal land bank as collateral security for the direct loan obtained by said borrower; said stock is nonvoting, and may be transferred only on the books of said bank and with its permission, as provided in section 12 (Sixth) of the Federal Farm Loan Act (12 U. S. C. section 771 (Sixth)), or to the Federal Farm Mortgage Corporation as authorized in section 7 of the act (12 U. S. C. 723 (c)). Said stock will be canceled by the bank if and when said borrower becomes a member of a duly organized national farm loan association, and in such event there will be issued in the name of said national farm loan association an equal number of shares of the capital stock of the bank, such shares to be held by the bank as collateral security for the loan of said borrower. The shares of stock of the Federal land bank issued to said borrower shall, if still outstanding, upon payment in full of said loan or foreclosure of the mortgage securing the same, be canceled at par, or, in the event that such stock shall have become impaired, at the estimated value thereof as approved by the Land Bank Commissioner, and the proceeds thereof shall be paid to the borrower: *Provided, however,* That all sums accruing and payable as dividends on such stock, and/or proceeds of such stock upon payment in full of said loan or foreclosure of said mortgage, shall be subject to the right of the bank to retain and apply the same upon any obligation(s) due and unpaid under the terms of said mortgage.

§ 10.182–50 *Interest rate on Commissioner loans.* Under the provisions of the fourth sentence of section 32 of the Emergency Farm Mortgage Act of 1933 (48 Stat. 48, as amended; 12 U. S. C. 1016 (c)), the contract rate of interest on Commissioner loans, except those guaranteed under Title III of the Servicemen's Readjustment Act of 1944 (58 Stat. 291, as amended; 38 U. S. C. Sup. 694), is required to be 1 percent per annum higher than the basic rate on loans made at the same time by the bank through associations, otherwise than pursuant to section 25 (b) of the Farm Credit Act of 1937 (50 Stat. 711; 12 U. S. C. 724). With the exception stated, this requirement is applicable to all Commissioner loans, including those closed jointly with section 25 (b), direct, or special risk bank loans bearing a higher rate than such basic rate on bank loans made through associations.

INSURANCE REQUIREMENTS FOR BANK LOANS

AUTHORITY: §§ 10.183 to 10.197, inclusive, issued under sec. 12 "Ninth", 39 Stat. 370; 12 U. S. C. 771 "Ninth".

§ 10.183 *Insurance requirements.* Insurance on buildings shall be required against such risks and in such amounts as the bank may determine to be necessary for adequate protection of the mortgagee's interest. In making the determination consideration should be given to the size of the loan in relation to the value of the security, the extent to which the buildings enter into such value, and the extent to which the borrower's ability to operate the property efficiently would be affected if a loss occurred and the buildings were not replaced. In closing loans the associations should notify the bank when the maximum amount of insurance obtainable is less than that required by the bank.

§ 10.187 *Acceptable insurers.* Insurance required shall be evidenced by a lawful policy or policies issued by any insurance company, including any State supervised mutual insurance company, which is satisfactory to the bank: *Provided,* That such company be authorized to do such insurance business, and be subject to service of process in suits brought, in the State in which the insured property is located, except that, when insurance is procured and paid for by the bank upon default under the mortgage, such insurance company may be one which is subject to service of process in suits brought in the State where the bank is located. The acceptance by a bank of insurance from an organization other than one provided for by this section shall be subject to the approval of the Commissioner.

§ 10.188 *Losses to be made payable to mortgagee; exception.* Insurance shall be made payable to the bank and Corporation, as mortgagees, as their interests may appear at time of loss, and shall afford the bank and Corporation the same protection they would have under the New York standard mortgage clause, but the bank may, in its discretion, permit individual losses of $100 or under to be paid directly to the mortgagor for use in the prompt reconstruction of the buildings destroyed. The provisions of §§ 10.189 to 10.197, inclusive, shall not be applicable to losses of $100 or under which are paid directly to the mortgagor, with the permission of the bank, for use in reconstruction.

§ 10.189 *Subsequent owner deemed "mortgagor" under certain circumstances.* When a subsequent owner of a mortgaged farm has assumed the mortgage and, in the case of a land bank loan the stock interests of the original mortgagor in accordance with the provisions of section 12 "Sixth" of the Federal Farm Loan Act is primarily liable therefor, the term "mortgagor" shall be deemed for the purposes of the regulations in this part to refer to such subsequent owner.

§ 10.190 *Mortgagor's option to use loss proceeds for reconstruction.* At the option of the mortgagor and subject to the provisions of this part any sum received in settlement of a loss covered by insurance required by this part may be used to pay for the reconstruction of the buildings involved.

§ 10.190–50 *Circumstances under which mortgagor's option to use loss proceeds does not obtain.* The option of the mortgagor referred to in this part shall not apply in the case of (a) any sum received under a policy of insurance which was not provided or paid for by the mortgagor, or (b) any sum with respect to which liability to the mortgagor is denied by the insurer, unless and until such denial be rescinded or until final judgment of a court of competent jurisdiction that the insurer is liable to the mortgagor. In either event the mortgagor shall initiate the steps otherwise necessary under this part for the exercise of his option within 30 days after the establishment of the liability of the insurer to him for such loss.

§ 10.191 *Manner in which mortgagor's option to use loss proceeds shall be exercised.* The bank or association as promptly as possible after the receipt of the sum referred to in § 10.190 shall send to the mortgagor a notice in writing thereof. Within 30 days after such notice is sent, if the mortgagor desires to exercise his option, he shall so notify the bank or association in writing. With such notice or within 30 days thereafter, unless such time for good cause be extended, the mortgagor shall furnish information in such form as shall be satisfactory covering the plans of the mortgagor for the reconstruction of the building involved in sound and serviceable form and condition, at least equal to that which existed immediately prior to the loss. Within said 30 days the mortgagor shall also furnish satisfactory assurance that such reconstruction will be completed within a reasonable time, and that there will be no unsatisfied liens for labor, materials, and/or other expenses

that will have priority over the mortgage when such reconstruction shall have been completed or when the said sum received shall have been paid to or for the account of the mortgagor.

§ 10.192 *Loss proceeds not to be disbursed in absence of evidence that prior liens will not attach.* No sum received shall be paid to or for the account of the mortgagor for the purpose of enabling him to reconstruct a building until the bank or association is satisfied that no lien by reason of reconstruction of the buildings covered by such insurance will have priority over the mortgage thereon. The regulations adopted by the bank should establish adequate safeguards with respect to such disbursements.

§ 10.193 *Reconstruction of improvements in different form.* If the mortgagor desires to use the insurance money, in whole or in part, in order to replace the building involved with an insurable building of less expensive type, or to substitute any other insurable building, the said fund may be used for such purpose, provided the land bank or association is satisfied that the proposed building will be suitable and adequate to the agricultural needs of the farm.

§ 10.194 *Evidence that mortgagor can supply additional funds; meaning of term "reconstruction."* If the sum received (after making the deductions, if any, authorized by the regulations in §§ 10.183 to 10.197, inclusive) be inadequate to enable the mortgagor to reconstruct as herein provided, and he desires nevertheless to do so, he shall furnish satisfactory assurance that he will have the necessary additional funds. Where, under the regulations in §§ 10.183 to 10.197, inclusive, a building may be repaired, replaced, or substituted, the operations involved shall be deemed to be covered by the words "reconstruct" or "reconstruction," as the case may require.

§ 10.195 *Application of loss proceeds to mortgage debt.* If the mortgagor fails or refuses to exercise his option in accordance with the regulations in this part, or to comply with all of the conditions of the regulations in this part with respect thereto, or if the mortgage be in process of foreclosure, or if the mortgagor be in default in such manner that the mortgage is subject to foreclosure, the sum received may be retained for application upon the indebtedness secured by such mortgage or as collateral security therefor. Any portion of the sum received which is not used for reconstruction may also be retained for application upon the indebtedness or as collateral security therefor.

§ 10.197 *Conditional release of loss proceeds.* No insurance proceeds may be released unconditionally to a borrower or a junior lienor except for the purpose and under the conditions hereinbefore set forth, unless the remaining security meets the security requirements for a new loan. Exceptions to this requirement may be made only where it is clearly to the best interest of the mortgagee to do so. Where insurance proceeds are released unconditionally to a borrower or junior lienor the procedure governing the release of funds received from the sale of part of the security shall be followed so far as applicable.

§ 10.198 *Nonapplicability of regulations.* The provisions of §§ 10.190 through 10.197 are not applicable in the case of settlements of losses on buildings not required by the bank to be insured.

§ 10.199 *Applicability of regulations to loans, mortgages, and contracts purchased from the Federal Farm Mortgage Corporation.* The provisions with reference to insurance in connection with mortgage loans also apply to loans, purchase money mortgages, and contracts purchased from the Federal Farm Mortgage Corporation.

§ 10.222 *Refinancing mortgages purchased from joint stock land banks.* In connection with the purchase of a mortgage from a joint stock land bank, the right given a mortgagor to refinance under the provisions of section 13 "Second" of the Federal Farm Loan Act, as amended (12 U. S. C. 781 (2)), is a personal privilege granted only to the owner of the property at the time the mortgage is purchased by the Federal land bank. It is the responsibility of the Federal land bank to notify such an owner of his right to have his indebtedness refinanced. A reasonable time of not to exceed 6 months should be specified in the notice as the period in which he may file an application for a refinancing loan.

§ 10.223–53 *Reduction of interest rate.* The interest rate on any Commissioner loan, purchase money mortgage, or contract purchased or acquired by the bank must be reduced to the rate applicable to new land bank loans as of the date of the acquisition of the loan, purchase money mortgage, or contract by the bank, but upon acquisition the bank may make the reduced rate effective retroactively. This reduction in interest may be accomplished generally in the same manner and under the same procedure as was used to reduce the contract interest rate on land bank loans to 4 percent. The bank should notify each borrower of the interest reduction when effected. It may also wish to consider furnishing, or offering to furnish upon request of the borrower, an individual instrument in recordable form evidencing the reduction.

§ 10.223–55 *Maximum and minimum loanable amounts.* The limitations with respect to the maximum and minimum amounts of loans as provided in section 12 "Seventh" of the Federal Farm Loan Act shall be applied in connection with the purchase of a Commissioner loan, purchase money mortgage, or contract by the land bank. Accordingly, no such asset may be purchased from the Corporation if the amount thereof will increase the borrower's total indebtedness to the bank and any other banks of the system to an amount in excess of $50,000.

§ 10.223–58 *Acquiring stock in addition to any available stock which borrower owns; retirement of stock owned by borrower.* "Any available stock" already owned by the borrower shall be stock in an unimpaired association which is owned by the borrower or in which the borrower owns the beneficial interest, and which, computed at its par value, is in excess of 5 percent of any indebtedness (unpaid principal, advances, and any other items properly chargeable to the borrower, including accrued interest thereon at the date of acquirement of the purchased asset) to the bank in connection with which such stock was issued. Stock in an unimpaired association other than the one through which the purchased asset is being acquired may be treated as available stock provided such association consents to its retirement. Also, where an association has been through conservatorship and is operating under section 25 (b) of the Farm Credit Act of 1937 (50 Stat. 711; 12 U. S. C. 724), with a completed compartment, any stock owned by the borrower in group 1, computed at its fair book value, which is in excess of 5 percent of any bank loan or loans of the borrower through group 1, may be retired and the proceeds thereof used to purchase stock in group 2 in connection with the asset being acquired. Under the foregoing definition, where a borrower has more than one loan through the association or owns stock in connection with a loan which is secured only in part by the property securing the asset being acquired, any excess stock in connection with such loan or loans is available stock.

§ 10.223–59 *Farm Credit Administration approval of retirement of association or related bank stock.* The Administration approves the retirement, under section 7 of the Federal Farm Loan Act (12 U. S. C. 721), of related bank stock in an amount equal to such available association stock where such retirement is authorized by the board of directors of the bank and the proceeds are to be used for the purchase of stock needed in connection with the acquired asset.

§ 10.223–60 *Classes of borrowers; borrowers' disposition of stock or purchase of additional stock; election to membership and purchase of stock by borrowers not members of an association.* It will be necessary to deal with three classes of persons in meeting the foregoing requirements; (a) those who are members of the association through which the paper is being acquired and who own sufficient available stock; (b) those who are members of the association but who do not own sufficient available stock in connection with any paid-down bank loan or loans; and (c) those who are not members of the association and who own no stock in it. As to the first class, the existing available stock or the stock purchased with the proceeds of retired available stock must be pledged as collateral security in accordance with the provisions of the Federal Farm Loan Act, as amended, for the indebtedness being acquired. Persons in the second class must purchase additional stock either in cash or under the methods hereinafter prescribed and pledge such stock, as well as the available stock or the stock purchased with the proceeds of the re-

tired available stock, for the indebtedness being acquired. Persons in the third class must be elected to membership, purchase stock either for cash or under the methods hereinafter prescribed, and pledge such stock as collateral security for the indebtedness being acquired.

§ 10.223–61 *Personal liability of borrower.* In each of the classes mentioned above the person owning the property subject to the loan, mortgage, or contract being acquired may or may not be personally liable on the indebtedness. If not personally liable, the person must become personally liable on the paper being acquired by the bank.

§ 10.223–62 *Restrictions on eligibility of borrowers for association membership.* To be eligible for association membership, a person must meet the requirements for assumption of a bank mortgage under section 12, Sixth of the Federal Farm Loan Act, i. e., the person need not be a farmer, but must be a natural person or a livestock corporation eligible for membership.

§ 10.223–63 *Payment in cash by borrower where amount of stock required is not substantial; additional loan to borrower to provide for payment of stock to be purchased; release by bank of conditional payments in amounts sufficient to cover the purchase of required stock; procedure for purchase of stock by borrower.* Where the amount of stock required is not substantial, it may be feasible to obtain payment therefor in cash. In other cases the borrower may desire, and it may be feasible, to provide for payment for the stock by means of an additional loan. It will also be appropriate for the bank to permit the release of conditional payments, under § 10.31, in amounts sufficient to cover the purchase of the required stock. However, where none of the foregoing procedures is followed, the stock may be purchased under either of the following procedures:

(a) The bank may extend credit on a secured or unsecured basis to the borrower in an amount sufficient to purchase such stock. The type of agreement to be entered into with the borrower for the repayment of the purchase price of the stock and the procedure to be followed in handling such transactions on the bank's books shall have the approval of the Administration.

(b) The association, upon application by the borrower, may extend credit in an amount sufficient to purchase such stock, subject to the following:

(1) In such application the borrower shall agree that his liability to the association for such stock shall be secured by a lien on the borrower's property which is security for the paper being acquired, junior to any lien held or to be acquired by the Federal land bank on such property. It is not necessary that the lien for the stock indebtedness be recorded.

(2) The association may charge the borrower interest at a rate not to exceed 4 per centum per annum on the unpaid balance of any indebtedness incurred for this purpose.

(3) The association may in turn, pursuant to 12 U. S. C. 743, borrow from the Federal land bank the amount necessary to purchase stock in the bank where it has sold its stock on credit to its borrowers. Such borrowing may be evidenced by an assignment by the association to the bank of the borrower's agreement to pay for stock in the association.

(4) The applicant may request a deferment of principal payments in order to enable the association or the bank, as the case may be, to collect the amount for indebtedness for stock in the association, and the bank may grant such deferments under the provisions of section 7 of the bill.

§ 10.223–64 *Issuance of new stock sufficient to cover existing loan; retirement of existing stock.* Where an applicant who does not own the outstanding stock in connection with the existing bank loan on the farm covered by the mortgage or contract being purchased by the bank from the Corporation desires or is required by the bank, in its discretion, to acquire such stock or new stock in lieu thereof but cannot acquire the outstanding stock, the outstanding stock may be retired and paid off and new stock issued to the applicant and pledged in connection with the existing bank loan. The bank should require that the applicant purchase only enough new stock to collateralize the existing bank loan in the proportion of one share of stock for every $100 or major fraction thereof of the unpaid indebtedness under the existing bank loan or the original face amount of the loan, whichever is less. When stock in that amount is issued to the applicant, all other stock outstanding in relation to the existing bank loan should be retired. The Administration hereby approves the retirement of stock in such cases where it is authorized by the bank's board of directors. Where the applicant acquires no stock in connection with the bank loan, then, unless he procures from the owner of the association stock held in connection with the bank loan a power of attorney or other authorization to exercise the exclusive right to vote in connection with both loans, the applicant must agree with the association, in consideration of the bank's purchase of the Corporation asset, to forego the right to vote at any association meeting where he and the other stockholder are present, except when they agree as to which shall cast the one vote.

§ 10.236 *Conditional payments; joint indebtedness to a bank and the Corporation.* In cases where the respective indebtednesses of the borrower to the bank and Corporation are secured by the same or common real property, amounts to be accepted as conditional payments (by the bank for subsequent credit on its indebtedness and by the Corporation for subsequent credit on its indebtedness) should ordinarily be allocated to each indebtedness in such manner as to assure the borrower of relatively the same security against future delinquency on the respective indebtednesses.

§ 10.238 *Conditional payments; unrelated loans.* In those cases in which a borrower has indebtedness to the bank, the Corporation, or both, which is not secured by the same or common real property, determination should be made by the bank, on the basis of the facts in each case, as to the indebtedness or indebtednesses on which conditional payments are to be accepted and held for subsequent credit. When conditional payments are accepted in these cases, they shall be subject to all the provisions of the regulations in this part governing conditional payments insofar as practicable.

§ 10.239 *Interest allowance.* Interest shall be allowed on conditional payments in accordance with the following terms and conditions:

(a) The rate(s) at which interest is allowed the borrower on a conditional payment shall be the rate(s) effective on those installment dates of the indebtedness to which the conditional payments are applied and which installment dates occurred during the period such conditional payments were held. As used herein, "effective interest rate" means the rate actually charged the borrower on the indebtedness on which a conditional payment is applied.

(b) Interest shall be allowed on conditional payments from the date of acceptance of such payments to the date of application on the borrower's indebtedness and such interest shall be compounded as of the installment dates of such indebtedness which occurred during the period the conditional payments were held by the bank: *Provided,* That at the option of the bank, interest need not be allowed upon any amount which has not been held for the credit of the borrower as an unapplied conditional payment for a period up to 1 month: *And provided further,* That in any case where the aggregate interest credit does not exceed 25 cents, no allowance need be made.

(c) Interest allowed on a conditional payment shall be credited to the borrower as of the date of application of a conditional payment on his indebtedness, or returned to him in accordance with § 10.242.

§ 10.240 *Interest liability.* The books and statements of condition of the bank and Corporation shall reflect the liability for interest accrued in connection with conditional payments held for subsequent application. Such liability shall be accrued on installment dates and for the periods provided in § 10.239 for determining interest allowances, at the rate actually charged the borrower on the unmatured portion of the indebtedness in connection with which such conditional payment is held. Such accruals shall be subject to any adjustment required upon application of the conditional payment in order that the interest allowed on the conditional payment shall conform to the provisions of § 10.239.

§ 10.241 *Application of conditional payments not involving transfers between the bank and the Corporation.* Subject to any limitations contained in the Federal Farm Loan Act, the bank shall apply conditional payments on the borrower's indebtedness in connection

with which they are held, or on other indebtedness to the bank when such indebtedness is secured by the same or common real property, in accordance with the following terms and conditions:

(a) As the borrower may direct in writing, the bank shall pay out of conditional payments held for the borrower's credit any portion of the indebtedness to the bank on regular installment dates; and, upon the written request of the borrower, the bank may, at any time, pay out of conditional payments held for the borrower's credit any portion of the indebtedness to the bank.

(b) At its option the bank may pay out of conditional payments held for the borrower's credit on his bank indebtedness any portion of the indebtedness to the bank as and when the same becomes due and payable.

(c) If at any time the balance of unapplied conditional payments held for a borrower's credit together with the interest allowance thereon equals or exceeds the total amount of the indebtedness, the whole indebtedness shall become due and payable at once and shall be paid out of such balance.

(d) In the event of the borrower's death or bankruptcy, or in the event of transfer of the indebtedness by the bank or conveyance of title to the property securing the indebtedness by the borrower, the bank at its option may apply all or any portion of the conditional payments held for the borrower's credit on the indebtedness.

§ 10.241–20 *Application; unrelated loans.* At the borrower's written request the bank may pay out of conditional payments held for the borrower's credit, any portion of the borrower's indebtedness to the bank that is not secured in whole or in part by the same property securing the indebtedness to which the funds were allocated when received.

§ 10.241–30 *Conditional payments held by Corporation.* The provisions of §§ 10.241 and 10.241–20 shall apply with equal force to any application on the borrower's indebtedness to the Corporation from the conditionl payments held by the Corporation for the borrower's credit; for this purpose the term "Corporation" shall be substituted for the term "bank."

§ 10.241–50 *Transfer of conditional payments from bank to Corporation; same security.* Conditional payments held for the credit of the borrower on his bank indebtedness shall be applied on the borrower's indebtedness to the Corporation, which is secured in whole or in part by the same real property securing the indebtedness to the bank, in accordance with the following terms and conditions:

(a) At the borrower's written direction the bank shall pay out of conditional payments held for the borrower's credit on his bank indebtedness, any portion of the borrower's indebtedness to the Corporation, as and when the same becomes due and payable.

(b) At the option of the bank and with the consent of the Corporation, the bank may pay out of conditional payments held for the borrower's credit on his bank indebtedness, any portion of the borrower's indebtedness to the Corporation as and when the same becomes due and payable.

(c) If at any time the total of unapplied conditional payments held for a borrower's credit on his indebtedness to both the bank and the Corporation together with the interest allowance thereon equals or exceeds the total amount of his indebtedness to the Corporation, at the discretion of the bank, upon written direction from the borrower and with the consent of the Corporation, the whole indebtedness to the Corporation may be regarded as having become due and payable at once and may be paid out of such total payments.

§ 10.241–60 *Transfer of conditional payments from bank to Corporation; different security.* In any case in which a borrower has indebtedness to the bank and the Corporation which is not secured by the same or common real property, at the borrower's written request and with the consent of the Corporation, the bank may, out of conditional payments held for the borrower's credit on his bank indebtedness, pay any portion of the borrower's indebtedness to the Corporation, as and when the same becomes due and payable, or, if at any time the total of unapplied conditional payments held for a borrower's credit on his indebtedness to both the bank and the Corporation together with the interest allowance thereon equals or exceeds the total amount of his indebtedness to the Corporation, the whole indebtedness to the Corporation may be regarded as having become due and payable at once and may be paid out of such total payments.

§ 10.241–70 *Transfer of conditional payments from bank to Corporation; interest adjustment.* The bank shall make transfers, which are within the purview of §§ 10.241–50 and 10.241–60, in the full amount required to take up the indebtedness to the Corporation and no reimbursement for interest credited thereon as of the date of transfer or prior installment dates shall be made to the bank by the Corporation; *Provided, however,* That if the indebtedness to the Corporation to which the payment is to be applied bears a higher effective rate of interest than the indebtedness on which the payments were held unapplied, then the Corporation shall allow a simple interest credit at the difference in such rates for the period(s) such differences existed or the period(s) such payments were held unapplied by the bank, whichever is the lesser, and the bank shall transfer an amount which, together with the simple interest credit allowed by the Corporation, will take up the indebtedness. The first amount accepted as conditional payments by the bank shall be considered as the first amount paid out of the conditional payments either on the indebtedness to the bank or on the indebtedness to the Corporation.

§ 10.241–80 *Transfer of conditional payments from Corporation to bank.* The provisions of §§ 10.241–50, 10.241–60 and 10.241–70 shall apply with equal force to any application on the borrower's indebtedness to the bank from the conditional payments held by the Corporation for the borrower's credit; for this purpose the terms "bank" and "Corporation" shall be read conversely.

§ 10.242 *Disposition of unapplied conditional payments.* When the balance of unapplied conditional payments held by the bank together with interest allowance thereon is reduced to $10 or less, at its option the bank may apply such balance on the borrower's indebtedness to the bank, subject to notification to the borrower of such action and reversal if he so requests. Any balance of unapplied conditional payments together with interest allowance thereon held in connection with the borrower's indebtedness shall be refunded to the borrower by the bank when the indebtedness is paid in full: *Provided, however,* That amounts of conditional payments held by the bank for the credit of a borrower who is indebted also to the Corporation, may, at the written direction of the borrower, be transferred to the Corporation, when the borrower's indebtedness to the bank is paid in full. Such payments transferred shall be subject to an interest allowance by the Corporation, in accordance with §§ 10.239 (a) and 10.241–70. The provisions of this section shall apply with equal force to the disposition of balances of conditional payments held unapplied by the Corporation; for this purpose the terms "bank" and "Corporation" shall be read conversely.

§ 10.243 *Evidence of acceptance of conditional payments.* Upon acceptance of a conditional payment, the bank shall furnish the borrower with a receipt, which shall identify the indebtedness in connection with which the conditional payment is accepted, and set forth generally the conditions under which such payments are held; *Provided,* That if the bank, under a procedure approved by the Administration, furnishes the borrower a general statement of such conditions to apply to one or more payments, the receipts for such payments need not set forth the conditions. The form of receipt used by a bank shall have the approval of the Administration.

§ 10.244 *Indebtedness current before conditional payments accepted.* Conditional payments shall not be accepted by a bank while there are outstanding unpaid matured obligations of the borrower to the bank on such indebtedness or to the Corporation on an indebtedness secured by the same or common real property: *Provided,* That at the direction of the borrower funds tendered as conditional payments may be used to pay such matured and unpaid obligations and any balance remaining may be accepted as conditional payments.

§ 10.275 *Subrogation of insurer following payment of loss.* An insurance company which has made payment to a bank under the uniform loss payable clause, but which denies liability to the mortgagor, is not entitled to subrogation against the endorsing association because of such payment. Nor can such an insurer, in the case of an association-endorsed or direct loan, obtain an in-

terest in the bank stock pledged with the bank as security for the loan. No assignment of mortgage or other form executed by a bank in favor of such an insurer shall by express provision or by implication undertake (a) to transfer any right of the bank against the endorsing association or any interest in the bank stock pledged by the association in connection with the loan, or (b) in the case of a direct loan, to transfer any right or interest to the insurance company in the direct loan stock.

§ 10.279–50 *Partial retirement of stock.* In individual cases where the amount of bank stock held as security for a loan is substantially in excess of 5 percent of the unpaid balance of the loan and the bank determines that retirement of the excess stock is advisable, the Administration approves, under section 7 of the Federal Farm Loan Act (12 U. S. C. 721), the retirement of that portion of such stock which is in excess of 5 percent of the unpaid balance of the loan, *Provided,* (a) The capital stock of the association through which the existing loan was made is not impaired and such stock retirement will not make the principal remaining unpaid upon mortgages already received from the association exceed 20 times the amount of stock in the bank owned by such association, or the only stock outstanding in connection with the existing loan is bank stock, and (b) Such retirement of stock is in accordance with authorization given by the bank's board of directors by appropriate resolution.

§ 10.383 *Conversion of direct loan into association loan.* The provisions of section 7 of the Federal Farm Loan Act, as amended (12 U. S. C. 723 (d)), with respect to the reduction of interest rates and issuance of association stock in lieu of stock in the bank shall be applicable also to a borrower who has obtained a direct loan and who subsequently is elected to membership in an existing association whose endorsement at the time is acceptable to the bank.

§ 10.522 *Exchange of consolidated bonds.* Consolidated bonds issued by the 12 Federal land banks may be exchanged for bonds of the same issue, and assignments of registered consolidated bonds of all issues may be effected, under and in accordance with the regulations of the United States Treasury Department governing exchange and transfers of United States bonds.

LOST, STOLEN, DESTROYED, MUTILATED, OR DEFACED BONDS AND COUPONS

§ 10.523 *Bonds issued by individual banks.* Whenever it appears to the Land Bank Commissioner, by clear and satisfactory evidence, that any interest-bearing bond or any coupon thereof issued by any Federal land bank or joint stock land bank has, without bad faith on the part of the owner, been lost, stolen, or destroyed, and is not lawfully held by any person as his own property, or has been so mutilated or defaced as to impair its value to the owner, and is identified by number and description, the Land Bank Commissioner may authorize payment to be made (upon approval of the proofs of loss, etc., bonds of indemnity and related papers filed with the banks of issue in such cases, detailed information as to which has been furnished the banks) without requiring the issuance of any new bonds for record purposes.

§ 10.524 *Owner of lost bond to file bond of indemnity.* The owner of any such lost, stolen, or destroyed coupon bond or coupon thereof shall file with the bank of issue a bond of indemnity in a penal amount double the sum of the face amount of such coupon bond and the interest due and unpaid to the date when the bond was called or matured; and the owner of any such lost, stolen, or destroyed registered bond shall file with the bank of issue a bond of indemnity in a penal amount equal to the sum of the face amount of such bond and the interest thereon due and unpaid to the date when the bond was called or matured; with good and sufficient corporate surety to be approved by the bank of issue and the Land Bank Commissioner, and with conditions to indemnify and save harmless the bank of issue from all claims, demands, or loss, on account of the bond for which payment is requested.

§ 10.525 *Consolidated bonds.* The statutes of the United States, now or hereafter in force, and the regulations of the Treasury Department, now or hereafter in force, governing relief on account of loss, theft, destruction, mutilation, or defacement of United States securities, and the regulations of the Treasury Department, now or hereafter in force, governing the payment of mutilated or defaced coupons of United States securities, so far as such statutes and regulations may be applicable, and as modified to relate to consolidated Federal farm loan bonds, and coupons of such bonds, shall govern the granting of relief on account of lost, stolen, destroyed, mutilated, or defaced consolidated Federal farm loan bonds, and mutilated or defaced coupons of such bonds.

CONSOLIDATED BONDS; CALL FOR REDEMPTION

§ 10.530–50 *Method of calling consolidated Federal farm loan bonds.* When any Federal land bank shall desire to call for redemption any consolidated Federal farm loan bonds outstanding on its behalf, it shall, pursuant to appropriate authorization of the 12 Federal land banks, file with the Farm Credit Administration, at least 20 days prior to the date on which the call is to become effective, a certified copy of a resolution of its board of directors authorizing such call. The Land Bank Commissioner shall, at least 15 days prior to the date on which the call is to become effective, approve or disapprove the call and, if the call is approved, shall cause formal notice thereof to be published, at least 15 days prior to the effective date of the call, in the FEDERAL REGISTER and through any other facilities that the Farm Credit Administration may elect. Such notice shall describe the bonds so called for redemption and shall designate the place or places where and the date on and after which they will be payable. Approval of the call and publication of notice as herein required shall be deemed a complete call. From the date of redemption designated in any such notice, interest on the bonds called for redemption shall cease.

§ 10.530–51 *Call for less than entire issue of consolidated Federal farm loan bonds.* In any case in which it is desired to call for redemption less than all of the outstanding bonds of any issue or issues, the bonds to be so called shall be selected in such manner as the Land Bank Commissioner shall prescribe.

PART 11—NATIONAL FARM LOAN ASSOCIATIONS

Sec.

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AUTHORITY: §§ 11.1 to 11.1025–64, inclusive, issued under secs. 7, 8, 9, 12, 24, 29, 39 Stat. 365, 367, 368, 370, 379, 381, sec. 6, 47 Stat. 14, sec. 25 (d), 50 Stat. 713; 12 U. S. C. and Sup., 665, 716, 721, 733, 745, 771, 911, 965, 967.

NOTE: In §§ 11.64–50 to 11.1025–64, inclusive, the numbers to the right of the decimal point correspond with the respective section numbers in the Policy and Operations Manuals of Federal Land Banks and the Manual for National Farm Loan Associations, issued as of January 1, 1943.

§ 11.1 *Organization of national farm loan associations.* (a) National farm loan associations are corporations chartered by the Farm Credit Administration and operate under its supervision in accordance with the provisions of the

Federal Farm Loan Act (39 Stat. 360, as amended; 12 U. S. C. and Sup., Chap. 7, Subchap. I). All of the stock of a national farm loan association is owned by the member borrowers. The territory within which an association may transact business is fixed in its charter. Some 1,300 associations now serve the United States. Membership in an association is confined to persons who are borrowers from a Federal land bank.

(b) The members of an association elect its board of directors from its membership. The board appoints its officers and employees, the secretary-treasurer being its executive officer. Each association has a loan committee which considers applications for loans and also may elect applicants to membership if so authorized by the board. The necessary blanks and instructions for the formation of an association may be obtained from the Federal land bank authorized to operate in the particular State. The organization of a new association is not undertaken if an existing association is giving adequate service in the territory.

(c) The office address of the association serving a particular locality may be obtained from the Federal land bank of the district.

§ 11.2 *Functions and procedures of national farm loan associations.* (a) The Federal Farm Loan Act (39 Stat. 360, as amended; 12 U. S. C. and Sup., Chap. 7, Subchap. I) provides, in connection with Federal land bank loans through associations, that the borrower will be elected to membership in the association and subscribe for association stock in the amount of 5 percent of his loan, such stock to be held by the association as collateral security for repayment of the loan, and that the association will in turn endorse and thereby become liable for the loan and subscribe for a similar amount of stock in the bank, which stock will be held by the bank as collateral security for the association's obligations. Unless the capital of the association is impaired, both types of stock ordinarily are retired and paid off at par when the loan is repaid. The further association procedure on applications for loans is indicated under the heading "Loans" in § 10.2 of this subchapter.

(b) Full information as to the farm loans available from the land banks is obtainable from the local associations.

(c) The Federal land banks also utilize the services and facilities of the associations in servicing land bank and Commissioner loans in their territory, and have delegated certain functions with respect to loans and acquired properties to qualified associations. Among the transactions reserved for decision by the banks is the approving of new loans, calling loans for foreclosure, accepting deeds in lieu of foreclosure, filing suit for judgments, accepting offers for the sale of real estate, and the sale and disposition of minerals. In any event, even though final decision with respect to a transaction is reserved to the bank, initial application therefor should be made to the local association.

(d) Further, the services and facilities of the associations may be utilized, if convenient, by the Federal Farm Mortgage Corporation in discharging its functions as disposal agency for surplus agricultural and forest real property under the Surplus Property Act of 1944 (58 Stat. 765, as amended; 50 U. S. C. App. Sup., 1611–1646).

LIQUIDATION OF ASSOCIATIONS

§ 11.64–50 *Method of liquidation* Any association may be liquidated by the retirement by a bank, with the approval of the Administration, of all the stock held by the association in the bank and the retirement of the corresponding shares of stock in the association. In the absence of special circumstances, approval will not be given to a liquidation by this method unless the association has less than 10 members and it appears to the satisfaction of the Administration that the association cannot or will not funcion and that its continuance will not serve a useful purpose.

§ 11.64–51 *Distribution of assets; completing liquidation.* The Administration will advise the association of the retirement by the bank of its stock. Upon receipt of this information the association shall have recorded on its books the retirement of the corresponding stock of the association held by the borrowers; determine by agreement with the bank the amount of contingent liabilities incurred by the association on account of endorsed mortgages and include such amount in the liabilities of the association; apply all assets of the association to the extent necessary to the payment of its liabilities; distribute any remaining assets to its stockholders, or their successors in interest, of record on the books of the association as of the effective date of liquidation, pro rata according to their respective shareholdings; and return the charter of the association to the bank for transmittal to the Administration for cancelation.

RETIREMENT OF STOCK UPON REPAYMENT OF LOANS

§ 11.65 *Classification of associations.* The banks shall review periodically the financial condition of each association, and each completed compartment formed under the provisions of section 25 (b) of the Farm Credit Act of 1937 (50 Stat. 711; 12 U. S. C. 724), to determine whether its capital stock is impaired or unimpaired. For this purpose, the stock of an association shall be considered impaired if the total of its liabilities (including estimated losses on contingent liabilities) and capital stock is in excess of its total assets and such excess may not reasonably be regarded, under all the circumstances, as negligible in amount or percentage, as apparent rather than real, or as temporary only.

PROCEDURE CONSOLIDATING ASSOCIATIONS

§ 11.348 *Action by directors.* The board of directors of each association to be consolidated shall take appropriate action to authorize the execution of a consolidation agreement and articles of association for the consolidated association. The board may designate one or more of its members to serve with representatives of each of the boards of the other associations involved as an organization committee for the formation of the consolidated association. Each board of directors, or the representatives of each association on the organization committee pursuant to authority by the association board of directors, shall execute on behalf of such associations the agreement of consolidation and articles of association on forms prescribed by the Commissioner and shall appoint not less than five or more than seven qualified persons to serve as directors for the consolidated association, who will constitute the board of directors for the period intervening from the date of organization to the date fixed in the bylaws for the first annual meeting of stockholders or until their successors are elected and have qualified.

§ 11.349 *Action by members.* Meetings of association members shall be called in accordance with the provisions of the bylaws of the association. Notices of the meetings, containing a brief statement of the proposal shall be mailed to each stockholder of record and to members who are not stockholders, if any. Where an association has completed a compartment under section 25 (b) of the Farm Credit Act of 1937, a separate meeting shall be held of the members admitted under that section including those who have not been issued association stock because their loans are not in good standing. A favorable vote of a majority of the members present and voting at each separate meeting shall be necessary for the approval of the proposed consolidation, and such members shall adopt resolutions ratifying and approving the execution of the agreement of the consolidation and articles of association in the name of the association. The secretary-treasurer shall certify to the action taken at the meetings of members and his certificate shall set out the resolution adopted by the members ratifying the execution of the consolidation agreement.

§ 11.350 *Completing consolidation.* Upon completion of the association action, one set of organization papers, with the bank's recommendation, and a financial statement for each constituent association and the consolidated association, shall be submitted to the Commissioner for consideration. Upon approval by the Commissioner, notice of such approval and the effective date of the consolidation will be sent to the bank and the association, and a charter will be issued to the consolidated association which will be forwarded to the association through the bank. Upon receipt of the approval notice, the bank should provide assistance in transferring all assets to the consolidated association, setting up the new books and establishing such other procedures as may be found necessary. The transfer of all assets to the consolidated association should be made the day following the effective date of the consolidation, if possible. The secretary-treasurer of the consolidated association should take appropriate action to effect changes in stock issues, and should notify promptly each

of the members, as well as all former members of the constituent associations who hold participation certificates, if any, that the consolidation has been approved. The charters of the constituent associations should be surrendered and sent to the Administration for cancelation. The Administration should be notified by the bank of the completion of the consolidation upon the issuance of new bank stock to the consolidated association in exchange for the stock held by the constituent associations.

§ 11.351 *Legal reserve requirement.* The legal reserve requirement for the consolidated association at the time of completion of the consolidation shall be the total of the unimpaired legal reserves of the constituent associations.

§ 11.373 *Merger of shareholder groups in associations operating under section 25* (b). The following sections are issued pursuant to the fourth paragraph of section 25 (b) of the Farm Credit Act of 1937 (12 U. S. C. 724 (d)):

§ 11.374 *Definitions.* For the purpose of the regulations in this part the following words and phrases shall have the meaning herein ascribed to them:

(a) "To merge" shall mean to combine pursuant to an agreement authorized by the fourth paragraph of said section 25 (b) and entered into in accordance with the regulations in this part and "merger" shall describe the consummation of the union provided for in such an agreement.

(b) "Group 1" shall mean those shareholders of an association with loans which were made prior to the date on which the first member was admitted to such association pursuant to said section.

(c) "Group 2" shall mean those shareholders of an association with loans which were made on or after the date on which the first member was admitted to the association pursuant to said section and with respect to whom the special provisions of paragraphs "First" to "Sixth" of that section have become applicable.

(d) "When all impairment is removed," as used in the fourth paragraph of said section, shall mean when the Administration shall determine that the aggregate corporate liabilities of a group in an association authorized to operate under said section, including capital stock, do not exceed in amount the fair value of the total assets of such group, or, if there is an excess of such liabilities over such assets, that excess reasonably may be regarded, under all the circumtances, as negligible in amount or percentage, as apparent rather than real, or as temporary only.

§ 11.375 *Procedure.* Whenever, in an association authorized to operate under section 25 (b) of the Farm Credit Act of 1937, all impairment is removed in the stock owned by shareholders in group 1, and there is no impairment in the stock owned by shareholders in group 2, such groups may merge in the manner hereinafter set forth:

(a) The board of directors of the association shall call separate special meetings of the shareholders of group 1 and the shareholders of group 2 for the purpose of considering a proposed resolution of merger in a form prescribed by the Administration. Such meetings shall be called and held in accordance with the provisions of the association's bylaws applicable to meetings of association shareholders. The notice of the meetings shall contain a statement that a merger of the two groups of associaiton shareholders will be voted upon and should contain a brief statement of the nature and effect of the proposal. At these meetings the effect of the proposed merger should be fully explained to the shareholders.

(b) The approval of a majority of the shareholders present and voting at each meeting at which the resolution of merger is considered shall be requisite for the adoption of such resolution.

(c) At least three copies of such resolution shall be prepared, and, when the resolution has been duly adopted by both groups, two copies shall be forwarded to the bank.

(d) The bank may request an examination of the association either on or before the adoption of the merger resolution. An examination may be required by the Land Bank Commissioner at any stage in the proceedings if it appears necessary in the interests of the shareholders.

(e) The bank shall forward to the Administration one copy of the resolution, a current financial statement of groups 1 and 2, and its recommendation as to whether the merger should be approved.

(f) No merger shall be effective unless or until it has been approved by the Commissioner. If the merger resolution is approved by the Commissioner, the effective date will be specified in his written approval and the bank and association will be notified of the approval and effective date by letter. Upon receipt of the approval notice the bank shall take such steps as it deems necessary to assist the secretary-treasurer of the association in consolidating the accounts and records of the two groups pursuant to the merger resolution. Such consolidation of accounts and records shall be made as of the close of business on the effective date of the merger. As soon as the merger has been completed, the secretary-treasurer shall notify each of the members of the association that the merger has been effected. A copy of that notice shall be sent to the Administration.

§ 11.385–50 *Liquidation of associations; action by bank.* The board of directors of the bank shall take appropriate action to adopt a resolution requesting approval of the Administration to pay off at par and retire all stock held by the association in the bank. The resolution should specifically state that, in the judgment of the board, it is advisable for the benefit and best interests of the association members and those engaged in agriculture in the territory of such association that all stock held by the association in the bank and all corresponding shares of stock in the association held by borrowers through it should be retired and the association liquidated. In the event an association is unable to pay its indebtedness in full, the resolution should further state the consideration the bank has given to the enforcement of the liability of the stockholders for the payment of the association's debts and the conclusion reached.

§ 11.385–51 *Certification by officer of bank.* The appropriate bank officer shall certify to the action taken at the meeting of the board of directors, and his certificate shall set out the resolution adopted by the board.

§ 11.385–52 *Approval by Administration.* Upon completion of the board's action, a certified copy of the resolution, accompanied by a detailed statement of facts concerning the condition, operations, and prospects of the association, should be forwarded to the Administration. Upon approval or disapproval of the bank's request by the Administration, notice of such decision will be sent to the bank. Upon receipt of approval notice, the bank shall take the necessary action to pay off at par and retire the stock held by the association in the bank, and when such action has been completed, the bank shall notify the Administration. The Administration will advise the association of the retirement by the bank of its stock.

§ 11.385–53 *Examination; disposition of books and records.* Upon completion of liquidation, the books and records of the association shall be forwarded to the office of the resident farm credit examiner for final examination: *Provided, however,* That upon the written request of the secretary-treasurer of the association, such final examination shall be made at the association's office prior to the release of the books and records by the association. Upon completion of the examination, the books and records will be forwarded to the Administration by the resident farm credit examiner.

§ 11.932 *Disposition of stock proceeds where association stock is unimpaired.* When a mortgage loan through an association with unimpaired stock is paid in full, the bank shall retire its stock outstanding in connection with such loan and shall pay its par value in cash to the association. Upon the retirement of the bank stock, the association shall retire its stock outstanding in connection with such loan and shall pay the full proceeds thereof, less the amount of any claim of the association which may properly be offset against such stock proceeds, to the owner of, or the holder of a valid assignment of the beneficial interest in, such stock. The bank may, however, pursuant to a general resolution adopted by its board of directors and approved by the Farm Credit Administration, retire its stock and, with the consent of the association, credit an amount equal to the par value thereof as a last payment on the retiring borrower's loan. Before crediting stock of an unimpaired association to the retiring borrower's loan, the bank shall have satisfactory evidence that the person paying off the loan either owns, or holds a valid assignment of the beneficial interest in, stock issued by the association in connection with such loan and the association does not have a valid claim which properly may be offset

against the proceeds of such stock upon its retirement.

§ 11.393 *Disposition of stock proceeds where association stock is impaired.* When a mortgage loan through an association with impaired stock is paid in full, the bank shall retire its stock outstanding in connection with such loan, and, if the association is indebted to the bank, it may retain the full amount of the proceeds of such stock and apply it as a credit on such indebtedness or it may pay to the association from the proceeds of such retired stock an amount sufficient to permit the association to make settlements pursuant to conservatorship proceedings, under section 29 of the Federal Farm Loan Act as amended, in which case any balance of such proceeds shall be retained by the bank and applied as a credit on the indebtedness of the association to it. Upon the retirement of the bank stock the association shall retire its stock outstanding in connection with such loan, and, unless it has been through conservatorship as provided in said section 29, it shall not make any payments to its retired shareholders of record or their heirs or assigns until it has paid, or made adequate provision for paying, its indebtedness to its creditors and has sufficient funds available to make a distribution among its retired shareholders or their heirs or assigns on a pro rata basis. Except where settlement is made pursuant to conservatorship proceedings, an association with impaired stock shall issue to each retiring shareholder, or his heirs or assigns, a certificate which recites, in effect, that the holder of the certificate is entitled to share in the distribution of any assets of the association which is made after all its indebtedness to creditors has been paid or provided for; such sharing to be on the basis of the shares of stock described in the certificate, but not to exceed the par value of such shares, and pro rata with other persons having similar rights.

§ 11.1011 *Eligibility determined by location of land.* A farm owner shall be eligible to membership in the national farm loan association within whose chartered territory any part of the land to be mortgaged is located, regardless of the applicant's place of residence. If the farm to be mortgaged lies within the territory of two or more associations, the applicant shall be eligible to join any one of the associations, but if the lands to be mortgaged are not adjoining, they will be treated as a single farm for loan purposes only if the separate units are under common management and are in such proximity to each other as to constitute practically one operative agricultural unit.

§ 11.1012 *Husband or wife as sole owner.* When husband and wife both sign a mortgage but one or the other is sole owner, the one in whose name the title stands is the one who is eligible to membership in the association.

§ 11.1013 *Joint owners.* In cases of joint ownership, each owner who assumes personal liability for a loan must be elected to membership in the association through which the loan is made and the association stock must be issued jointly to all such owners.

§ 11.1014 *Livestock corporations.* Corporations engaged in the raising of livestock are eligible to become members of national farm loan associations. If a livestock corporation which is eligible for a loan, purchases property mortgaged to a land bank it may, with the approval of the bank, assume the mortgage and stock interests of the vendor. If an association approves the application of a livestock corporation, the corporation itself should be elected to membership and the association stock issued in its name. The corporation must authorize, by power of attorney, one of its shareholders to act for it in all association matters. The person so authorized to act for the corporation may be elected a director of the association, provided he is a bona fide resident of the territory within which the association is authorized to do business. The power of attorney referred to should be so drawn that it will continue in full force and effect until the association has received another power of attorney to supersede the old one or until the old power has been revoked.

§ 11.1015 *Other corporations.* In the event a corporation becomes the purchaser of the mortgaged property, while it may assume the payment of the existing mortgage, it cannot become a member of or an actual stockholder in an association unless it qualifies as engaged in the raising of livestock. However, any corporation may purchase the equity of redemption of the original borrower in such stock and thereby become entitled to any dividends on said stock and ultimately to the proceeds thereof. Stock that has been so purchased cannot be transferred on the stock certificate book of the association, but the fact that an assignment has been made may be noted on the back of the certificate so that the proceeds, including the dividends, may be paid the person equitably entitled thereto. In this connection, it should be borne in mind that the stock in the association is collateral security for the payment of the loan, and, in addition, may carry the statutory double liability. The original owner, so far as the association is concerned, remains the stockholder whether the purchaser of the equity does or does not agree to assume the liability.

§ 11.1016 *Voting by proxy.* Voting by proxy shall not be permitted at stockholders' meetings of associations unless the proxy holder is (a) the person authorized to act for a livestock corporation owning the stock, (b) a joint owner of the stock, or (c) the husband or wife of the owner of the stock. In the latter case, said husband or wife shall not be eligible to any office in the association.

§ 11.1017 *Participation certificates.* If any shareholder or former shareholder does not desire to settle on the basis of the fair book value of the stock of the association as determined in conservatorship proceedings pursuant to section 29 of the Federal Farm Loan Act, as amended by section 25 (d) of the Farm Credit Act of 1937, he may, in lieu thereof, be given a participation certificate which will entitle him to share pro rata on the basis of the number of shares of stock which he owned in the association in the distribution of any assets of the association which is made after all its indebtedness to creditors has been satisfied, but not to exceed the par value of such shares. The holder of a participation certificate may, at any time, by surrendering the certificate to the secretary-treasurer of the association, receive the amount which is being paid to retired shareholders at the date of such surrender as the fair book value of the stock of the association less the amount of the credit for, or proceeds of, such stock which already shall have been allowed or distributed: *Provided, however,* That if the person surrendering such certificates shall have acquired his interest in the claim evidenced thereby through a voluntary assignment or pledge made after the commencement of any conservatorship proceedings in the association, such certificate shall not be redeemed at a value in excess of the fair book value of the association stock as of the date when the initial holder thereof became entitled to receive such certificate. Settlements with holders of participation certificates in accordance with the preceding sentence should be made only on condition that they accept the settlement as payment in full. Unless the holder surrenders his participation certificate as herein provided, he shall receive no cash payments in connection with such certificate, except as follows:

(a) If the association is liquidated by receivership or otherwise, he shall be entitled to share pro rata with other persons having similar rights in the distribution of any assets of the association which is made after all of its indebtedness to creditors has been satisfied.

(b) If, prior to liquidation as provided in (a) above, the fair book value of the stock of the association reaches par, he shall be entitled to receive par for such certificate.

(c) If, prior to liquidation as provided in (a) above, all indebtedness of the association is paid but the fair book value of the stock is not par, he may share pro rata with other persons having similar rights in the distribution of any assets of the association which may be made from time to time.

§ 11.1025–60 *Action of association board of directors.* The board of directors of any association desiring to enter into voluntary liquidation shall develop a complete plan of liquidation setting forth in detail the reasons why it is considered advisable for the benefit and best interests of the association members that the association should be liquidated, containing a current financial statement of the association, and specifically providing:

(a) That the association should be liquidated and its charter canceled;

(b) That all liabilities of the association, including contingent liabilities incurred by the association by reason of its endorsement of mortgages, shall be paid in full, or the payment thereof provided for to the satisfaction of the Administration;

(c) That the amount of contingent liabilities shall be mutually agreed upon by the association and the Federal land bank, but in the event such agreement cannot be reached, the amount of such liabilities shall then be determined by the Administration;

(d) In the event the association does not have sufficient assets to pay all its liabilities without creating an impairment of its capital stock, the manner in which the necessary funds will be raised; (In this connection an association may by unanimous action of its members levy an assessment on the members in proportion to the amount of stock held by each to raise the required funds, or it may accept voluntary contributions from its members for the purpose of restoring the stock to an unimpaired condition after making provision for all liabilities of the association.)

(e) That funds in an amount equal to the net legal reserve of the association after provision for all its liabilities shall be transferred to the bank of the district;

(f) That the remaining assets of the association, other than its capital stock in the Federal land bank, shall be distributed among its stockholders, or their successors in interest, of record on the books of the association as of the effective date of liquidation, pro rata according to their respective shareholdings;

(g) That the plan of liquidation shall not become effective until consent, in writing, is obtained from the Administration; and

(h) That the effective date of liquidation shall be the date specified by the Administration in the written consent to liquidation.

A copy of such plan shall be submitted to the stockholders of the association as provided in § 11.1025–61.

§ 11.1025–61 *Action by members.* A special meeting of the association members shall be called. Notice of the meeting shall be mailed to each stockholder of record at least 20 days prior to the date of such meeting, and shall contain a full statement of the voluntary liquidation proposal or shall have incorporated in it by reference and attached thereto a complete copy of the plan of liquidation developed by the directors of the association. A favorable vote of at least two-thirds of the stockholders of the association, at the special meeting called as herein provided, shall be necessary for the approval of the proposed liquidation. Such approval shall be evidenced by a resolution of the stockholders approving in its entirety the plan of liquidation developed by the directors and authorizing and instructing the officers of the association to do all things necessary to carry into effect the liquidation and render the plan of liquidation effective. The secretary-treasurer shall certify to the action taken at the meeting of the stockholders, and his certificate shall set out the resolution adopted by the stockholders authorizing the liquidation of the association and the fact that the number of stockholders voting for the motion in the assembled meeting constituted at least two-thirds of the stockholders of record of the association on the date of the meeting.

§ 11.1025–62 *Procedure for obtaining consent of Administration.* Upon completion of the stockholder action, two certified true copies of the resolution and two copies of the plan, together with the charter of the association, should be forwarded to the bank. The association shall be examined by a farm credit examiner as soon as possible following receipt by the bank of the liquidation plan. After the examination is made, the bank should forward to the Administration one copy of the resolution and plan, together with the charter of the association, and its recommendations in the matter with the supporting reasons for such recommendations. If the Administration consents to the plan, notices of such consent, setting forth the effective date of the liquidation and any other requirements of the Administration, will be sent to the bank and to the association.

§ 11.1025–63 *Completing liquidation.* Upon receipt of notice of consent from the Administration, the association shall immediately take the necessary action to liquidate its affairs, as required by the plan of liquidation and the consent thereto. When the necessary action has been completed, evidence thereof in the form required by the Administration in its written consent to the liquidation shall be transmitted to the bank and, if the bank is satisfied that all requirements of the plan have been carried out, such evidence shall be forwarded to the Farm Credit Administration. If the Administration is satisfied that all liquidation steps have properly been taken, it will advise the bank, and the bank upon the receipt of such advice shall cancel the stock held by the association in the bank and thereupon issue its stock to the borrowers through the association pursuant to the provisions of section 29 of the Federal Farm Loan Bank Act (12 U. S. C. 966). The Administration should be notified when the cancellation and reissuance of stock have been completed by the bank.

§ 11.1025–64 *Disposition of association records.* Upon completion of liquidation, the books and records of the association shall be forwarded to the office of the resident farm credit examiner for final examination: *Provided, however,* That upon the written request of the secretary-treasurer of the association, such final examination shall be made at the association's office prior to the release of the books and records by the association. Upon completion of the examination, the books and records will be forwarded to the Administration by the resident farm credit examiner.

PART 12—FEDERAL FARM MORTGAGE CORPORATION

Sec.

12.1 Organization of Federal Farm Mortgage Corporation.
12.2 Functions and procedures of Federal Farm Mortgage Corporation.
12.28–25 Interest rate on Commissioner loans guaranteed by Veterans' Administration.
12.102 Executors and administrators (including temporary administrators).
12.106 Trustees (whether appointed by will or deed), guardians and other fiduciaries.
12.111 Tenants for years.
12.150 Computing amount loanable to one borrower.

AUTHORITY: §§ 12.1 to 12.150, inclusive, issued under sec. 33, 48 Stat., as amended; 12 U. S. C. 1017.

NOTE: In §§ 12.28–25 to 12.150, inclusive, the numbers to the right of the decimal point correspond with the respective section numbers in the Policy and Operations Manuals of the Federal Land Banks, issued as of January 1, 1943.

§ 12.1 *Organization of Federal Farm Mortgage Corporaton.* (a) The Federal Farm Mortgage Corporation was created in 1934 by the Federal Farm Mortgage Corporation Act (48 Stat. 344; 12 U. S. C. and Sup. 1020–1020h), and has its principal office with the Farm Credit Administration in Washington, D. C. Its entire capital is provided by the United States, and it has the authority, with the approval of the Secretary of the Treasury, to issue bonds fully and unconditionally guaranteed both as to interest and principal by the United States. The administration and management of the Corporation is vested in its board of directors consisting of the Governor of the Farm Credit Administration as chairman, the Secretary of the Treasury or an officer of the Treasury designated by him, and the Land Bank Commissioner. While the board is authorized to appoint such agents, officers, and employees as it deems necessary, it utilizes, on a reimbursable basis, the services and facilities of the Farm Credit Administration and the Federal land banks in discharging its functions, and may utilize the services and facilities of the national farm loan associations, if convenient, in surplus property disposal.

(b) An executive vice president is the active executive officer of the Corporation. Between meetings of the board, an executive committee acts upon matters not specifically requiring initial consideration by the board.

§ 12.2 *Functions and procedures of Federal Farm Mortgage Corporation—* (a) *General.* The main purposes of the establishment of the Corporation were to provide funds for the Land Bank Commissioner loans made on behalf of the Corporation by the land banks as agents, and to assist in providing funds to the Federal land banks for making loans. The Federal Farm Mortgage Corporation is specifically authorized to make loans to the Federal land banks, or otherwise provide them with loanable funds in accordance with 48 Stat. 345, 346, 647, as amended; 12 U. S. C. and Sup. 1020c and 1020d.

(b) *Land Bank Commissioner loans.* These loans were first authorized in section 32 of the Emergency Farm Mortgage Act of 1933 (48 Stat. 48, as amended; 12 U. S. C. and Sup. 1016) as a temporary measure, but the authority to make them has been extended from time to time, most recently until July 1, 1947. Land Bank Commissioner loans may be made to eligible borrowers and for eligible purposes up to 75 percent of the appraised normal value of the farm

property, or 75 percent of the prudent investment value under certain conditions, but not to exceed $7,500 to any one farmer. These loans are made as first mortgage loans or as second mortgage loans supplementing a first mortgage land bank loan which is now limited to 65 percent. The interest rate on Commissioner loans is 1 percent higher than the rate on Federal land bank loans made through associations at the same time. The procedure for applying for Commissioner loans is covered under "Loans" in § 10.2 of this subchapter.

When the Federal Farm Mortgage Corporation was created in 1934, there was transferred to it the Land Bank Commissioner loans which had already been made, and the Corporation was authorized to invest its funds in such loans to be made thereafter on its behalf. In making and servicing these loans, the land banks act as agents for the Commissioner and the Corporation.

(c) *Surplus property disposal.* The Federal Farm Mortgage Corporation has undertaken the functions of disposal agency for surplus agricultural and forest real property under the Surplus Property Act of 1944. The functions of the Department of Agriculture as such disposal agency were delegated by the Secretary of Agriculture, subject to his general supervision and direction and to regulations approved by him, to the Governor of the Farm Credit Administration. They were redelegated by the Governor, subject to his general supervision and direction, to the Federal Farm Mortgage Corporation. The Corporation in turn utilizes the services and facilities of the Federal land banks in discharging these functions, and may also use the national farm loan associations if convenient. A separate Surplus Property Disposal Manual has been issued to cover this activity, Part 5 of this chapter.

§ 12.28–25 *Interest rate on Commissioner loans guaranteed by Veterans' Administration.* On and after February 1, 1945, the contract rate on Commissioner loans approved for guaranty by the Administrator of Veterans' Affairs pursuant to Title III of the Servicemen's Readjustment Act of 1944 and the regulations issued thereunder shall be 4 percent per annum.

§ 12.102 *Executors and administrators (including temporary administrators).* Commissioner loans may be made to executors and administrators (including temporary administrators) when (a) the decedent was engaged in farming operations or derived the principal part of his income from farming operations, or the executor or administrator in his representative capacity is engaged, or shortly to become engaged, in farming operations, or the principal part of the income of the estate is derived from farming operations; and (b) a valid lien can and will be given on the property on which the loan is sought; and (c) the executor or administrator or some individual beneficiary of the decedent's estate can and will incur personal liability for the loan, or the executor or administrator can and will charge the general assets of the estate with liability for the loan.

§ 12.106 *Trustees (whether appointed by will or deed), guardians, and other fiduciaries.* Commissioner loans may be made to trustees (whether appointed by will or deed), guardians, and other fiduciaries when (a) the trustee or guardian in his fiduciary capacity is engaged, or shortly to become engaged, in farming operations, or the beneficiaries of the trust or wardship are engaged, or shortly to become engaged, in farming operations or derive the principal part of their income from farming operations; and (b) a valid lien can and will be given on the property on which the loan is sought; and (c) the trustee or guardian or some individual beneficiary of the trust or wardship can and will incur personal liability for the loan, or, in the event the beneficiaries are not sui juris and the trustee or guardian will incur liability in his fiduciary capacity only, some other person intimately connected by blood or interest with a beneficiary can and will incur personal liability for the loan as a coobligor with the trustee or guardian.

§ 12.111 *Tenants for years.* Commissioner loans may be made to tenants for years to the extent of the value as security of the leasehold interest on which the loan is sought if the tenant, by reason of farming operations conducted by him on the land covered by his leasehold, or otherwise, is eligible as a borrower. As used in this section, the term "eligible as a borrower" means a person who is engaged in farming operations, or who is shortly to become engaged in farming operations, or who derives the principal part of his income from farming operations.

§ 12.150 *Computing amount loanable to the borrower.* No Commissioner loan or loans shall be made to any one farmer or on any one farm for more than an aggregate total of $7,500. For the purpose of computing the maximum amount loanable by the Commissioner to owners of undivided interests, there shall be charged against each, such portion of the loan on the jointly owned property as his undivided interest in the property bears to the entire title, except that the borrowing capacity of such an owner need not be charged with any amount which one or more of his coowners who are "farmers" within the statutory definition consent to have charged against the unused portion of their borrowing capacity.

PART 14—JOINT STOCK LAND BANKS

Sec.

14.1 Applicability of Federal land bank rules and regulations.
14.2 Voting privileges of shareholders in joint stock land banks.
14.3 Method of calling for redemption farm loan bonds issued by joint stock land banks.
14.4 Determination of bonds to be called where less than all of outstanding bonds of any issue or issues will be redeemed.
14.5 Sales of assets by joint stock land banks to stockholders, directors, officers or employees.

AUTHORITY: §§ 14.1 to 14.5, inclusive, issued under sec. 6, 47 Stat. 14; 12 U. S. C. 665.

§ 14.1 *Applicability of Federal land bank rules and regulations.* The following rules and regulations pertaining to the Federal land bank system set out heretofore in Part 10 of this chapter apply also to joint stock land banks except to such extent as the rules and regulations, by their terms or necessary inference, are restricted to Federal land banks or are otherwise inapplicable to joint stock land banks:

Sec.	Subject
10.25	Normal agricultural value basis.
10.183 to 10.197	Insurance requirements for bank loans.
10.523 to 10.525	Lost, stolen, destroyed, mutilated, or defaced bonds and coupons.

§ 14.2 *Voting privileges of shareholders in joint stock land banks.* The bylaws of every joint stock land bank should contain a provision substantially as follows:

In all elections of directors, each shareholder shall have the right to vote the number of shares owned by him for as many persons as there are directors to be elected, or to cumulate such shares and give one candidate as many votes as the number of directors multiplied by the number of his shares shall equal, or to distribute them on the same principle among as many candidates as he shall think fit; and in deciding all other questions at meetings of shareholders, each shareholder shall be entitled to one vote on each share of stock held by him; except that (1) in the election of directors, shares of its own stock held by the bank as sole trustee, whether registered in its own name as such trustee or in the name of its nominee, shall not be voted by the registered owner unless under the terms of the trust the manner in which such shares shall be voted may be determined by a donor or beneficiary of the trust and unless such donor or beneficiary actually directs how such shares shall be voted, and (2) shares of its own stock held by the bank and one or more persons as trustees may be voted by such other person or persons, as trustees, in the same manner as if he or they were the sole trustee. Shareholders may vote by proxies duly authorized in writing; but no officer or employee of the bank shall act as proxy; and no shareholder whose liability is past due and unpaid shall be allowed to vote. Whenever shares of stock cannot be voted by reason of being held by the bank as sole trustee, such shares shall be excluded in determining whether matters voted upon by the shareholders were adopted by the requisite percentage of shares.

§ 14.3 *Method of calling for redemption farm loan bonds issued by joint stock land banks.* Any joint stock land bank desiring to call any bond or bonds issued by such bank (or of which the payment has been assumed by it), then callable according to the terms and tenor thereof, shall file with the Land Bank Commissioner, at least twenty days prior to the date on which the call is to become effective, a certified copy of the resolution(s) of its board of directors authorizing such call, and a formal notice of such call, describing by date of issue, date of maturity, call date, interest rate, and serial numbers (except in the case of a call of all the outstanding bonds, not theretofore called for redemption, of one or more issues) the bond or bonds so called for redemption, and des-

ignating the place or places where the same will be paid and the date on which payment will be made. The Land Bank Commissioner shall, at least fifteen days prior to the date on which the call is to become effective, approve or disapprove the call and cause the joint stock land bank concerned to be notified of his approval or disapproval. If the call is approved, the joint stock land bank calling such bonds for payment shall cause notice of such call to be published at least fifteen days prior to the effective date of the call, in such journals and newspapers as the Land Bank Commissioner may direct; and a certificate that the required publicity has been given shall be filed with the Land Bank Commissioner. Approval of the call and publication of the notice, as herein required, shall be deemed a complete call; and thereupon the bank making same will be relieved from paying any interest on the bonds called, after the date of payment specified in such notice.

§ 14.4 *Determination of bonds to be called where less than all of outstanding bonds of any issue or issues will be redeemed.* In any case in which it is desired to call for redemption less than all of the outstanding bonds of any issue or issues, the bonds to be so called shall be determined by said bank in such manner as the Land Bank Commissioner shall direct or approve.

§ 14.5 *Sales of assets by joint stock land banks to stockholders, directors, officers, or employees.* No joint stock land bank shall knowingly sell or otherwise dispose of any of its assets, directly or indirectly, to a stockholder, director, officer, or employee of the bank, or to a corporation, firm, syndicate, partnership, or other entity or group, in which any stockholder, director, officer, or employee of the bank has an interest, unless the prior written approval of the Farm Credit Administration is obtained.

PART 19—FEES AND CHARGES ON LAND BANK AND COMMISSIONER LOANS

Sec.

19.282 Forbearance agreements.
19.320 Applications; association fees.
19.322 Bank application fees.
19.324 Closed loans; association fees.
19.325 Additional and refunding loans; association fees.
19.326 Bank closed loan fees.
19.328 Association fees on Commissioner loans; "New money" defined.
19.330 Additional and refunding loans; bank fees.
19.331 Division of loans; bank fees.
19.332 Loans on specialized farms; bank fees.
19.333 Nonresident investigations; bank fees.
19.334 Applicability of bank fees.
19.335 Appraisal fees.
19.339 Partial releases; bank fees.
19.340 Release of personal liability; bank fees.
19.344 Associations operating under section 25 (b) of Farm Credit Act of 1937.

AUTHORITY: §§ 19.282 to 19.344, inclusive, issued under secs. 7, 13 "Ninth," 39 Stat. 365, 372; 12 U. S. C. 723, 781 "Ninth."

NOTE: In §§ 19.282 to 19.344, inclusive, the numbers to the right of the decimal point correspond with the respective section numbers in the Operations Manual for Federal Land Banks, issued as of January 1, 1943.

§ 19.282 *Forbearance agreements.* No fees may be charged in connection with forbearance agreements but borrowers may be charged with direct outlays for determination of title including filing or notarial expense.

§ 19.320 *Applications; association fees.* Associations may collect an association application fee of not more than $5.00 in connection with each application; *Provided, however,* That the amount of any such fee shall not exceed 1 percent of the amount of the loan applied for. If the property offered as security is subject to any outstanding mortgage loan or loans held by the bank, the Corporation, or both, regardless of the amount stated in the application, the application fee shall be based on an amount applied for which includes the unmatured principal, as of the date of the application, of such outstanding mortgage loan or loans. The application fee may be collected at the time the application is filed. It may be retained by the association regardless of whether the loan is rejected or closed as a new, additional, or refunding bank loan, Commissioner loan, or joint bank and Commissioner loan; *Provided, however,* That if no association appraisal is made after a fee provided for in this section has been collected, the amount of such fee shall be refunded.

§ 19.322 *Bank application fees.* The banks may collect an application fee of not to exceed $10.00 on each application.

§ 19.324 *Closed loans; association fees.* Except as provided in § 19.325, when a bank loan is closed, associations may collect a closed loan fee in an amount which, when added to the association application fee already collected, will equal but not exceed 1 percent of the amount of the bank loan closed.

§ 19.325 *Additional and refunding loans; association fees.* Where, upon the basis of an application in which there is offered as security property which is mortgaged, in whole or in part, to a bank, the Corporation, or both, a bank loan is closed through an association which endorsed the outstanding bank loan, the association may, whether the transaction is completed by way of a supplemental loan or a rewriting of the outstanding loan, collect a closed loan fee which, when added to the association application fee already collected, will not exceed 1 percent of the amount which represents other than unmatured principal of the outstanding bank loan as of the date of the application. Where, upon the basis of such an application, a bank loan is closed through a different association than that which endorsed the outstanding bank loan, or through any association if only a loan held by the Corporation was outstanding, the association may collect a closed loan fee which, when added to the association application fee already collected, will not exceed 1 percent of the amount for which it endorses the bank loan or bank purchase money mortgage.

§ 19.326 *Bank closed loan fees.* When a loan is closed, the bank may deduct from the proceeds an amount not exceeding $1.00 for each $1,000.00, or fraction thereof, by which the amount loaned exceeds $5,000.00.

§ 19.328 *Association fees on Commissioner loans; "New money" defined.* Where an association is not operating under a plan which compensates it, or is intended to compensate it, for its total operating expenses, the association may be allowed a commission of one-half of 1 percent of the full amount of new Commissioner loans closed. On Commissioner loans made to refinance outstanding Commissioner loans, bank loans, or both, this loan closing commission may be allowed only on the new money loaned. Loan closing commissions allowed associations for closing Commissioner loans shall not be collected from the borrowers but shall be paid by the Corporation. "New money", as used in the regulations in this part, is defined as the amount of the new note or notes which represents other than principal of the outstanding loan held by the bank or the Corporation, or both, unmatured as of the date of the application.

§ 19.330 *Additional and refunding loans; bank fees.* In connection with applications for additional or refunding loans, whether or not additional security is offered, the bank may require that a fee of not more than $10.00 be submitted with the application, and if a loan is closed, the bank may deduct from the proceeds an additional fee amounting to $1.00 for each $1,000.00, or fraction thereof, by which the amount of new money loaned exceeds $5.000.00.

§ 19.331 *Division of loans; bank fees.* A fee of $5.00 may be charged in connection with each application for the division of an existing loan. If the application results in an increased loan, there may be deducted from the proceeds an additional fee of $1.00 for each $1,000.00, or fraction thereof, by which the amount of new money loaned exceeds $5,000.00.

§ 19.332 *Loans on specialized farms; bank fees.* In the case of applications for loans (or increased loans or divisions of loans) on specialized farms of certain types, such as turpentine farms, ranches, and orchards, where appraisal costs are unusually high, the banks may establish, subject to the approval of the Land Bank Commissioner, special additional fees in recognition of the higher cost of appraisal of such property.

§ 19.333 *Nonresident investigations; bank fees.* Where, in connection with an application for a new loan, an increased loan, or the division of an existing loan, it appears necessary for the bank to make a nonresident personal investigation, the applicant may be required to pay a fee of $7.50, such fee to be refunded in its entirety to the applicant if the investigation is not made.

§ 19.334 *Applicability of bank fees.* The fee schedule described in §§ 19.322, 19.326, 19.330, 19.331 and 19.332 is applicable to single Federal land bank or Land Bank Commissioner first mortgage loans; in the event the application results in a joint land bank and Land Bank Commissioner loan, the fee shall be computed

upon the basis of the aggregate amount loaned.

§ 19.335 *Appraisal fees.* The fee deposits authorized by §§ 19.322, 19.330, 19.331, and 19.332 should be retained by the bank if an appraisal is made of the property but in any such case where an appraisal is not made, the fee should be refunded in its entirety to the applicant. Where a reappraisal is required because of delay of the applicant or is made at his request, the applicant may be required to pay a second fee computed on the basis set forth in §§ 19.322, 19.330, 19.331, and 19.332.

§ 19.339 *Partial releases; bank fees.* A fee of $10.00 may be charged in connection with each application for a partial release of the mortgaged security but the fee should be returned to the applicant in its entirety if an appraisal is not made. Provision may be made, subject to the approval of the Land Bank Commissioner, for additional fees in the case of applications for releases in connection with specialized farms.

§ 19.340 *Release of personal liability; bank fees.* Where, upon transfer of title to the mortgaged property, an application is made for release from personal liability, the bank may require a fee of $10.00 in connection with each application, such fee to be refunded in its entirety to the applicant in the event an appraisal of the property is not made.

§ 19.344 *Associations operating under section 25 (b) of Farm Credit Act of 1937.* The association and bank fee regulations herein contained and the resolutions adopted by the association in pursuance thereof will govern fees to be collected by an association operating under section 25 (b) of the Farm Credit Act of 1937 in connection with applications for 25 (b) loans.

Subchapter C—Regulations Issued by the Federal Land Banks

CROSS REFERENCE: For loan regulations of the Land Bank Commissioner, see Parts 10 and 19 of this chapter.

PART 21—FEDERAL LAND BANK OF SPRINGFIELD

§ 21.1 *Transfer fees.* $2.00 shall be charged by the Federal land bank in connection with the preparation of loan documents involving the transfer of the title of mortgage premises covered by a direct mortgage loan made by the Federal land bank, or a mortage loan made by the Federal land bank through an association, which association is inactive at the time of the transfer. (Sec. 13 "Ninth", 39 Stat. 372; 12 U. S. C. 781 "Ninth")

PART 22—FEDERAL LAND BANK OF BALTIMORE

Sec.
22.1 Application fees.
22.2 New loan fees.
22.3 Conversion fees.
22.4 Reamortization fees.
22.5 Liquidation or prepayment fees.

AUTHORITY: §§ 22.1 to 22.5, inclusive, issued under sec. 13 "Ninth," 39 Stat. 372; 12 U. S. C. 781 "Ninth".

§ 22.1 *Application fees.* The following new loan and other fees shall be charged within the Second Farm Credit District, exclusive of Puerto Rico, and such fees shall be paid in the manner and at the times herein indicated:

(a) Each application for a new loan shall be accompanied by a fee of $10.00; provided said fee shall not be required to be paid in connection with an application for a direct or association-endorsed loan for the purpose of refinancing a real estate contract or purchase money mortgage executed to the bank or the Federal Farm Mortgage Corporation unless the amount applied for exceeds the amount required for the purpose of refinancing such a real estate contract or purchase money mortgage.

(b) Each application for an increased or additional loan shall be accompanied by a fee of $10.00.

In the event no appraisal of the property is made the entire application fee shall be refunded.

On each loan closed exceeding $5,000.00 in amount, an additional fee shall be deducted from the loan proceeds in an amount equal to $1.00 for each $1,000.00 or fraction thereof by which the amount loaned exceeds $5,000.00: *Provided,* That the amount of an additional loan shall be determined by the amount of new money loaned and the additional fee on joint land bank and Land Bank Commissioner loans shall be computed on the aggregate amount loaned. The amount of a direct or association-endorsed loan made partially for the purpose of refinancing a real estate contract or purchase money mortgage executed to the bank or the Federal Farm Mortgage Corporation shall likewise be determined by the amount of new money loaned.

When a reappraisal in connection with an application for a new loan or an additional loan is required because of the delay of the applicant or is made at the applicant's request, a second fee shall be charged computed on the basis of the fee applicable to the original application.

A single fee shall be charged on an application resulting in a single land bank or Land Bank Commissioner loan or on joint land bank and Land Bank Commissioner loans: *Provided, however,* That no initial application or loan closing fees shall be charged by the bank in connection with new or additional loans made through any national farm loan association after the date on which such national farm loan association makes effective a policy eliminating all initial application fees in connection with new and additional loans and reducing the amount of the association loan closing fees to be collected from borrowers to ½ of 1% of the amount of each new land bank loan closed or, in the case of an additional land bank loan, to ½ of 1% of the new money loaned.

Each applicant shall be required to pay actual cash outlays for abstract expenses, title insurance fees, notarial fees, recording fees or other disbursements necessary for the completion of the transaction.

§ 22.2 *New loan fees.* The following new loan and other fees shall be charged and collected from applicants and borrowers through the Puerto Rico Branch Bank of The Federal Land Bank of Baltimore:

(a) Each application for a new loan shall be accompanied by an initial fee in the amount of $10.00. If the application for loan is approved, an additional initial fee of $15.00 must be paid prior to the examination of title. If the application results in a Federal land bank loan in excess of $2,000.00, there shall be deducted from the proceeds of the loan an additional fee equal to 1¼% of each $100.00 or fraction thereof in excess of $2,000.00. If the application results in a joint land bank and Land Bank Commissioner loan, no fee shall be charged or collected from the applicant or borrower in connection with any loan made by the Land Bank Commissioner. If the application results in a single Commissioner loan, the initial fees totaling $25.00 shall be the only fees charged and collected from the applicant or borrower.

The foregoing fees shall not be required to be paid in connection with any application for a loan to refinance a real estate contract or purchase money mortgage executed to the bank or the Federal Farm Mortgage Corporation unless the amount applied for exceeds the amount required for the purpose of refinancing such a real estate contract or purchase money mortgage. If the amount applied for exceeds such amount, the initial fees shall be charged and collected and, if the application results in a loan in excess of the amount required to refinance the real estate contract or purchase money mortgage, there shall be deducted from the proceeds of the loan a fee comparable to the fee which would be collectible in connection with a new loan: *Provided, however,* That the amount of the fee shall be computed only on that part of the loan which exceeds the amount required to refinance the real estate contract or purchase money mortgage.

(b) Each application for an increased or additional loan shall be accompanied by a fee of $10.00 and, if the application is approved, an additional initial fee of $15.00 must be paid prior to the examination of title. If a loan in an increased amount is closed, there shall be deducted from the proceeds of such increased loan a fee comparable to the fee which would be collectible in connection with a new loan: *Provided, however,* That the amount of the fee shall be computed only upon the basis of the amount of new money loaned to the borrower.

(c) Fees in connection with divisions of loans, reappraisals, partial releases, and releases of personal liability shall be charged and collected from applicants and borrowers to the same extent and under the same conditions as such fees are charged and collected from applicants and borrowers within the states of the Second Farm Credit District as provided in § 22.1.

In the event no appraisal of the property is made, the entire application fee shall be refunded. Each applicant shall also be required to pay actual cash outlays for notarial fees, recording fees, or other disbursements necessary for the completing of the transaction.

§ 22.3 *Conversion fees.* Each borrower who converts a direct Federal land bank loan into a loan of a national farm loan association shall be required to pay to the association a conversion fee of $5.00, or one-fourth of one per centum (¼ of 1%) of the unpaid balance of the direct loan, whichever is greater.

§ 22.4 *Reamortization fees.* Applicants for reamortization of bank loans and Commissioner loans will not be required to pay a reamortization fee: *Provided, however,* That applicants will be required to pay any out-of-pocket costs such as abstract charges, recording fees, and other similar items.

§ 22.5 *Liquidation or prepayment fees.* Prepayment fees shall be charged only when a borrower makes prepayment of all or of a portion of a Federal land bank loan from funds borrowed from other sources and in such cases the fees shall be as follows:

(a) Two percentum (2%) of the amount prepaid if the payment is received within one year after the date of the note evidencing the loan.

(b) One percentum (1%) of the amount prepaid if the payment is received more than one year and less than two years after the date of the note evidencing the loan.

(c) One-half of one percentum (½ of 1%) of the amount prepaid if the payment is received more than two years and less than three years after the date of the note evidencing the loan.

PART 23—FEDERAL LAND BANK OF COLUMBIA

Sec.

23.1 Loan application fees.
23.2 Loan closing fees (direct loans).
23.3 Title determination fees.
23.4 Partial release of security fees.
23.5 Release of personal liability fees.
23.6 Transfer of mortgage and stock interests fees.
23.7 Insurance inspection and appraisal fees.
23.8 Reamortization of loan fees.
23.9 Fees for prepayment of land bank loans.

AUTHORITY: §§ 23.1 to 23.9, inclusive, issued under sec. 13 "Ninth," 39 Stat. 372; 12 U. S. C. 781 "Ninth".

§ 23.1 *Loan application fees.* The following fees shall be charged in connection with loan applications:

Appraisal fee. An appraisal fee of $10 is payable at the time the application is filed.

Reappraisal fee. If a reappraisal is required because of delay for which the Bank is not responsible, or is made at the applicant's request, the regular appraisal fee will be charged for the reappraisal.

Return of fee. If the application is withdrawn or cancelled before appraisal by the Bank, the appraisal fee will be refunded to the applicant. If the application is withdrawn or cancelled after appraisal by the Bank, the appraisal fee will not be refunded to the applicant.

Loans on naval stores farms. The regular appraisal fee will apply to this type of application. If preliminary appraisal and review are made, none of the fee will be refunded. If it is determined by the Bank and the applicant, after preliminary appraisal and contact with the applicant, that the application is to be handled to a definite conclusion, a fee of 5¢ per acre for timber cruise will be charged, to be paid prior to the making of the cruise. If the cost of the cruise is less than the timber cruise fee previously collected, the difference will be refunded to the applicant.

§ 23.2 *Loan closing fees (direct loans).* The following loan closing fees shall be payable when a direct loan is closed:

Amount of loan:	*Fee (percentage of loan)*
$100–$1,000	1%
$1,000–$1,900	½ of 1% plus $5
$2,000–$14,900	¾ of 1%
$15,000–$50,000	¼ of 1% plus $75

§ 23.3 *Title determination fees.* No title determination fee will be charged.

§ 23.4 *Partial release of security fees.* The following fees shall be charged in connection with applications for partial release of security:

Land Bank Commissioner loan	$10.00
Direct Federal Land Bank loan	10.00
Land Bank loan through national farm loan association	10.00

The $10 fee applies also to applications for the release of timber. However, if the regular appraisal in connection with an application for release of timber indicates that a special cruise of the timber is necessary, an additional fee, equal to the cost of such cruise, will be charged.

If an application for partial release is submitted simultaneously with an application for a new loan on the same security, or on the same security plus some additional security, the regular new loan appraisal fee is charged in connection with the new loan application and a fee of $5 is charged in connection with the partial release application.

§ 23.5 *Release of personal liability fees.* The following fees shall be charged in connection with applications for release of personal liability:

Land Bank Commissioner loan	$10.00
Direct Federal Land Bank loan	10.00
Land Bank loan through national farm loan association	10.00

§ 23.6 *Transfer of mortgage and stock interests fees.* For transferring the mortgage and stock interests of a direct loan borrower a fee not to exceed $5 is charged; *Provided,* That the amount shall not exceed 1 percent of the balance of the indebtedness.

§ 23.7 *Insurance inspection and appraisal fees.* The following fees shall be charged in connection with applications for reduction of insurance requirements:

Type of loan:	*Appraisal fee*
Land Bank Commissioner loan	$10.00
Federal Land Bank loan	10.00

If no appraisal is made the fee will be refunded.

§ 23.8 *Reamortization of loan fees.* Applicants for reamortization of bank loans and Commissioner loans will not be required to pay a reamortization fee; however, applicants will be obligated to pay any outside expense incident to the reamortization, such as abstract and recording fees.

§ 23.9 *Fees for prepayment of land bank loans.* No fee shall be charged for prepayment of land bank loans.

PART 24—FEDERAL LAND BANK OF LOUISVILLE

Sec.

24.1 Application and loan fees.
24.2 Direct loan closed loan fees.
24.3 Title reserve fees.
24.4 Personal risk investigation fees.
24.5 Fees for partial releases.
24.6 Application fees for partial releases.
24.7 Fees for prepayment of land bank loans.
24.8 Fees and deposits for lending abstracts on closed land bank and Land Bank Commissioner loans.
24.9 Reamortization of loan fees.
24.10 Appraisal fee and other costs and expenses to be charged on reinstating loan called for foreclosure.
24.11 Fee for release of personal liability.
24.12 Fees for division of existing loans.

AUTHORITY: §§ 24.1 to 24.12, inclusive, issued under sec. 13 "Ninth," 39 Stat. 372; 12 U. S. C. 781 "Ninth".

§ 24.1 *Application and loan fees.* No application or loan fees shall be charged.

§ 24.2 *Direct loan closed loan fees.* Where a direct land bank loan is closed, a further fee of ¾ of 1 percent of the amount of such loan will be deducted for payment to the correspondent of the bank who acted for it in connection with the making of the loan.

§ 24.3 *Title reserve fees.* No title reserve fees shall be charged.

§ 24.4 *Personal risk investigation fees.* The bank charges other Federal land banks a flat rate of $7.50 each for personal risk investigations of persons in the Fourth Farm Credit District who are applying for loans through such other banks.

§ 24.5 *Fees for partial releases.* Effective ten days after October 29, 1946, a partial release fee of $10.00 will be charged on all partial releases where an appraisal is made in connection with a Federal land bank loan, a Land Bank Commissioner loan, or joint Federal land bank and Land Bank Commissioner loans.

§ 24.6 *Application fees for partial releases.* No fees, other than the fee established by § 24.5, shall be charged in connection with partial releases.

§ 24.7 *Fees for prepayment of land bank loans.* No fee shall be charged for prepayment of land bank loans.

§ 24.8 *Fees and deposits for lending abstracts on closed land bank and Land Bank Commissioner loans.* Abstracts of title held by the bank will be loaned in proper cases to secretary-treasurers of national farm loan associations, borrowers, attorneys, and purchasers provided the sum of $27.00 is deposited with it. $2.00 of this amount will be retained by the bank to cover postage and handling of abstracts, and the remaining $25.00 will be refunded upon return of the particular abstract to the bank.

§ 24.9 *Reamortization of loan fees.* No fees will be charged for reamortization of Federal land bank or Commissioner loans, but applicant will be re-

quired to pay actual cash outlays such as abstract fees, recording fees, notarial fees, and other similar expenditures incident to the reamortization.

§ 24.10 *Appraisal fee and other costs and expenses to be charged on reinstating loan called for foreclosure.* An appraisal fee of $10 is charged on each loan that is called for foreclosure, the security reappraised and the loan subsequently reinstated. This fee, together with all other costs and expenses incurred in calling such loan for foreclosure and/or incident to or because of the institution of foreclosure proceedings, whether by court action or otherwise (such as, attorney's fees, trustee's fees, court costs, abstract fees, or costs of depositions, advertisement, lis pendens notices or surveys) must be paid before the loan will be reinstated.

§ 24.11 *Fee for release of personal liability.* A fee of $10.00 is charged in connection with applications for release of personal liability for the payment of a Federal land bank loan, a Land Bank Commissioner loan, or joint Federal land bank and Land Bank Commissioner loan, if an appraisal is made.

§ 24.12 *Fees for division of existing loans.* No fees for the division of an existing loan shall be charged.

PART 25—FEDERAL LAND BANK OF NEW ORLEANS

Sec.
25.1 Appraisal fees.
25.2 Release fees.
25.3 Fees for reamortization and other loan treatments.
25.5 Prepayment fees.

AUTHORITY: §§ 25.1 to 25.5, inclusive, issued under sec. 13 "Ninth," 39 Stat. 372; 12 U. S. C. 781 "Ninth".

§ 25.1 *Appraisal fees.* (a) A fee of $5 will be collected with each application for a new loan of $1,000 or less, and a fee of $10 will be collected in such case where more than $1,000 is applied for. Should the application be withdrawn or declined before an appraisal is made, the fee will be returned to the applicant. A further fee of $1 per $1,000, or fraction thereof, will be charged and deducted from the loan proceeds at the time a loan is closed on any amount loaned by the land bank, the Land Bank Commissioner, or both, in excess of $5,000.

(b) A fee of $5 will be collected with each application for an increased or refunding loan where new money applied for is $1,000 or less, and a fee of $10 will be collected in such case where new money of more than $1,000 is applied for: *Provided*, That only a fee of $5 will be collected with each of two or more applications filed to refinance an existing loan (land bank, Land Bank Commissioner, or joint land bank and Commissioner loans but not purchase money mortgages) covering any part of the property offered as security. Should the application be withdrawn or declined before an appraisal is made, the fee will be returned to the applicant. A further fee of $1 per $1,000, or fraction thereof, will be charged and deducted from the loan proceeds at the time the loan is closed, on any amount of new money loaned by the land bank, the Land Bank Commissioner, or both, whether in one or in more than one refunding loan refinancing an existing loan, in excess of $5,000, which fee, in the case of several such refunding loans, will be prorated among the several applicants.

(c) A fee of $5 will be collected with each application for division of an existing loan (land bank, Land Bank Commissioner, or joint land bank and Land Bank Commissioner loans). The fee will be returned if the application is withdrawn or declined before an appraisal is made.

(d) An additional fee of $7.50 will be collected with each application in any type of case where an applicant resides outside the Fifth Farm Credit District. The fee will be returned if an investigation outside the district is not made.

(e) A supplemental fee equal to the fee collected with the application will be charged in any type of case for each reappraisal made because of delay on the part of an applicant or made at the applicant's request.

§ 25.2 *Release fees.* An appraisal fee of $10 will be collected with each application for a partial release of security, subordination of a lien, adjustment of insurance, or release from personal liability. Only one such fee will be collected in cases where joint land bank and Land Bank Commissioner loans are involved. The fee will be returned if an appraisal is not made.

§ 25.3 *Fees for reamortization and other loan treatments.* An applicant for reamortization or other loan treatment changing the terms of any loan or contract will not be required to pay any fee in connection with such transaction, but will be obligated to pay any incidental outside expense, such as recording and reinscription costs.

§ 25.5 *Prepayment fees.* Payment in full or special payments on principal of a land bank loan will be accepted at any time with interest at the rate currently borne by the indebtedness to the date the payment is made, except that when the full payment arises from the refinancing of the loan from a non-Government lending source there will be an additional charge of 1 percent per annum from the date of payment to the end of the initial 5-year period, computed on the original amount of the loan less the principal portions of the regular installments already paid.

PART 26—FEDERAL LAND BANK OF ST. LOUIS

Sec.
26.1 Partial release of security and release of personal liability fees; land bank, Land Bank Commissioner, or joint land bank and Land Bank Commissioner loans.
26.2 Reamortization fees on Federal land bank and Commissioner loans.
26.3 Prepayment fees.

AUTHORITY: §§ 26.1 to 26.3, inclusive, issued under sec. 13 "Ninth," 39 Stat. 372; 12 U. S. C. 781 "Ninth".

§ 26.1 *Partial release of security and release of personal liability fees; land bank, Land Bank Commissioner, or joint land bank and Land Bank Commissioner loans.* (a) When no reappraisal by a land bank appraiser is necessary, no fee is charged. (If the application is for a release of personal liability or for a partial release of a small portion of security for school, church, cemetery, or other public use, ordinarily no reappraisal is necessary.)

(b) When reappraisal by a land bank appraiser is required, except as indicated in paragraph (c) of this section, a $10 fee is charged. (Ordinarily, reappraisal is required if more than 2% of the acreage included in the mortgage is involved in a partial release of security or subordination.)

(c) When the release or subordination is for public highway purposes, regardless of whether an appraisal is or is not required, no fee is charged.

§ 26.2 *Reamortization fees on Federal land bank and Commissioner loans.* Applicants for reamortization of land bank and Commissioner loans will not be required to pay a reamortization fee; however, applicants will be required to pay such out-of-pocket costs as abstract charges, recording fees, and other incidental items.

§ 26.3 *Prepayment fees.* In in any one year during the first five years a loan is in force, the borrower, through the refinancing of the loan from a non-Government lending source, makes special principal payments in excess of one-fifth of the original amount of the loan, a prepayment fee will be charged the borrower in a sum equal to 1% per annum on the amount of such excess for each year or fraction thereof of the unexpired portion of said five-year period.

PART 27—FEDERAL LAND BANK OF ST. PAUL

Sec.
27.1 Liquidation or prepayment fees.
27.2 Charges for reamortization; Federal land bank loans.
27.3 Charges for reamortization; Land Bank Commissioner loans.
27.4 Fees for change of maturity dates on loans.
27.5 Fees for subordination of mortgages and contracts, grants of and consents to easements, partial releases of mortgage security, partial conveyances of contract security, substitution of security and division of loans, Federal land bank and/or Land Bank Commissioner and/or Federal Farm Mortgage Corporation mortgages and land contracts.
27.6 Fees for release of personal liability in connection with Federal land bank and Land Bank Commissioner loans.

AUTHORITY: §§ 27.1 to 27.6, inclusive, issued under sec. 13 "Ninth," 39 Stat. 372; 12 U. S. C. 781 "Ninth".

§ 27.1 *Liquidation or prepayment fees.* No fee shall be charged in connection with the prepayment of any Federal land bank loan.

§ 27.2 *Charges for reamortization; Federal land bank loans.* For each loan reamortized the applicant therefor shall pay $3, said sum representing the average cash outlay in connection with each such reamortization for abstract of title charges and recording fees.

§ 27.3 *Charges for reamortization; Land Bank Commissioner loans.* For

each loan reamortized the applicant therefor shall pay $3, said sum representing the average cash outlay in connection with each such reamortization for abstract of title charges and recording fees. In the case of a joint loan where both the Federal land bank and the Land Bank Commissioner loans are reamortized simultaneously, a charge of $2 in addition to the foregoing is made.

§ 27.4 *Fees for change of maturity dates on loans.* Where the borrower requests that the maturity dates on any loan(s) be changed, the following fees are required: (a) Federal land bank loan, $3.00; (b) Commissioner loan, $3.00; and (c) Joint loan (FLB & Commissioner), $5.00.

§ 27.5 *Fees for subordination of mortgages and contracts, grants of and consents to easements, partial releases of mortgage security, partial conveyances of contract security, substitution of security and division of loans, Federal land bank and/or Land Bank Commissioner and/or Federal Farm Mortgage Corporation mortgages and land contracts.* The following fees and charges shall be paid to The Federal Land Bank of Saint Paul in connection with Federal land bank and/or Land Bank Commissioner and/or Federal Farm Mortgage Corporation mortgages and land contracts:

(a) Where an appraisal by a land bank appraiser is necessary, a fee of ten dollars ($10.00) shall be paid in connection with each application for subordination of mortgages and contracts, partial releases of mortgage security, partial conveyances of contract security, and grants of and consents to easements.

(b) Where an appraisal by a land bank appraiser is necessary, a fee of ten dollars ($10.00) shall be paid for each appraisal made in connection with an application for substitution of security.

(c) Where an appraisal by a land bank appraiser is necessary in connection with an application for division of a Federal land bank and/or Land Bank Commissioner loan, only one fee of five dollars ($5.00) shall be paid, regardless of the number of parts into which it or they may be divided.

(d) Where new loans are made involving a part of the security underlying an existing loan, partial releases necessitated thereby shall be made without fees.

§ 27.6 *Fees for release of personal liability in connection with Federal land bank and Land Bank Commissioner loans.* Where an appraisal by a land bank appraiser is necessary, a fee of ten dollars ($10.00) shall be paid in connection with an application for release of personal liability upon transfer of title to the mortgaged property.

PART 28—FEDERAL LAND BANK OF OMAHA

§ 28.1 *Reamortization fees.* Applicants for reamortization of bank loans and Commissioner loans will not be required to pay a reamortization fee: *Provided, however,* That applicants will be required to pay such out-of-pocket costs as recording fees, notarial fees and other incidental items. (Sec. 13 "Ninth," 39 Stat. 372; 12 U. S. C. 781 "Ninth").

PART 29—FEDERAL LAND BANK OF WICHITA

Sec.
29.1 Application and loan fees.
29.2 Partial release fees.
29.3 Fees for reamortization of existing loans.
29.4 Fees for release of personal liability.
29.5 Fees for division of existing loans.

AUTHORITY: §§ 29.1 to 29.5, inclusive, issued under sec. 13 "Ninth," 39 Stat. 372; 12 U. S. C. 781 "Ninth".

§ 29.1 *Application and loan fees.* Each application for a new loan, or an additional loan, shall be accompanied by a fee of $10.00, to be refunded if no appraisal is made. A further fee of $7.50 shall be required if it appears necessary for the bank to make a personal investigation outside of the Ninth Farm Credit District, such fee to be refunded if the investigation is not made. If a reappraisal is required because of delay of the applicant, or is made at the applicant's request, an additional fee of $10.00 may be required.

§ 29.2 *Partial release fees.* Each application for a partial release shall be accompanied by a fee of $10.00. An additional fee of $5.00 shall be required if the property to be released includes irrigated land or land in a drainage district, or both. If no appraisal is made, the foregoing fees shall be refunded. If a reappraisal is required because of delay of the applicant, or is made at the applicant's request, an additional fee of $10.00 may be required.

§ 29.3 *Fees for reamortization of existing loans.* In connection with the reamortization of existing loans, the borrower shall pay such out-of-pocket expenses as abstract charges, recording fees, and other incidental items.

§ 29.4 *Fees for release of personal liability.* Each application for a release of personal liability shall be accompanied by a fee of $10.00, such fee to be refunded if no appraisal or field investigation is made. An additional fee of $7.50 shall be required if it appears necessary to make a personal investigation outside of the Ninth Farm Credit District, such fee to be refunded if the investigation is not made.

§ 29.5 *Fees for division of existing loans.* Each application for the division of an existing loan shall be accompanied by a fee of $5.00. An additional fee of $2.50 shall be required if the loan involved includes irrigated land or land in a drainage district, or both. If no appraisal is made, the foregoing fees shall be refunded. An additional fee of $7.50 shall be required if it appears necessary for the bank to make a personal investigation outside of the Ninth Farm Credit District, such fee to be refunded if the investigation is not made. If a reappraisal is required because of delay of the applicant, or is made at the applicant's request, an additional fee of $10.00 may be required.

PART 30—FEDERAL LAND BANK OF HOUSTON

Sec.
30.1 Application fees; loan fees; land bank, Land Bank Commissioner, or joint land bank and Land Bank Commissioner loans.
30.2 Partial release fees; land bank, Land Bank Commissioner, or joint land bank and Land Bank Commissioner loans.
30.3 Reamortization fees; land bank, Land Bank Commissioner, or joint land bank and Land Bank Commissioner loans.
30.4 Deposits of fees for abstract handling.
30.5 Release of personal liability fees; land bank, Land Bank Commissioner, or joint land bank and Land Bank Commissioner loans.

AUTHORITY: §§ 30.1 to 30.5, inclusive, issued under sec. 13 "Ninth," 39 Stat. 372; 12 U. S. C. 781 "Ninth".

§ 30.1 *Application fees; loan fees; land bank, Land Bank Commissioner, or joint land bank and Land Bank Commissioner loans.* A fee of $10 will be collected with each new loan application and each application for an additional or increased loan; and

A fee of $5 will be collected with each application for division of an existing loan; and

An additional fee of $10 will be charged for reappraisals made because of delay on the part of an applicant or made at the applicants' request; and

The initial fee collected in each case will be refunded if no appraisal is made.

§ 30.2 *Partial release fees; land bank, Land Bank Commissioner, or joint land bank and Land Bank Commissioner loans.* A fee of $10 will be collected with each application for partial release; and,

An additional fee of $10 will be charged for reappraisals made because of delay on the part of an applicant or made at the applicant's request; and,

The initial fee collected in each case will be refunded if no appraisal is made.

§ 30.3 *Reamortization fees; land bank, Land Bank Commissioner, or joint land bank and Land Bank Commissioner loans.* No fee will be collected with an application for reamortization. Each applicant, however, will be required to pay actual cash outlays incurred for abstract expense, notarial fees, recording fees, obtaining tax certificates, and other incidental items necessary for the completion of the transaction.

If a reappraisal is required in any case because of a delay on the part of the applicant, or is made at the applicant's request a fee of $10 will be charged.

§ 30.4 *Deposits of fees for abstract handling.* The Abstract Section is authorized to charge and collect from the borrower of all abstracts loaned by the Federal Land Bank of Houston and the Land Bank Commissioner, where proper deposit has been made, the following fees:

(a) A handling fee of $2 where the abstracts are returned to the Bank in as good condition as when delivered.

(b) A handling fee of an additional $2 per loan file, when it becomes necessary to go into the files of additional loans to supply the abstracts borrowed.

(c) A handling fee of $1 per loan file where, after the abstracts are forwarded to the borrower of the abstracts, the related loan is paid in full and released.

(d) A reexamination fee of $5 is charged where reexamination of the abstracts becomes necessary by reason of their alteration while in the possession of the borrower of the abstracts or other persons. The necessity for the examination must be approved by the General Counsel of the Federal Land Bank of Houston.

§ 30.5 *Release of personal liability fees; land bank, Land Bank Commissioner, or joint land bank and Land Bank Commissioner loans.* A fee of $10 will be charged for release of personal liability to cover the expense of appraisal or investigation. Where no appraisal or investigation is necessary, no fee will be charged.

PART 31—FEDERAL LAND BANK OF BERKELEY

Sec.
31.1 Personal risk investigation fees.
31.2 Foreclosure attorney's fees.

AUTHORITY: §§ 31.1 and 31.2 issued under sec. 13 "Ninth," 39 Stat. 372; 12 U. S. C. 781 "Ninth".

§ 31.1 *Personal risk investigation fees.* Where, in connection with an application for a new loan, an increased loan, or the division of an existing loan, it appears necessary for the bank to have a nonresident personal investigation made, a fee of $7.50 will be required.

§ 31.2 *Foreclosure attorney's fees.*

California: If case is handled by attorney not on bank's staff:	
Balance of loan plus delinquencies under $5,000	$100.00
Balance of loan plus delinquencies over $5,000	200.00
Arizona, Utah, and Nevada:	
$1,000 to $1,400	50.00
$1,500 to $2,400	62.50
$2,500 to $3,400	75.00
$3,500 to $4,400	87.50
$4,500 to $5,400	100.00
$5,500 to $6,400	112.50
$6,500 to $8,400	137.50
$8,500 to $10,000	150.00

PART 32—FEDERAL LAND BANK OF SPOKANE

Sec.
32.1 Application fees; payable with application.
32.2 Reamortization and long-term extension fees.
32.3 Fees on prepayment of loan less than five years old.

AUTHORITY: §§ 32.1 to 32.3, inclusive, issued under sec. 13 "Ninth," 39 Stat. 372; 12 U. S. C. 781 "Ninth".

§ 32.1 *Application fees; payable with application.* On each application for a partial release of mortgage security or for a release from personal liability on a loan, a fee is charged as follows:

Application for partial release of mortgage security	$10.00
Application for release from personal liability on loan	10.00

In the event no appraisal of the property is made, the entire application fee is refunded.

A single fee is charged on such application applicable to single land bank or Land Bank Commissioner loans, or to joint land bank or Land Bank Commissioner loans.

No application fee or other fees are charged in connection with applications for new loans, or additional loans or for the division of existing loans.

Each applicant will be required to pay actual cash outlays for abstract expenses, title insurance fees, notarial fees, recording fees, or other disbursements necessary for the completion of the transaction.

§ 32.2 *Reamortization and long-term extension fees.* Applicants for reamortization or long-term extension of bank loans and Commissioner loans will not be required to pay a reamortization or long-term extension fee; however, applicants will be required to pay actual cash outlays for abstract expenses, notarial fees, recording fees, and other disbursements necessary and incident to the reamortization or long-term extension.

§ 32.3 *Fees on prepayment of loan less than five years old.* A service fee of one per cent per annum will be charged for the unexpired portion of the first five year term of the loan, if it is paid from funds received from a new loan other than one made by the United States or by any agency or instrumentality thereof.

Subchapter D—Federal Intermediate Credit Banks

PART 40—GENERAL

Sec.
40.1 Organization of Federal intermediate credit banks.
40.2 Functions and procedures of Federal intermediate credit banks.
40.103 Debtor and creditor relationship with borrowing institutions.
40.104 Definitions.

AUTHORITY: §§ 40.1 to 40.104, inclusive, issued under sec. 2, 42 Stat. 1459; 12 U. S. C. 1101.

NOTE: In §§ 40.103 and 40.104, inclusive, the numbers to the right of the decimal point correspond with the respective section numbers in the Manual for Federal Intermediate Credit Banks, issued as of September 1, 1937.

§ 40.1 *Organization of Federal intermediate credit banks.* (a) The twelve Federal intermediate credit banks, of which there is one in each Farm Credit district, are corporations chartered under 42 Stat. 1454, as amended; 12 U. S. C. 1021 et seq. The location of the several Federal intermediate credit banks and the district served by each are stated in § 8.1 of this chapter. All of their capital stock is owned by the United States. The activities of the credit bank in each district are coordinated with those of the Federal land bank, production credit corporation, and bank for cooperatives of the district through the district organization described in § 8.2 of this chapter. The Federal intermediate credit banks discount agricultural paper for eligible lending institutions and make loans to such institutions, and are authorized to make loans to cooperative associations of farmers and stockmen.

(b) The farm credit board of each district elected or appointed under 50 Stat. 704, 12 U. S. C. 640b-640j, is ex officio the board of directors of the Federal intermediate credit bank of the district. The board of directors appoints the officers of the credit bank and is responsible for the management of its affairs under general supervision of the Farm Credit Administration. The president of the credit bank is its chief executive officer.

§ 40.2 *Functions and procedures of Federal intermediate credit banks*—(a) *Discounts for and loans to lending institutions.* The Federal intermediate credit banks are primarily banks of discount for agricultural and livestock lending institutions. The banks are authorized to discount agricultural paper for, to purchase such paper from, and to make loans secured by such paper to, various types of lending institutions including national and State banks, trust companies, agricultural credit corporations, incorporated livestock loan companies, savings institutions, cooperative banks, credit unions, and cooperative associations of agricultural producers. To be eligible for discount or purchase by a Federal intermediate credit bank, or as security for loans from a credit bank, the paper offered by such institutions must represent an obligation the proceeds of which have been advanced or used in the first instance for an agricultural purpose or for the raising, breeding, fattening, or marketing of livestock.

The Federal intermediate credit banks also discount loan paper for, purchase such paper from, and make loans to, the production credit associations and the banks for cooperatives.

The discounts and loans by the Federal intermediate credit banks are made in accordance with 42 Stat. 1454, as amended, 12 U. S. C. and Sup., Chapter 7, Subchapter III, and the rules and regulations contained in subsequent sections of this subchapter of the Code of Federal Regulations.

A lending institution desiring to rediscount the obligations of farmers and stockmen with a Federal intermediate credit bank, or to obtain loans from a Federal intermediate credit bank on the security of such obligations, should communicate with the credit bank serving the district in which the lending institution operates. To qualify for discounts and loans from the credit bank, the lending institution is required to submit to the bank, on prescribed forms available from the bank, an "Application for Rediscount Privileges" and related documents, in which the institution gives certain information and makes certain agreements regarding the types of obligations to be offered by it to the bank for discount or as security for loans, submits evidence of its eligibility and the authority of its officers to rediscount with and borrow from the bank, and sets forth its financial condition.

Applications of lending institutions to qualify for discounts and loans from a Federal intermediate credit bank, and their offerings of paper for discount or as security for loans, are approved or rejected by the bank's executive committee.

(b) *Loans to cooperative associations.* The Federal intermediate credit banks are authorized to make loans to cooperative associations of agricultural or livestock producers secured by staple agricultural products or livestock or by other collateral approved by the Governor of the Farm Credit Administration. Since such loans are available to eligible cooperative associations from the banks for cooperatives (see 6 CFR, Chapter I, Subchapter F), the credit banks do not ordinarily make such loans but refer requests to the banks for cooperatives. Occasionally, however, loans to cooperative associations are made by the Federal intermediate credit banks where extraordinary circumstances make it more advantageous to have the loans made by the credit bank rather than the banks for cooperatives. Applications for such loans from a Federal intermediate credit bank are made on prescribed forms furnished by the credit bank. Cooperative associations desiring to apply to a Federal intermediate credit bank for loans should first communicate with the credit bank regarding the special reasons for requesting that the loans be made by the credit bank rather than the bank for cooperatives.

(c) *Issue and sale of debentures.* The Federal intermediate credit banks finance their discount and lending operations for the most part by issuing consolidated collateral trust debentures which are sold to the general public. These debentures are the joint and several obligations of the twelve Federal intermediate credit banks and are issued and sold in accordance with 50 Stat. 718, as amended, 12 U. S. C. 1040–1045, and the rules and regulations contained in 6 CFR, Part 45. The debentures are secured by collateral as specified in sec. 2, 42 Stat. 1456, as amended, 12 U. S. C. 1041, and this collateral is deposited or pledged with the farm loan registrars of the several districts who are public officials appointed by the Farm Credit Administration. The United States Government assumes no liability for the payment of these debentures. New issues of debentures are offered for sale, generally each month, through the Fiscal Agent of the Federal intermediate credit banks, and the Fiscal Agent notifies dealers listed with him of debenture offerings. Dealers desiring to be placed on the list should communicate with the Fiscal Agent for the Federal Intermediate Credit Banks, 31 Nassau Street, New York 5, New York. Persons interested in purchasing debentures for investment may communicate with any securities dealer or with the Fiscal Agent.

§ 40.103 *Debtor and creditor relationship with borrowing institutions.* Cooperative associations and other institutions obtaining credit from a Federal intermediate credit bank are not subsidiaries or agents of such bank. The relationship of an intermediate credit bank to such concerns is that of a creditor, or the holder for value of paper discounted or purchased with the indorsement of such borrowing institution. Each intermediate credit bank will conduct its dealings with borrowing institutions in such manner as to preclude any inference, through correspondence or otherwise, of any relationship between them other than as stated.

Any concern which places upon its letterheads, stationery, advertising matter, etc., any inscription or statement referring in any manner to dealings with the Federal intermediate credit bank, should be advised promptly to discontinue the use of such representations as a condition to the continuance of its rediscounting or borrowing privilege.

§ 40.104 *Definitions*—(a) *Financing institution.* As used herein, the term "financing institution" shall be held to mean any incorporated organization for which a Federal intermediate credit bank may discount agricultural paper, or to which it may make loans, under the Federal Farm Loan Act, as amended (48 Stat. 271, 272; 12 U. S. C. 1031 and Sup.). Such institutions include production credit associations organized under the Farm Credit Act of 1933 (48 Stat. 257), State and national banks, savings institutions, cooperative banks, credit unions, trust companies, agricultural credit corporations, livestock loan companies, and similar corporations.

(b) *Agricultural credit corporation or livestock loan company.* The terms "agricultural credit corporation" and "livestock loan company" shall be held to mean any privately capitalized financing institution (other than a bank) organized under the laws of any State or of the United States for the primary purpose of lending money for agricultural purposes, as herein defined, and/or for the raising, breeding, fattening, or marketing of livestock, regardless of the corporate name of the concern.

(c) *Person.* The word "person" shall, unless the context otherwise requires, be construed to mean an individual, a partnership, an association, a corporation, or two or more persons having a joint or common interest.

(d) *Agricultural purpose and agricultural paper.* The term "agricultural purpose," as used herein, shall be held to mean the purpose of carrying on agricultural production and marketing the products thereof, including the raising, breeding, fattening, or marketing of livestock, defraying expenses incident thereto, or paying an indebtedness arising therefrom. The term "agricultural paper" shall be held to mean notes or other obligations of farmers and stockmen, the proceeds of which have been advanced or used in the first instance for an agricultural purpose as herein defined, and the credit instruments executed in connection therewith.

(e) *Staple agricultural product.* The term "staple agricultural product" shall be held to mean a product of agriculture having, in the opinion of the Farm Credit Administration, such uses as to make it the subject of constant dealings in ready markets with such frequent quotations of prices as to make (1) the price easily and definitely ascertainable and (2) the product itself easy to realize upon by sale at any time. To be regarded as a staple product a commodity should be of such character and keeping quality that it may be warehoused safely for such period as may be necessary to permit orderly marketing.

(f) *Discounts; purchases.* Unless otherwise stated, or indicated by its context, the term "discounts" as used herein and in the accounting terminology prescribed for the Federal intermediate credit banks, will be understood to cover both discounts and purchases, or obligations so discounted or purchased, regardless of whether interest is deducted at the time of acquirement or is accrued and collected at maturity or at stated intervals.

PART 41—INTEREST AND DISCOUNT RATES

NOTE: In §§ 41.204 the number to the right of the decimal point corresponds with the section number in the Manual for Federal Intermediate Credit Banks issued as of September 1, 1937.

§ 41.204 *Interest and discount rates*—(a) *Limitations and application of interest and discount rates.* Interest and discount rates of each Federal intermediate credit bank which, except with the approval of the Governor of the Farm Credit Administration, shall not exceed by more than 1 per centum per annum the rate borne by the last preceding issue of debentures which it issued or in which it participated, will be applied in the following manner:

(1) Interest, or discount, is to be charged on each original note (or upon such amounts as may be advanced thereon) at the rate in effect at the time the funds are advanced by the bank.

(2) On any renewal note the bank will charge its established rate in effect at the date such renewal is taken into its accounts.

(3) Extension notes, which mature in not to exceed 90 days from the date the original obligation matured, may be carried at the same rate as that charged on the note which has matured or, in the discretion of the bank, at its loan and discount rate prevailing at the time of extension.

(b) *Discounting (deducting interest, or collecting in advance).* Federal intermediate credit banks will not collect interest (deduct discount) in advance, except when paper offered to them bears interest after maturity only. All financing institutions dealing with a Federal intermediate credit bank should be urged, when taking paper to be offered to the bank, to draw the notes to bear interest from date.

(c) *Interest after maturity.* Should a note purchased or discounted by a Federal intermediate credit bank be not paid promptly at maturity the bank may, in its discretion, collect the full rate of interest called for by the note for such time as the indorsing financing institution permits such note to remain with the bank as past due and unpaid.

(d) *Interest on notes receivable (financing institutions in liquidation).* On paper which a Federal intermediate credit bank is obliged to take over from a financing institution for liquidation, interest will be collected at the rate specified in the notes. Renewals of such notes, when taken payable directly to the bank, should bear interest at a rate not to exceed the maximum rate that may

be charged by financing institutions on paper eligible for discount by the bank, under regulations prescribed by the Farm Credit Administration. In no event may such rate exceed the maximum interest rate permitted by applicable State laws. (Sec. 2, 42 Stat. 1459, sec. 7, 49 Stat. 316; 12 U. S. C. 1101, 1051)

PART 42—LOANS AND DISCOUNTS

Sec.
42.301 Applications.
42.302 Examinations and reports of borrowing and rediscounting organizations.
42.303 Character of paper.
42.304 Maturities.
42.306 Notes of farming corporations.
42.308 Rates of interest or discount charged note makers by financing institutions.
42.309 Fees and other charges.

AUTHORITY: §§ 42.301 to 42.309, inclusive, issued under sec. 2, 42 Stat. 1459, sec. 7, 49 Stat. 316; 12 U. S. C. 1101, 1051.

NOTE: In §§ 42.301 to 42.309, inclusive, the numbers to the right of the decimal point correspond with the respective section numbers in the Manual for Federal Intermediate Credit Banks issued as of September 1, 1937.

§ 42.301 *Applications.* Federal intermediate credit banks shall require, as a condition precedent to making loans to or discounting paper for any eligible organization, an application for such privilege duly executed by the applicant institution in form prescribed by the bank and approved by the Intermediate Credit Commissioner.

§ 42.302 *Examinations and reports of borrowing and rediscounting organizations.* Federal intermediate credit banks shall require, as a condition precedent to making loans to or discounting paper for any eligible organization (other than a production credit association or bank for cooperatives, organized under the Farm Credit Act of 1933) its agreement to furnish to the bank and/or the Farm Credit Administration and/or any farm credit examiner at any time upon call, a detailed statement of its financial condition in such form as may be prescribed; and its agreement to submit, at its own expense, to periodic examinations by examiners for the Federal intermediate credit bank, by national bank examiners and/or by farm credit examiners; *Provided, however,* That any bank, trust company, or savings institution operating under the supervision of State or national banking authorities, in lieu of such agreement, may submit its authorization to such supervising authority, in writing, to furnish the Federal intermediate credit bank and/or the Farm Credit Administration upon request any report of condition or examination, or other confidential information in the possession of such supervising authority.

§ 42.303 *Character of paper.* To be acceptable to a Federal intermediate credit bank, paper offered by a financing institution for discount or as collateral security for a loan shall be of such character as to assure liquidation of the obligation within a reasonable time, consistent with sound banking and agricultural practices. In any case where the collateral offered is the principal factor in determining the acceptability of a note, a margin of security adequate to protect the bank during the full term of the obligation will be required.

§ 42.304 *Maturities*—(a) *Notes from financing institutions.* Maturities of notes or other obligations discounted by a Federal intermediate credit bank or accepted as collateral for loans to financing institutions should coincide, as nearly as may be practicable, with the usual time for marketing the crops or livestock from which liquidation is expected. Except as hereinafter provided, maturities of such notes will not exceed one growing and/or marketing season, usually not more than twelve months.

(b) *Notes of dairymen.* A Federal intermediate credit bank may discount, or accept as collateral, notes of dairymen secured by chattel mortgages on dairy cattle and maturing not more than two and one-half years from the date of discount or pledge, except that in the event the dairy cattle are subjected to intensive feeding and milk production, the maturity shall be not more than two years from the date of discount or pledge: *Provided,* That, in either case, such notes are payable in regular monthly or semimonthly installments in amounts ordinarily sufficient to liquidate the paper within such period but consistent with sound farming practices of the operator. In the discretion of the intermediate credit bank, such installments may be for fixed amounts or for a percentage of proceeds from dairy products and should, ordinarily, be covered by assignment of an appropriate part of future milk or cream checks.

(c) *Notes guaranteed under Servicemen's Readjustment Act of 1944.* Notes or other obligations which are guaranteed under the provisions of the Servicemen's Readjustment Act of 1944 (Public Law 346, 78th Congress, approved June 22, 1944), as amended, and which are otherwise eligible under the laws and regulations governing the Federal intermediate credit banks, may be discounted, purchased, or accepted as collateral for loans, when such notes or other obligations mature in not to exceed three years from date of acquisition or acceptance by a Federal intermediate credit bank.

§ 42.306 *Notes of farming corporations*—(a) *Eligibility.* Notes of a corporation are eligible for discount only if the corporation is principally engaged in farming or in raising, breeding, fattening, or marketing of livestock. To be considered so principally engaged, the major portion of the corporation's assets must be represented by property actually devoted to farming and/or livestock production; at least half of its gross income must be derived from such operations; and at least half of the time of its active officers and personnel must be spent in the conduct of such business.

(b) *Indorsements of stockholders.* (1) Notes of a farming corporation (as herein defined), to be accepted for discount or as collateral for a loan by a Federal intermediate credit bank, will be required to be indorsed, or signed as co-maker(s) by (i) the holder or holders of at least the majority of the outstanding shares of voting stock of the corporation or (ii) under certain conditions, by the principal stockholder or stockholders; or the bank will require that such stockholders execute a continuing guaranty of all indebtedness of such corporation to the financing institution and its successors or assigns.

(2) The Federal intermediate credit banks will require such stockholders' indorsements or guaranties on any renewals or extensions of obligations of farming corporations whose paper they may now hold, as a condition precedent to accepting such renewals or extensions. This requirement may not be waived in any case except with the express consent of the Intermediate Credit Commissioner.

§ 42.308 *Rates of interest or discount charged note makers by financing institutions.* The rate of interest or discount charged farmers and stockmen on notes or other obligations that may be discounted for, or accepted as collateral for loans to, production credit associations and other financing institutions shall not exceed by more than 3 percent per annum the loan and discount rate of the Federal intermediate credit bank in effect at the time the loan is made.

§ 42.309 *Fees and other charges.* No paper shall be eligible for discount, or as collateral for a loan by a Federal intermediate credit bank, if the financing institution charges any fee or commission aside from interest at a rate conforming to the regulations of the Farm Credit Administration and reimbursement for reasonable and necessary actual costs incurred by the financing institution in making the loan, such as the expenses of necessary inspections of the security, obtaining chattel mortgage abstracts or other evidences of title and priority of its liens, and filing or recording mortgages.

PART 43—PRIVATELY CAPITALIZED FINANCING INSTITUTIONS

Sec.
43.501 Eligibility of institutions.
43.503 General collateral requirements (financing institutions).
43.504 Loans to financing institutions.
43.504–1 Substitution of direct obligations (financing institutions).
43.504–2 Temporary advances to financing institutions.
43.505 Eligibility of paper.
43.507 Insolvent financing institutions.

AUTHORITY: §§ 43.501 to 43.507, inclusive, issued under sec. 2, 42 Stat. 1459, sec. 7, 49 Stat. 316; 12 U. S. C. 1101, 1051.

NOTE: In §§ 43.501 to 43.507, inclusive, the numbers to the right of the decimal point correspond with the respective section numbers in the Manual for Federal Intermediate Credit Banks issued as of September 1, 1937.

§ 43.501 *Eligibility of institutions.* In order to be eligible to obtain credit from a Federal intermediate credit bank, a privately capitalized financing institution (other than a bank or a credit union) must meet the following requirements:

(a) *Incorporation and capitalization.* It must be incorporated with a paid-in and unimpaired capital commensurate

with the volume of business it expects to handle and, in any event, not less than $10,000.

Ordinarily, such a corporation should have a minimum capital of $25,000 to enable it to handle a volume of business that will produce earnings sufficient to cover operating costs and establish reserves for possible losses.

(b) *Compliance with statutes.* It must comply with State laws applicable to it. Violations of State laws will be cause for revocation by an intermediate credit bank of the borrowing and rediscounting privilege of any concern which does not immediately rectify such conditions upon notice from the bank. Particular attention should be given to the corporation's articles of incorporation and bylaws; the issuance, sale, and retirement of its capital stock or other securities; and, in the case of foreign corporations, evidence will be required that the concern has complied with the laws of the State in which it is operating.

(c) *Nature of principal business.* It must be engaged, principally, in the business of extending seasonal short-term credit for agricultural and livestock production purposes.

(d) *Corporations acting under banking laws.* A corporation engaged in a banking business and operating under the banking laws of a State, but having the powers of an agricultural credit corporation, livestock loan company, or similar financing institution, must be limited to the amount of credit which may be granted to a banking institution under section 202 (b) of the Federal Farm Loan Act, as amended.

(e) *Definition of capital and surplus.* Only that portion of a corporation's authorized and subscribed capital which has been paid for, and for which stock certificates are actually outstanding in the names of bona fide stockholders, plus such sums as have been definitely and regularly credited to surplus account and remain therein, may be regarded as capital and surplus for the purposes of this section. Undivided profits may not be treated as surplus, until actually set aside for that purpose; but such undivided profits and any reserves set up will, to the extent of the amount available, be recognized as an offset against losses or other items which otherwise might impair the corporation's capital or surplus.

§ 43.503 *General collateral requirements (financing institutions).* A financing institution (other than a commercial bank, or a bank for cooperatives organized under the Farm Credit Act of 1933) as a condition precedent to borrowing from or rediscounting with a Federal intermediate credit bank, is required to pledge as general collateral to any and all obligations to the bank, cash, United States Government securities, Federal Farm Mortgage Corporation bonds, Federal land bank bonds, Federal intermediate credit bank debentures, or other readily marketable securities of high rating, in an amount equal to a substantial portion of its capital. In the discretion of the Federal intermediate credit bank concerned, banking institutions also may be required (unless prohibited by law or by supervisory authority) to deposit general, acceptable collateral.

§ 43.504 *Loans to financing institutions.* Loans may be made to a financing institution (other than a bank for cooperatives or a production credit association organized under the Farm Credit Act of 1933, as amended, or a production credit association in which a production credit corporation organized under that act owns stock) only when such loans are secured by paper that is in itself eligible for discount, that is, "the proceeds of which have been advanced or used in the first instance for any agricultural purpose or for the raising, breeding, fattening, or marketing of livestock," and which otherwise conforms to the requirements of eligibility for discount.

§ 43.504–1 *Substitution of direct obligations (financing institutions).* As an incident to the exercise of its specific powers, and as a step in the liquidation of paper discounted for or purchased from a privately capitalized financing institution pursuant to the provisions of section 202 (a) (1) of the Federal Farm Loan Act, as amended (12 U. S. C. 1031), a Federal intermediate credit bank may accept from such financing institution, in substitution for any such paper which is overdue or otherwise in default, a direct promissory note of such institution secured by the pledge of bonds or other acceptable collateral.

§ 43.504–2 *Temporary advances to financing institutions.* Advances may be made to financing institutions, for temporary periods only, upon the basis of their direct notes secured by the pledge of bonds or other acceptable collateral, provided such advances are incident to the extension of credit by means of loans and discounts as contemplated by section 202 (a) (1) of the act (12 U. S. C. 1031). Such advances shall be made only in cases where the bank finds that funds are required by the financing institution to enable it to close loans which are to be offered to the bank for discount or purchase, or as collateral for a loan or loans, pursuant to said section 202 (a) (1)

§ 43.505 *Eligibility of paper*—(a) *Summary of eligibility requirements.* To be eligibile for discount or as collateral for loans, notes offered to a Federal intermediate credit bank by privately capitalized financing institutions must meet the following requirements:

(1) The rate of interest or discount charged the note maker may not exceed the limitations set out in the rules and regulations promulgated by the Farm Credit Administration.

(2) Maturity dates may not exceed the limitations fixed by Farm Credit Administration rules and regulations and may not, in any event, exceed the legal limit of three years from the date discounted or accepted as collateral by the banks.

(3) The total indebtedness of the note maker to the financing institution may not exceed the maximum amount permitted by rules and regulations of the Farm Credit Administration.

(4) The proceeds of the notes must have been advanced or used in the first instance for an agricultural purpose, as defined by the Farm Credit Administration, and the Federal intermediate credit bank will require appropriate certificates or other suitable evidence that the proceeds have or will be so used.

(b) *Notes given to merchants.* Notes given by farmers and stockmen to dealers or merchants for the purchase of livestock, machinery, farm supplies, fertilizer, etc., ordinarily are not eligible for discount by (or as collateral for loans from) a Federal intermediate credit bank.

Where the proceeds of such notes are used primarily for the benefit of a merchant or dealer, rather than a farmer (e. g., to finance a merchant's credit sales) the purpose is commercial, or mercantile, not agricutural. A farmer's note given to a financing institution, when the proceeds have been used to purchase for cash from a merchant, or to pay a merchant for, farm supplies, machinery, fertilizer, etc., if otherwise acceptable, is eligible for discount by a Federal intermediate credit bank.

(c) *Notes of irrigation companies, etc.* Notes of irrigation companies, canal companies, and similar concerns engaged in the business of supplying farmers with irrigation water or other services or supplies, are not eligible for discount by (or as collateral for loans from) a Federal intermediate credit bank.

(d) *Maximum individual notes eligible for discount.* The maximum amount of any person's obligations which may be discounted for (or accepted as collateral for loans to) a financing institution shall not, except with the consent of the Intermediate Credit Commissioner, exceed the following limitations: (1) 20 percent of the paid-in and unimpaired capital and surplus of the financing institution, in the case of crop production and general agricultural paper; or (2) 50 percent of the paid-in and unimpaired capital and surplus of such institution, if the notes or other obligations are adequately secured by warehouse receipts representing readily marketable and nonperishable staple agricultural commodities, or by chattel mortgages on livestock; and shall be subject to such further limitations as may be imposed by the laws governing the operations of the financing institution concerned.

A Federal intermediate credit bank may not, except with the approval of the Intermediate Credit Commissioner, discount or make loans upon the security of any part of the obligations of a person whose indebtedness to the financing institution offering such paper to the bank exceeds the limitations prescribed herein, since undue concentration of credit in large lines involves special hazards which may impair the ability of the financing institution to meet its liabilities to the bank.

The term "obligations," as used in this section, includes all paper upon which one person is liable, whether as borrower, co-maker, indorser, or guarantor; *Provided, however,* That a Federal intermediate credit bank may, with the approval of the Intermediate Credit Commissioner, fix a different maximum amount of paper acceptable to it and bearing the indorsement for security

only of a person having no direct interest in the farming operations being financed with the proceeds of such notes.

§ 43.507 *Insolvent financing institutions.* In any case where a financing institution becomes insolvent, or is in process of liquidation, particularly if it will not properly service its paper, and where supervision and orderly liquidation will be facilitated by direct handling of the obligations of the borrowers, a Federal intermediate credit bank may, with the consent of the Intermediate Credit Commissioner, take over such paper and at maturity accept renewals thereof made payable directly to the bank. Notes or other obligations pledged with an intermediate credit bank by a financing institution, either as collateral for a direct loan or as additional security for any and all indebtedness of the corporation to the bank, also may be taken over by the bank and handled directly with the makers after title has been acquired by the bank in accordance with the provisions of applicable State laws and the terms of the pledge agreements executed by the financing institution.

It is the policy of the Farm Credit Administration, in so far as is possible without jeopardizing the interests of the Federal intermediate credit banks, and within the limitations of the law governing their operations, to avoid the enforced liquidation of privately capitalized financing institutions as well as their borrowers whose paper may be held by the intermediate credit banks. Therefore, direct liquidation of paper carried for a financing institution should be resorted to only in cases where other measures have failed and it is apparent that direct liquidation is the only practicable means available to the bank for the protection of its interests. When it is determined by a bank that the affairs of a financing institution are to be closed out through the foregoing procedure, a complete statement of the facts shall be submitted to the Intermediate Credit Commissioner before definite action is taken by the bank.

Paper handled for insolvent financing institutions under the foregoing procedure will not be assigned to the farm loan registrar as collateral for debentures.

PART 44—COOPERATIVE ASSOCIATIONS

Sec.
44.701 Eligibility requirements.
44.704 Collateral other than approved agricultural products.
44.706 Commodities acquired from or handled for nonmembers.
44.710 Charge for non-use of funds.

AUTHORITY: §§ 44.701 to 44.710, inclusive, issued under sec. 2, 42 Stat. 1459, sec. 7, 49 Stat. 316; 12 U. S. C. 1101, 1051.

NOTE: In §§ 44.701 to 44.710, inclusive, the numbers to the right of the decimal point correspond with the respective section numbers in the Manual for Federal Intermediate Credit Banks issued as of September 1, 1937.

§ 44.701 *Eligibility requirements.* Only bona fide cooperative associations, composed of persons who are engaged in producing and marketing staple agricultural products or livestock, are eligible for loans from a Federal intermediate credit bank. Any properly organized cooperative association which complies with the provisions of section 12 of the Farm Credit Act of 1935 (49 Stat. 317; 12 U. S. C., Sup., 1141j), and meets the foregoing requirements shall be deemed to be eligible for credit from a Federal intermediate credit bank.

Loans may be made to farmers' cooperative associations engaged in purchasing, testing, grading, processing, distributing, and/or furnishing farm supplies and/or farm business services as well as to associations engaged in processing, handling, and/or marketing farm products for their members. Loans to cooperative marketing associations will be made only to permit such associations to carry out an orderly marketing program, as distinguished from a speculative holding venture.

§ 44.704 *Collateral other than approved agricultural products.* In view of the variety of collateral which might be tendered by a cooperative association, no definite rulings with respect to what would constitute approved additional collateral are prescribed, except that under certain conditions an assignment of a hedge contract covering a staple agricultural product will be considered as "other collateral" within the meaning of that term as used in section 202 of the act, as amended (42 Stat. 1455; 12 U. S. C. 1031 (3) and Sup.). Favorable consideration will be given to a request by a Federal intermediate credit bank that the Governor approve collateral in this form, under the following conditions:

(a) That such hedge contract is, in effect, a sale of the commodity in the futures market at a price not less than its current market value plus carrying charges to the date of its sale, as provided in the contract;

(b) That the commodity will be hedged continuously during the entire time the bank's loan is outstanding; and

(c) That the hedge contract is made with a reputable and financially responsible broker through a recognized commodity exchange.

§ 44.706 *Commodities acquired from or handled for nonmembers.* Commodities acquired by a marketing association from nonmembers, for the purpose of supplementing the products received from its members, may be accepted as collateral for loans to cooperative associations: *Provided*, The value of the products so purchased from or handled for nonmembers does not exceed the value of those received from or handled for members.

§ 44.710 *Charge for non-use of funds.* As funds for lending purposes are procured principally through sales of debentures, a Federal intermediate credit bank is authorized to charge any cooperative association, in addition to interest on the indebtedness of the association to the bank, such sums as will protect the bank against pecuniary loss on its outstanding debentures in the event, and to the extent, that the association:

(a) Fails to employ the funds made available for its use in the amounts and on the dates agreed upon; or

(b) Makes prepayment of a loan or any part thereof.

PART 45—COLLATERAL TRUST DEBENTURES

NOTE: In § 45.804 the number to the right of the decimal point corresponds with the respective section number in the Manual for Federal Intermediate Credit Banks, issued as of September 1, 1937.

§ 45.804 *Lost, stolen, destroyed, mutilated, or defaced debentures*—(a) *Authorization for relief.* Whenever a debenture issued by an individual Federal intermediate credit bank, or a consolidated debenture, is lost, stolen, destroyed or so mutilated or defaced as to impair its value to the owner, the Intermediate Credit Commissioner may authorize the issuance of a new debenture in lieu thereof upon the owner's compliance with the following requirements:

(b) *Application.* In the event of the loss, theft, destruction, mutilation, or defacement of a debenture, issued by a Federal intermediate credit bank, or a consolidated debenture, the owner or his authorized representative, to protect his interest, should immediately file an application with the Intermediate Credit Commissioner for the issuance of another debenture in lieu thereof. Such application must be filed within a reasonable time after the loss, theft, destruction, mutilation, or defacement is discovered.

(c) *Affidavit of loss.* The owner of the debenture which has been lost, stolen, mutilated, or destroyed, or his authorized representative, shall furnish to the Intermediate Credit Commissioner his affidavit, duly acknowledged before a notary public or other officer authorized by law to administer oaths, setting forth:

(1) That he is the lawful owner (or authorized representative of the owner) of such debenture, and that he is legally entitled to its possession;

(2) A complete identification of such debenture, including serial number, date of issue, face amount, date of maturity, and interest rate;

(3) A detailed statement of the circumstances surrounding the loss, theft, destruction, mutilation, or defacement of such debenture;

(4) A statement that the affidavit is made for the purpose of obtaining a new debenture, and an undertaking that, should the original debenture come into possession or control of the deponent, he will immediately surrender it to the Farm Credit Administration.

(d) *Bond of indemnity.* (1) The owner of the lost, stolen, or destroyed debenture or his authorized representative, shall also furnish to the Intermediate Credit Commissioner a bond of indemnity in a penal amount equal to the sum of the principal and interest to maturity of the said debenture, plus 10 percent, with corporate surety satisfactory to the Intermediate Credit Commissioner, with conditions to indemnify and save harmless the Farm Credit Administration and any and all Federal intermediate credit banks and officers, employees,

and representatives thereof, of and from all liability, loss, claims, or demands, arising in any manner by reason or on account of the debenture for which the issuance of another is requested.

(2) The owner of a mutilated or defaced debenture, or his authorized representative, shall, before another debenture is issued in lieu thereof, surrender such debenture or as much thereof as remains, to the Intermediate Credit Commissioner, and shall, if required by him, also furnish him a bond of indemnity in a penal sum satisfactory to the Intermediate Credit Commissioner, with corporate surety and conditions as above stated.

(3) A bond of indemnity which is otherwise satisfactory will be accepted if the corporation which is surety thereon holds a certificate from the Secretary of the Treasury as being acceptable on surety bonds. A list of such corporations (Section of Surety Bonds Form 356) may be obtained from the United States Treasury.

CROSS REFERENCE: For listing of corporations by Form 356 as being acceptable on surety bonds, see 31 CFR Part 226.

(e) *Additional evidence of loss.* The owner of a lost, stolen, mutilated, or destroyed debenture, or his authorized representative, shall also furnish such other and further evidence relating to the loss, theft, destruction, mutilation, or defacement of the debenture for which a new debenture is requested as may be required by the Intermediate Credit Commissioner in any specific case.

(f) *Recovery of debenture reported lost, stolen, or destroyed.* If a debenture reported lost, stolen, or destroyed is recovered by the owner, or his authorized representative, prior to the issuance of a new debenture in lieu thereof, the Intermediate Credit Commissioner should be notified immediately, whereupon the application for the issuance of the new debenture will be canceled, and any bond and affidavits relative thereto will be returned to the owner, or his authorized representative. If the original debenture is recovered by the owner, or his authorized representative, after a new debenture in lieu thereof has been issued, the said original shall be returned to the Intermediate Credit Commissioner for cancellation.

(g) *Immaterial mutilation or defacement.* Where a mutilation or defacement of a debenture is so slight that the debenture may be identified fully, and the missing fragments could not by any possibility form the basis of a claim against the Farm Credit Administration or any Federal intermediate credit bank, the Intermediate Credit Commissioner, upon application therefor, and the surrender of the defaced or mutilated debenture, may authorize the issuance of a new debenture in lieu thereof without requiring an affidavit or indemnity bond, or such debenture may be accepted and paid, at maturity, as if no mutilation or defacement had occurred. (Sec. 2, 42 Stat. 1459, sec. 7, 49 Stat. 316; 12 U. S. C. 1101, 1051)

Subchapter E—Production Credit Division

PART 48—PRODUCTION CREDIT CORPORATIONS

Sec.

48.1 Organization of production credit corporations.

48.2 Functions and procedures of production credit corporations.

AUTHORITY: §§ 48.1 and 48.2 issued under sec. 2, 48 Stat. 257, as amended; 12 U. S. C. 1131.

§ 48.1 *Organization of production credit corporations.* (a) The twelve production credit corporations, of which there is one in each farm credit district, are corporations chartered by the Governor of the Farm Credit Administration under 48 Stat. 257, as amended; 12 U. S. C. and Sup. The location of the several production credit corporations and the district served by each are stated in § 8.1 of this chapter. All of their capital stock is held by the Governor of the Farm Credit Administration on behalf of the United States. The activities of the production credit corporation of each district are coordinated with those of the Federal land bank, Federal intermediate credit bank, and bank for cooperatives of the district through the district organization described in § 8.2 of this chapter. The production credit corporations assist in the organization and capitalization of the production credit associations in their respective districts and supervise the associations.

(b) The farm credit board in each district, elected or appointed under 50 Stat. 704, 12 U. S. C. 640b–640j, is ex officio the board of directors of the production credit corporation. The board of directors appoints the officers of the corporation and is responsible for the management of its affairs under general supervision of the Farm Credit Administration. The president of the corporation is its chief executive officer.

§ 48.2 *Functions and procedures of production credit corporations.* (a) The production credit corporations assist in the organization of production credit associations by advising with farmers desiring to form an association and by advising the Farm Credit Administration regarding the need and prospects for any proposed new associations. The corporations also consult with associations and make recommendations to the Farm Credit Aministration regarding proposals for changing the territories of, consolidating and liquidating associations.

(b) The production credit corporations assist in the capitalization of production credit associations by purchasing their class A stock in accordance with 48 Stat. 259; 12 U. S. C. 1131c.

(c) The corporations supervise the associations by prescribing rules and regulations which are contained in Parts 51 and 52 of this chapter, by reviewing their activities and records and consulting and advising with them, and otherwise in accordance with 48 Stat. 259, 12 U. S. C. 1131d–1131g, the rules and regulations (Parts 50, 51, and 52 of this chapter), and the bylaws of the associations.

PART 49—PRODUCTION CREDIT ASSOCIATIONS

Sec.

49.1 Organization of production credit associations.

49.2 Functions and procedures of production credit associations.

AUTHORITY: §§ 49.1 and 49.2 issued under sec. 20, 48 Stat. 259; 12 U. S. C. 1131d.

§ 49.1 *Organization of production credit associations.* (a) The production credit associations, of which there are about 500, are corporations organized by ten or more farmers and chartered by the Governor of the Farm Credit Administration pursuant to 48 Stat. 259; 12 U. S. C. 1131d.

(b) The farmer members of each association own some or all of its capital stock. Non-voting class A stock of the associations is purchased by the production credit corporations subject to retirement in accordance with 48 Stat. 259, 12 U. S. C. 1131c, and the aggregate amount of stock owned by the corporations is being progressively reduced.

(c) The farmer members of an association elect its board of directors from its membership. The board of directors appoints its officers and employees and manages its affairs under general supervision of the production credit corporation and the Farm Credit Administration. The secretary of the association is its managing officer. The association's executive committee, consisting generally of two directors and the secretary, acts as a loan committee and passes on loan applications.

§ 49.2 *Functions and procedures of production credit associations.* The production credit associations make loans to farmers and stockmen for general agricultural purposes, principally short-term loans for production purposes. The regulations prescribing the general terms and conditions on which such loans may be made are contained in Parts 50, 51, and 52 of this chapter. Applications for loans should be made to the production credit association serving the territory in which the applicant's farming operations are conducted. Loan applications should be made on prescribed forms, which may be obtained from the association, in which the applicant gives information regarding the amounts and purposes of the loan sought, his farming facilities, the anticipated sources of repayment, the security offered, and his financial condition. Each borrower from an association is required to own stock in the association as provided in 48 Stat. 261; 12 U. S. C. 1131g. The executive committee of the association has authority to approve or reject loan applications except that further approval is required for loans in excess of certain amounts (see 12 U. S. C. 1131g) and for loans to certain officials of the Farm Credit Administration, the production credit corporation, or the association (see § 51.2 (f) of this chapter).

PART 50—RULES AND REGULATIONS FOR PRODUCTION CREDIT ASSOCIATIONS PROMULGATED BY FARM CREDIT ADMINISTRATION

Sec.
50.13 Charges to borrowers.
50.15 Confidential information.
50.16 Territory.
50.17 Depositaries.
50.19 Consolidation of associations.
50.20 Voluntary liquidation of associations.

AUTHORITY: §§ 50.13 to 50.20, inclusive, issued under secs. 20, 60, 48 Stat. 259, 266; 12 U. S. C. 1131d, 1138. Exception is noted in parentheses following section affected.

NOTE: In §§ 50.13 to 50.20, inclusive, the numbers to the right of the decimal point correspond with the section numbers in the Rules and Regulations for Production Credit Associations, effective December 31, 1939.

§ 50.13 *Charges to borrowers.* Subject to the approval of the president of the corporation the association may prescribe charges and other fees to be charged applicants in connection with loans. Except as otherwise authorized by the president of the corporation, the cost of title and mortgage abstracts and searches, fees for filing or recording mortgages, fees in connection with releases, notarial fees in connection with the execution of loan papers, and other expenses incurred in closing loans must be paid by the borrower.

§ 50.15 *Confidential information.* The directors, officers, employees, and agents of an association shall not disclose information regarding the association's borrowers or applicants for loans or other information of confidential character, except as permitted by instructions issued by the corporation in conformity with the pertinent regulations promulgated in the General Administrative Manual issued by the Farm Credit Administration. (See Part 4 of this chapter.)

§ 50.16 *Territory.* (a) The association shall operate and conduct its business within such territory as may be prescribed by the Governor and evidenced in a certificate of district to be served.

(b) An application for a loan to finance operations wholly within the territory of the association may be accepted regardless of the residence of the applicant.

(c) An application for a loan to finance operations wholly without the territory of the association shall not be accepted even though the applicant resides within the territory served by the association.

(d) An application for a loan to finance operations on land partly within and partly without the association's territory may be accepted if such land may be regarded, in the opinion of the president of the corporation, as one farming or livestock unit. (Sec. 20, 48 Stat. 259; 12 U. S. C. 1131d)

§ 50.17 *Depositaries.* The depositaries for the funds of the association must be approved for the purpose by the corporation so long as it is the holder of any stock of the association, such depositaries wherever possible to be members of the Federal Reserve System or insured by the Federal Deposit Insurance Corporation.

§ 50.19 *Consolidation of associations.* (a) *Consolidation agreement.* By resolution, the board of directors of each association constituent to a consolidation shall authorize the execution of, and shall approve, an agreement (in the form prescribed by the corporation with the approval of the Production Credit Commissioner) designating the charter of one of the constituent associations as the charter of the consolidated association, providing an effective date for the consolidation, and setting forth the terms and conditions of the consolidation and the mode of carrying the same into effect.

Such consolidation agreement shall also provide that the shares of class A stock of the respective constituent associations shall be converted at the par value thereof into like shares of the consolidated association; that the shares of class B stock of the respective constituent associations which have a fair book value equal to or greater than the par value thereof shall be converted at the par value thereof into like shares of the consolidated association; that the shares of class B stock of the respective constituent associations which have a fair book value of less than par shall be converted into $5 par value shares of class B stock of the consolidated association having an aggregate value equal in each instance to the aggregate fair book value of such shares of such constituent associations.

(b) *Approval of consolidation agreement.* In order to become effective, the consolidation agreement must be approved:

(1) By a two-thirds vote of the class B stockholders of each association constituent to the consolidation who are present at a meeting duly called for the purpose (provided the stockholders so present constitute a quorum);

(2) By the president of the corporation; and

(3) By the Production Credit Commissioner.

(c) *Effectiveness of agreement.* When so approved the consolidation agreement shall be filed with the corporation and shall become effective as of its effective date. As of such date, the separate existence of the constituent associations shall cease, and the consolidated association shall succeed, without other transfer, to all rights and property of the constituent associations and shall be obligated to discharge all the debts, liabilities, and duties thereof in the same manner and to the same extent as if such consolidated association had originally incurred them.

(d) *Supervisory duties of corporation.* It shall be the duty of the corporation to supervise the consolidation for the purpose of insuring that the terms and conditions of the consolidation agreement are properly carried into effect and that the shares of stock of the constituent associations are retired and canceled and the proper number of shares of stock of the consolidated association issued in lieu thereof.

§ 50.20 *Voluntary liquidation of associations.* (a) Subject to the approval of the president of the corporation and of the Production Credit Commissioner an association may be placed in voluntary liquidation by resolution of its board of directors. The resolution shall authorize and direct the president of the corporation to appoint and fix the compensation of a liquidating agent for the association and to remove such liquidating agent at will and appoint a successor; and shall vest in the liquidating agent full and complete authority (without any reservation of power in the board) to liquidate the association subject to the direction and supervision of the president of the corporation.

(b) Subject to such direction and supervision, the liquidating agent shall convert all the association's assets into cash (except securities held by the corporation for the association's account), pay all its obligations, and distribute its remaining assets to the holders of class A and class B stock in accordance with their liquidation preference rights.

(c) The loan assets of the association may be converted into cash by either of the following methods:

(1) By their collection.

(2) By the sale of the loan assets of the association to another association or associations upon such terms and conditions as may be approved by the president of the corporation and by the Production Credit Commissioner: *Provided*, That immediately upon completion of such sale the liquidating association will be able to pay liquidating dividends of not less than $5 per share on all its outstanding stock. Each borrower whose loan is sold to another association shall be required to own class B stock in the purchasing association in the amount of $5 for each $100 or fraction thereof of the unpaid balance of such loan; and the liquidating association shall make payment to the purchasing association for such stock out of the borrower's liquidating dividends. (Sec. 65, 48 Stat. 269; 12 U. S. C. 1138e)

PART 51—RULES AND REGULATIONS FOR PRODUCTION CREDIT ASSOCIATIONS PROMULGATED BY ALL PRODUCTION CREDIT CORPORATIONS

Sec.
51.1 Loan purposes.
51.2 Eligibility.
51.4 Approval of loan.
51.5 Interest rates.
51.8 Inspections.
51.10 Time limit on closing loans.
51.11 Relation of association to other organizations.
51.21 Guaranteed loans to veterans.

AUTHORITY: §§ 51.1 to 51.21, inclusive, issued under sec. 23, 48 Stat. 261; 12 U. S. C. 1131g.

NOTE: In §§ 51.1 to 51.21, inclusive, the numbers to the right of the decimal point correspond with the respective section numbers in the Rules and Regulations for the Production Credit Associations, effective December 31, 1939.

§ 51.11 *Loan purposes.* The association is authorized to provide short-term and intermediate-term credit for any general agricultural purpose to qualified farmers and stockmen. Loans may include funds for the purchase of associa-

tion class B stock required to be held by members in connection with their loans.

When a doubt exists as to the authority of an association to make a particular type of loan, all pertinent facts in connection therewith should be forwarded to the president of the production credit corporation (hereinafter referred to as "the corporation") for a decision.

§ 51.2 *Eligibility*—(a) *In general.* To be eligible for a loan, an applicant must be a farmer within the meaning of that word as used in the Farm Credit Act of 1933 and amendments thereto and acts amendatory thereof. The term "farmer" as so used includes a natural person, partnership, or corporation engaged in the business of farming or of breeding, raising, or fattening livestock.

(b) *Natural persons.* To be an eligible applicant, a natural person must devote certain time and energy to the active management of his farming or livestock operations; and the enterprise must be conducted in such a manner that he reaps the benefits of the operation if it is successful, and suffers the loss if it is a failure. He need not be principally so engaged nor reside on the place where the farming or livestock operations are carried on. An applicant for a loan, the proceeds of which are to be used for farming or livestock operations conducted through tenants or sharecroppers, will be ineligible unless it affirmatively appears that he has a right to, and does actually exercise the substantial direction and control in the management of the enterprise. When a landlord is entitled only to a fixed return without regard to the success or failure of the farming operations, or does not rightfully exercise the substantial direction and control of the management of such operations, the tenant, not the landlord, is to be considered the "farmer."

(c) *Partnerships.* The eligibility of a partnership is governed by the same principles as those governing the eligibility of natural persons.

(d) *Corporations.* To be considered a "farmer," a corporation must be principally engaged in farming or in the breeding, raising, or fattening of livestock.

For a corporation to be considered as so principally engaged, the major portion of its assets must be represented by property actually devoted to farming and/or the raising, breeding, or fattening of livestock; at least half of its gross income must be derived from such operations; and at least half of the time of its active officers and personnel must be spent in the conduct of such business.

When a loan is made to a corporation, either the holder or holders of at least a majority of its outstanding shares of voting stock or, with the consent of the production credit corporation, the principal stockholder or holders must (1) endorse, or sign as comakers, all notes evidencing such loans; or (2) execute continuing guarantees of all indebtedness of such corporation to the association. When it is expected that future advances will be made to a corporate borrower, the association will require a continuing guaranty as above mentioned.

(e) *Fiduciaries and representatives.* Loans may be made to a fiduciary or representative (including a trustee, guardian, executor, administrator, or receiver) who, in such capacity, is engaged in farming or in the raising, breeding, or fattening of livestock: *Provided,* That (1) adequate security can and will be given and (2) some financially responsible individual (which may be the fiduciary or representative) will incur personal liability for the loan, or the general assets of the estate can and will be charged with liability for the loan. Loans shall not be made to the receiver of a corporation or to the trustee of a business trust (commonly called Massachusetts trust) unless the corporation or trust satisfies the requirements for eligibility of a corporation as prescribed in paragraph (d) of this section.

(f) *Loans to directors, officers, employees, and agents of the Farm Credit Administration, the corporation and the association.* (1) Loans to a director of the corporation or to an officer (as distinguished from an employee) of the Farm Credit Administration of Washington, D. C., shall be subject to prior approval by the board of directors of the corporation and by the Production Credit Commissioner.

(2) Loans to an officer, employee, or agent of the corporation shall be subject to prior approval by the board of directors of the production credit corporation.

(3) Loans to a director or officer of an association shall be subject to prior approval by the president of the corporation, or in his absence or unavailability, by the officer authorized to perform the duties of the president.

(4) Similar approval shall be required for any loan to a partnership, firm, or corporation of which any of the aforesaid persons is a member or stockholder, and for any loan to a third party where more than $500 of the loan proceeds is to be used in connection with real or personal property in which any such person has a present legal or equitable interest.

(5) No member of the executive committee of an association shall participate in the deliberation upon the application for a loan in which he or a member of his immediate family has a legal or equitable interest. The term "immediate family" shall include a father, mother, brother, sister, son, daughter, husband, or wife.

§ 51.4 *Approval of loan.* Unless otherwise provided in the bylaws of the association, or unless otherwise authorized by the board of directors of the association and the president of the corporation, no loan shall be made unless the executive committee has given prior approval thereof. Where executive committee action is required, no loan shall be made unless application therefor has received the unanimous approval of the qualified members of the executive committee present at the meeting at which such action is taken.

§ 51.5 *Interest rates.* The interest rate charged the borrower shall be 3 percent per annum above the discount rate of the Federal intermediate credit bank at the time the loan or advance is made, unless a lower or a higher rate is prescribed by the corporation with the approval of the Production Credit Commissioner. Interest shall be charged on loans for the actual number of days that loans are outstanding. The number of days for which interest shall be charged shall be computed on the basis of 365 days for normal years and 366 days for leap years.

§ 51.8 *Inspections.* Inspections or field reports shall be made in accordance with policies approved by the production credit corporation. Inspections shall be made by individuals approved by the corporation for this purpose.

An association officer, employee, or agent shall not be authorized to make an inspection incident to a loan applied for or obtained by a member of his immediate family or in connection with property in which he has a present legal or equitable interest. (See § 51.2 (f) for definition of "immediate family.")

§ 51.10 *Time limit on closing loans.* The association may, in its discretion, refuse to make a loan to an applicant who does not furnish all documents necessary to close the loan within 30 days after notice has been sent him by the association that his application has been approved.

§ 51.11 *Relation of association to other organizations.* No borrowers shall be required by the association to enter into any contract or agreement with any particular association, individual, or corporation with respect to the purchase of supplies or the sale of agricultural products, livestock, or livestock products; nor shall the association require a borrower to become a member of any other organization or association: *Provided,* That, with the prior approval of the Production Credit Commissioner, any of such requirements may be imposed as special credit requirements in connection with the closing of particular types of loans.

§ 51.21 *Guaranteed loans to veterans.* Upon authorization by its board of directors, an association may make loans to veterans which are guaranteed in part by the Administrator of Veterans' Affairs under Title III of the Servicemen's Readjustment Act of 1944, for any agricultural purpose eligible for such guaranty. Notwithstanding the regulations governing other loans made by the association, such guaranteed loans to veterans shall bear interest at the rate of 4 percent per annum, shall have a maturity in keeping with the repayment ability of the business financed but for not more than 5 years, and shall be made in accordance with the other requirements of said act and the regulations promulgated thereunder by the Administrator of Veterans' Affairs.

CROSS REFERENCE: For regulations under the Servicemen's Readjustment Act of 1944 promulgated by the Administrator of Veterans' Affairs, see Title 38, Part 36.

PART 52—PARTICULAR PRODUCTION CREDIT ASSOCIATIONS

§ 52.1 *Supervision by corporation of associations in First Farm Credit District.* Wherever in Parts 50 and 51 of this chapter authority is conferred upon the president of the corporation, such authority with respect to the associations in the First Farm Credit District may be exercised by either the President or the Executive Vice President of the Production Credit Corporation of Springfield. (Secs. 20, 23, 60, 48 Stat. 259, 261, 266; 12 U. S. C. 1131d, 1131g, 1138)

Subchapter F—Banks for Cooperatives

PART 69—ORGANIZATION, FUNCTIONS, AND PROCEDURES OF BANKS FOR COOPERATIVES

Sec.
69.1 Organization of Central Bank for Cooperatives.
69.2 Organization of district banks for cooperatives.
69.3 Functions and procedures of banks for cooperatives.

AUTHORITY: §§ 69.1 to 69.3, inclusive, issued under sec. 30, 48 Stat. 261; 12 U. S. C. 1134f.

§ 69.1 *Organization of Central Bank for Cooperatives.* The Central Bank for Cooperatives is a corporation chartered by the Governor of the Farm Credit Administration under 48 Stat. 261; 12 U. S. C. 1134f. Its offices are located in Washington, D. C., with the Farm Credit Administration, and it serves the entire United States. Its capital stock is held partly by cooperative associations that borrow from it and partly by the Governor of the Farm Credit Administration on behalf of the United States. The Central Bank makes loans to large regional-type cooperative associations of farmers and assists in financing the district banks for cooperatives. The board of directors of the Central Bank consists of the Cooperative Bank Commissioner, who is ex officio chairman of the board, and six other directors appointed by the Governor of the Farm Credit Administration of whom three are appointed from among individuals nominated by cooperative associations borrowing from the Central Bank. The Cooperative Bank Commissioner, as chairman of the board, is the executive officer of the Central Bank and prescribes the terms and conditions of its loans. The business of the Central Bank is managed by its vice president and general manager under the direction of the Commissioner, subject to general supervision by the Governor of the Farm Credit Administration.

§ 69.2 *Organization of district banks for cooperatives.* (a) The twelve district banks for cooperatives, of which there is one in each farm credit district, are corporations chartered by the Governor of the Farm Credit Administration under 48 Stat. 257; 12 U. S. C. 1134. The location of the several district banks and the district served by each are stated in § 8.1 of this chapter. The capital stock of each district bank is held partly by cooperative associations that borrow from it and partly by the Governor of the Farm Credit Administration on behalf of the United States. The activities of the district bank for cooperatives in each district are coordinated with those of the Federal land bank, Federal intermediate credit bank, and production credit corporation of the district through the district organization described in § 8.2 of this chapter. The district banks for cooperatives make loans to farmers' cooperative associations.

(b) The farm credit board of each district, elected or appointed under 50 Stat. 704, 12 U. S. C. 640b–640j, is ex officio the board of directors of the district bank for cooperatives. The board of directors appoints the officers of the corporation and is responsible for the management of its affairs under general supervision of the Farm Credit Administration. The president of the district bank is its chief executive officer.

§ 69.3 *Functions and procedures of banks for cooperatives.* (a) The Central Bank and the twelve district banks for cooperatives make loans to eligible farmers' cooperative associations, as defined in 46 Stat. 18, as amended, 12 U. S. C. 1141j, for the purposes and subject to the conditions specified in the Agricultural Marketing Act (46 Stat. 11, as amended; 12 U. S. C. 1141–1141j). Such loans are made in accordance with the rules and regulations contained in subsequent sections of this subchapter of the Code of Federal Regulations.

(b) The amount of loans that a district bank may make to any one borrower is limited by regulation (§ 71.25 of this chapter), but a district bank may receive applications for loans in excess of such limit and offer the excess amount to the Central Bank for participation in the loan. A cooperative association desiring to apply for loans should apply to the district bank serving the State in which the association's principal office is located (see § 8.1 of this chapter). However, an association whose operations extend over several farm credit districts may apply to the Central Bank. In appropriate cases, applications submitted to a district bank may be referred by it to the Central Bank and vice versa.

(c) Loan applications should be made on prescribed forms furnished by the banks, in which the applicant gives information as to the amount and purposes of the loan desired, the security offered, the proposed method of repayment, and the association's eligibility as a cooperative. The association should submit with its application certified copies of its articles of incorporation, bylaws, and board resolution authorizing the application, and audit reports or financial and operating statements for the preceding three years. Each borrower from a bank for cooperatives is required to own stock in the bank in the amounts stated in § 70.128 of this chapter.

(d) Loan applications are approved or rejected, and matters relating to loans are determined, on behalf of the Central Bank by its vice president and general manager with the concurrence of the Cooperative Bank Commissioner; and on behalf of a district bank by its executive committee composed of its president and other officers, except that loans in excess of $500,000 to any one association require further approval by the Cooperative Bank Commissioner.

PART 70—LOAN INTEREST RATES AND SECURITY

Sec.
70.5 Nonproducer ownership of voting media in cooperative associations.
70.43 Loans entitled to commodity loan interest rate.
70.46 Eligible commodities.
70.90 Interest rate on continental loans for financing operations.
70.90–50 Interest rate on continental commodity loans.
70.90–51 Interest rate on loans secured by Commodity Credit Corporation loan documents.
70.90–52 Interest rate on continental facility loans.
70.90–53 Interest rate on commodity loans in Puerto Rico.
70.90–54 Interest rate on loans in Puerto Rico for financing operations.
70.90–55 Interest rate on facility loans in Puerto Rico.
70.128 Capital stock ownership required of borrowing cooperatives.
70.139 Stock of defaulting borrowers.

AUTHORITY: §§ 70.5 to 70.139, inclusive, issued under secs. 34, 38, 48 Stat. 262, 264, as amended; 12 U. S. C. 1134j.

NOTE: In §§ 70.5 to 70.139, inclusive, the numbers to the right of the decimal point correspond with the respective section numbers in the Manual for Banks for Cooperatives, issued as of September 15, 1940, except the last two paragraphs of § 70.5 which appear in the Manual as sections 6 and 7, and the last paragraph of § 70.46 which appears in the Manual as section 47.

§ 70.5 *Nonproducer ownership of voting media in cooperative associations.* Loans may not be made to a cooperative association, except a mutual fire insurance company, unless at least 90 percent of the voting media are held by either producers (individuals, partnerships, or corporations), or cooperative associations as defined in the Agricultural Marketing Act, as amended (see sec. 15, 46 Stat. 18 as amended; 12 U. S. C. 1141j).

In determining eligibility, all business transacted with members that are neither producers, nor cooperative associations as defined in the Agricultural Marketing Act, as amended, shall be deemed to be nonmember business.

Loans may not be made to a mutual fire insurance company unless at least 75 percent of the voting media are held by either producers (individuals, partnerships, or corporations), or cooperative associations as defined in the Agricultural Marketing Act, as amended.

§ 70.43 *Loans entitled to commodity loan interest rate.* No borrower from a bank for cooperatives shall be entitled to the interest rate prescribed in subsection (a) of section 8 of the Agricultural Marketing Act, as amended (Sec. 8, 46 Stat. 14, sec. 11, 49 Stat. 316; 12 U. S. C. 1141f, and Sup.), on any loan made upon the security of commodities, unless the following terms and conditions are complied with:

(a) Each loan shall be secured by a first lien on farm products or farm supplies, approved by the Cooperative Bank Commissioner, of sufficient value at the time the loan is made (as determined by the bank) to afford an adequate margin of security without the necessity for additional collateral or other kinds (liens for accrued storage or warehouse charges

and taxes not yet due will not be considered as prior liens: *Provided*, The bank is satisfied that adequate arrangements have been made to assure the payment of such charges, when and as the same become due and payable);

(b) The loan shall mature within the normal marketing period of the commodities securing the loan; and

(c) The proceeds of the loan shall not be used for the construction or acquisition by purchase or lease of physical facilities, or for refinancing the cost of construction or acquisition of such facilities.

(d) Such loans shall not be made on changing stocks of goods.

§ 70.46 *Eligible commodities. Until* further notice and within the limits of § 70.43 farm products and farm supplies coming within the general classifications listed below may be accepted as security for loans entitled to the interest rate prescribed in subsection (a) of section 8 of the Agricultural Marketing Act, as amended (Sec. 8, 46 Stat. 14, sec. 11, 49 Stat. 316; 12 U. S. C. 1141f), for loans made upon the security of commodities, when the products or supplies are marketable and generally are in bulk storage.

Loans made on the security of commodities or supplies not coming within the general classifications listed below shall not be entitled to the interest rate prescribed in subsection (a) of section 8 of the Agricultural Marketing Act, as amended, for loans made upon the security of commodities.

Grains.
Fibers (such as cotton, wool, mohair, etc.).
Tobacco.
Grass seeds.
Legume seeds (alfalfa, clover, etc.).
Other seeds (vegetable, cottonseed, etc.).
Dairy products.
Poultry products.
Livestock products.
Grapes to be immediately converted into grape juice, wine, or brandy.
Wines and brandies.
Processed fruits and vegetables, as well as the following fresh fruits and vegetables held in storage:
Winter apples and pears.
Citrus fruits.
Potatoes.
Sweet potatoes.
Beans (edible, soy, etc.).
Nuts.
Maple food products.
Sugar.
Oil (cottonseed, bean, olive, etc.).
Honey.
Coffee.
Hay.
Naval stores.
Pelts of fur-bearing animals produced under fully controlled conditions.
Farm supplies (in bulk and held in storage):
Fertilizer.
Fertilizer materials.
Feeds.
Binder twine.

§ 70.90 *Interest rate on continental loans for financing operations.* The rate of interest on all loans, other than upon the security of commodities, made on or after February 24, 1939, by any district bank for cooperatives, the Central Bank for Cooperatives, or from the Revolving Fund authorized by the Agricultural Marketing Act (sec. 7, 46 Stat. 14; 12 U. S. C. 1141e), as amended, for the purposes specified in section 7 (a) (1) of that act, shall be 2½ percent per annum.

§ 70.90–50 *Interest rate on Continental Commodity Loans.* Except as specified in § 70.90–51, and except as provided in this section with respect to the Berkeley Bank for Cooperatives, the rate of interest on all loans upon the security of commodities made on or after February 24, 1939, by any district bank for cooperatives, the Central Bank for Cooperatives, or from the Revolving Fund authorized by the Agricultural Marketing Act (sec. 7, 46 Stat. 14; 12 U. S. C. 1141e), as amended, for the purposes specified in section 7 (a) (1) of that act, shall be 1½ per centum per annum. The rate of interest on all such loans made on or after March 1, 1947, by the Berkeley Bank for Cooperatives shall be 1¾ per centum per annum.

§ 70.90–51 *Interest rate on loans secured by Commodity Credit Corporation loan documents.* The rate of interest on loans made on or after May 10, 1944, by any district bank for cooperatives or the Central Bank for Cooperatives to eligible farmers' cooperatives, upon the security of the following types of Commodity Credit Corporation loan documents, shall be 1.00 per centum per annum:

(a) Those representing loans made by such farmers cooperatives as lending agents pursuant to agreements entered into with Commodity Credit Corporation and which are evidenced by notes of their producer members or farmer patrons, and qualified for purchase by and sale to Commodity Credit Corporation:

(b) Those representing cotton qualified for loans from Commodity Credit Corporation to such farmers' cooperatives pursuant to agreements entered into with Commodity Credit Corporation.

§ 70.90–52 *Interest rate on continental facility loans.* On and after February 1, 1946, the interest rate on all facility loans made or then outstanding in the continental United States by the district banks for cooperatives and the Central Bank for cooperatives shall be three and one-half per centum per annum.

§ 70.90–53 *Interest rate on commodity loans in Puerto Rico.* The rate of interest on all loans upon the security of commodities made on or after February 24, 1939, for the purposes specified in section 7 (a) (1) of the Agricultural Marketing Act (sec. 7, 46 Stat. 14; 12 U. S. C. 1141e), as amended, by the Baltimore Bank for Cooperatives to borrowers located in Puerto Rico shall be 2 percent per annum.

§ 70.90–54 *Interest rate on loans in Puerto Rico for financing operations.* The rate of interest on all loans made on or after February 24, 1939, for the purposes specified in section 7 (a) (1) of the Agricultural Marketing Act (sec. 7, 46 Stat. 14; 12 U. S. C. 1141e), as amended, other than upon the security of commodities, by the Baltimore Bank for Cooperatives to borrowers located in Puerto Rico, shall be 3 percent per annum.

§ 70.90–55 *Interest rate on facility loans in Puerto Rico.* On and after February 1, 1946, the interest rate on all facility loans made or then outstanding in Puerto Rico by the Baltimore Bank for Cooperatives and the Central Bank for Cooperatives shall be four per centum per annum.

§ 70.128 *Capital stock ownership required of borrowing cooperatives.* Cooperative associations borrowing from a bank for cooperatives shall be required to own, at the time the loan is made, an amount of stock of the bank as follows:

(a) *Operating capital and facility loans.* An amount of stock of the bank equal in fair book value (not to exceed par), as determined by the bank, to $100 per $2,000 or fraction thereof of the amount of the loan.

(b) *Commodity loans; loans secured by Commodity Credit Corporation documents.* An amount of stock equal in fair book value (not to exceed par), as determined by the bank, to $100 per $10,000 or fraction thereof of the amount of the loan(s) (exclusive of any loans made for the purchase of stock); *Provided, however*, That stock owned by a borrower in connection with any operating capital or facility loan(s) may be regarded as meeting the stock ownership requirements in connection with either commodity loans or "Commodity Credit Corporation secured" loans, to the extent that such stock equals $100 per $10,000 of the sum of such commodity or "Commodity Credit Corporation secured" loan(s).

§ 70.139 *Stock of defaulting borrowers.* (a) In any case where the debt of a borrower to the Central Bank for Cooperatives or any district bank for cooperatives is in default, such bank may retire and cancel all or a part of the stock of the defaulting borrower at the fair book value thereof (not exceeding par), in total or partial liquidation of the debt, as the case may be, if:

(1) The borrower has been declared bankrupt; or

(2) The borrower has had a substantial part of its property placed in the hands of a receiver; or

(3) The borrower has ceased operations, regardless of whether its charter has been surrendered; or

(4) In the judgment of the bank, the the indebtedness of the borrower to the bank is uncollectible.

(b) Any such stock that is so cancelled and retired may not again be reissued to the borrower.

PART 71—LOAN POLICIES

Sec.
71.25 Lending limits of district banks for cooperatives.
71.25–50 Excess loans district banks; sale of participations.
71.28 Territorial limitations on loans to cooperative associations made by the banks for cooperatives.
71.29 Appraisal and/or loan fees charged by the banks for cooperatives.
71.30 Relation of cooperative associations to general farm organizations.

Sec.
71.39 Policy on retirement of nonproducer ownership of voting media in cooperative associations.

AUTHORITY: §§ 71.25 to 71.39, inclusive, issued under secs. 34, 38, 48 Stat. 262, 264, as amended; 12 U. S. C. 1134j.

NOTE: In §§ 71.25 to 71.39, inclusive, the numbers to the right of the decimal point correspond with the respective section numbers in the Manual for Banks for Cooperatives, issued as of September 15, 1940.

§ 71.25 *Lending limits of district banks for cooperatives.* Except with the written approval of the Cooperative Bank Commissioner, the lending limits of each district bank for cooperatives are hereby fixed so that loans to any one borrower outstanding at any time may not exceed the following percentages of the bank's combined capital, surplus, and reserve for contingencies:

(a) Facility loans, 10 percent;

(b) Operating capital loans, 15 percent;

(c) Commodity loans (excluding loans secured by Commodity Credit Corporation documents), 25 percent;

(d) The sum of facility and operating capital loans, 15 percent;

(e) The sum of facility, operating capital, and commodity loans (excluding loans secured by Commodity Credit Corporation documents), 25 percent.

§ 71.25–50 *Excess loans district banks; sale of participations.* The district bank shall request the Central Bank for Cooperatives (or, when approved by the Cooperative Bank Commissioner, another district bank) to participate in the extension of credit for amounts which exceed the lending limits set forth in § 71.25, and, except when otherwise agreed, such participation shall take place in the following order: First, commodity loans; second, operating capital loans; and third, facility loans. Nothing contained in this section or in § 71.25 shall be construed to prevent a district bank for cooperatives from requesting the Central Bank for Cooperatives (or, when approved by the Cooperative Bank Commissioner, another district bank) to participate in the extension of credit to any borrower before its lending limits are reached.

§ 71.28 *Territorial limitations on loans to cooperative associations made by the banks for cooperatives.* A bank for cooperatives should make loans only to cooperative associations operating within, or with headquarters in, the farm credit district served by the bank for cooperatives. A bank for cooperatives may make loans to an association operating in or with headquarters in, another farm credit district under the following conditions:

(a) That the interests of the borrowing cooperative would best be served.

(b) That the bank for cooperatives in the farm credit district in which the cooperative association is located and the Farm Credit Administration at Washington, D. C., agree thereto.

Cooperative associations operating in more than one farm credit district should apply for loans to the bank for cooperatives in the district in which the principal operating office of the cooperative association is located.

§ 71.29 *Appraisal and/or loan fees charged by the banks for cooperatives.* As a general policy appraisal and/or loan fees not to exceed one-half of 1 percent of the amount of a loan applied for may be charged by the banks for cooperatives to applicant associations.

§ 71.30 *Relation of cooperative associations to general farm organizations.* The requirement that membership in a cooperative association is limited to persons who are members of a general farm organization shall not make such cooperative association ineligible to borrow from a bank for cooperatives; *Provided:*

(a) That the applicant cooperative association does not collect from its members (by deductions from sales proceeds or from patronage dividends or otherwise) dues payable by such members to a general farm organization, except where the members from whom such dues are so collected have individually and specifically, and in a manner satisfactory to the bank for cooperatives, authorized the cooperative association to collect and pay such dues to the farm organization concerned.

(b) That the applicant cooperative association will agree, at the request of the bank for cooperatives, to serve qualified nonmembers of the association who do not desire membership in the general farm organization concerned, and to handle (within the limitations of the Agricultural Marketing Act (46 Stat. 11–19; 12 U. S. C. 1141–1141j), as amended, such nonmember business as may be necessary to serve such producers who have no other opportunity to market their products, or purchase their supplies, cooperatively.

§ 71.39 *Policy on retirement of nonproducer ownership of voting media in cooperative associations.* If all the voting media of a cooperative association borrowing from a bank for cooperatives, except a mutual fire insurance company, are not held by either producers (individuals, partnerships, or corporations), or cooperative associations as defined in the Agricultural Marketing Act, as amended, (sec. 15, 46 Stat. 18; 12 U. S. C. 1141j), the bank, as a matter of policy, should suggest or insist upon the adoption by the cooperative of satisfactory measures designed to assure that substantially all voting media will be so held.

Subchapter G—Regional Agricultural Credit Corporations

PART 90—ORGANIZATION, FUNCTIONS, AND PROCEDURES OF REGIONAL AGRICULTURAL CREDIT CORPORATION OF WASHINGTON, D. C.

Sec.
90.1 Organization.
90.2 Functions and procedure.

AUTHORITY: §§ 90.1 and 90.2 issued under sec. 201 (e), 47 Stat. 713, as amended; 12 U. S. C. 1148.

§ 90.1 *Organization*—(a) *Central organization.* The Regional Agricultural Credit Corporation of Washington, D. C., is a corporation chartered by the Farm Credit Administration under sec. 33, 50 Stat. 717; 12 U. S. C. 1148c. Originally there were twelve regional agricultural credit corporations created under sec. 201 (e), 47 Stat. 713, as amended, 12 U. S. C. 1148, but all of them have been consolidated or merged into the Regional Agricultural Credit Corporation of Washington, D. C., pursuant to sec. 33, 50 Stat. 717; 12 U. S. C. 1148c. The principal office of the Corporation is located in Washington, D. C., with the Farm Credit Administration. All of the capital stock of the Corporation is held by the Secretary of the Treasury on behalf of the United States. The Corporation is empowered to make loans to farmers and stockmen for agricultural purposes. The directors and officers of the Corporation are appointed by the Farm Credit Administration. The board of directors of the Corporation, has general management of its affairs, and the president of the Corporation is its chief executive officer. The Corporation's loan committee passes on applications for loans and related matters referred to the principal office.

(b) *District offices.* When the Regional Agricultural Credit Corporation is engaged in a loan program in any particular area, it utilizes the farm credit district office serving that area (see §§ 8.1 and 8.2 of this chapter) as its district office, and utilizes the personnel and facilities of the farm credit district institutions. The district office of the Corporation is under the direction of a district vice president who is aided by an assistant district vice president and by local representatives as needed. Persons interested in learning the name and location of the local representative serving any particular county may obtain this information by writing to the district office of the Corporation serving the State in which the county is located, or by writing to the Regional Agricultural Credit Corporation of Washington, D. C., Farm Credit Administration, Washington, D. C.

(c) *Wenatchee Branch Office.* The Corporation has a branch office known as the Wenatchee Branch which makes loans to fruit growers in Chelan, Okanogan, Douglas, and Grant Counties in the State of Washington. The office of the Wenatchee Branch is located in Spokane, Washington. The Wenatchee Branch is managed by a manager under the general direction of a branch committee.

§ 90.2 *Functions and procedures.* (a) The Regional Agricultural Credit Corporation of Washington, D. C., is empowered to make loans to farmers and stockmen for agricultural purposes in accordance with sec. 201 (e), 47 Stat. 713, as amended; 12 U. S. C. 1148. Loans from the Corporation are made available from time to time in areas where adequate credit for agricultural purposes is not then available from other sources. Accordingly, new loans from the Corporation are made available only in specified areas and for specified purposes designated from time to time, and are made only to applicants who are unable to obtain suitable financing from other sources. New loans have been made

available during 1946 in the following areas for the following purposes:

Area and Purposes

(1) Chelan, Okanogan, Douglas, and Grant Counties, State of Washington (Wenatchee Branch Office): Fruit production.
(2) Accomac and Northampton Counties, State of Virginia (Baltimore, Md., District Office): Production of certain vegetable crops.

The Corporation is also engaged in liquidating loans previously made throughout the United States. Where necessary, additional loans may be made to assist in the liquidation of outstanding loans.

(b) Applications for loans in the area served by the Wenatchee Branch Office should be submitted to that office. Such applications are approved or rejected by the branch committee of that office. Applications for loans in other areas where loans are made available should be submitted to the local representative of the Corporation or to its district office. The district vice president is authorized to approve or reject loan applications, except those in excess of specified amounts which require further approval by the principal office, and he may delegate such authority to the assistant district vice president.

(c) Loan applications are made on prescribed forms in which the applicant gives information as to the purposes and amounts of the loan desired, his farming facilities, the security offered, the anticipated sources of repayment, and his financial condition. The applicant must also submit evidence of his inability to obtain suitable financing from other local sources. The terms and conditions on which loans are made are prescribed or approved by the Farm Credit Administration and are contained in subsequent Parts of this Subchapter of the Code of Federal Regulations.

(d) Requests for cancelation of obligations for special war crop advances made in 1943 (see § 96.200 (b) of this chapter) should be submitted to the local representative of the Corporatiton or to its district office. The district vice president has authority to approve or disapprove such requests for cancelation and he may delegate this authority to the assistant vice president. Such requests for cancelation are made on prescribed forms in which the applicant gives information regarding his fulfillment of the conditions required for cancelation.

PART 91—LENDING POLICIES

Sec.
91.1 Loans.
91.2 Purposes for which loans may be made.
91.3 Present status.
91.4 Qualifications as lending agencies re wool loan program.
91.5 Size of loans.
91.6 Maturity of loans.
91.7 Split lines.
91.8 Special requirements.
91.9 Renewals.
91.10 Interest rate.
91.11 Inspection fees.

AUTHORITY: §§ 91.1 to 91.11, inclusive, issued under sec. 201 (e), 47 Stat. 713; 12 U. S. C. 1148.

§ 91.1 *Loans*—(a) *Borrowers to whom loans may be made.* Regional agricultural credit corporations are authorized to make loans or advances to individual farmers and stockmen, partnerships and corporations engaged in the business of farming or raising, breeding, fattening, or marketing of livestock. Canners, packers, processors, commission merchants, etc., are ineligible. Also, the regional agricultural credit corporations will not make loans to cooperatives.

(b) *Method of handling loans.* All transactions of any one borrower should be handled by one office.

§ 91.2 *Purposes for which loans may be made.* Loans or advances to farmers and stockmen are to be made only where the proceeds of the loans are to be used for agricultural purposes (including crop production) or for the raising, breeding, fattening, or marketing of livestock.

§ 91.3 *Present status.* The regional agricultural credit corporations' present status is one of liquidation and applications only for the renewal of outstanding loans or for readjustment and restocking in specified areas, which have been affected by insect infestation and drought, will be received and acted on at the offices of the corporations.

§ 91.4 *Qualification as lending agencies re wool loan program.* Regional agricultural credit corporations, including their branches, have been instructed to qualify as lending agencies on Commodity Credit Corporation Form H and are authorized to make loans to regional agricultural credit corporation producer borrowers on 1937–38 wool and/or mohair in storage in accordance with the Commodity Credit Corporation wool loan program.

CROSS REFERENCE: For Commodity Credit Corporation wool loan program, 1937–38, see Part 202, Chapter II of this title.

§ 91.5 *Size of loans*—(a) *Livestock loans.* Regional agricultural credit corporations are not authorized to make, or commit themselves to make, any livestock loan in the amount of $50,000 or more until all the facts in connection with the application shall have been presented (with an appropriate recommendation and a statement of any necessary conditions to be imposed) to the Farm Credit Administration, and its approval obtained. In all instances where the aggregate loans to a borrower (individually and/or jointly with others) and/or to any corporation controlled by such borrower, equal or exceed $50,000, a report covering all such loans should be forwarded to the Farm Credit Administration.

(b) *Agricultural loans.* The corporations are not authorized to make, or commit themselves to make, any agricultural loan in the amount of $15,000 or more until all the facts in connection with the application shall have been presented (with an appropriate recommendation and a statement of any necessary conditions to be imposed) to the Farm Credit Administration, and its approval obtained. In all instances where the aggregate loans to a borrower (individually and/or jointly with others) and/or to any corporation controlled by such borrower, equal or exceed $15,000, a report covering all such loans should be forwarded to the Farm Credit Administration.

(c) *Restocking loans.* There is a minimum limitation of $5,000 on restocking and readjustment loans. All recommended applications for such loans, whether made by present borrowers or new applicants, are required to be submitted to the Washington office of the Farm Credit Administration for approval before commitment of the corporation is made. Such loans are available only in certain specified areas.

§ 91.6 *Maturity of loans*—(a) *Livestock loans.* It is contemplated that the following will be the maximum maturities for livestock loans:

Range and breeder loans: One year.
Pasture loans: One year, or an earlier point of time coincidental with the expected time for marketing the livestock.
Feeder loans: Eight months, or an earlier period of time coincidental with the expected time for marketing the livestock.

(b) *Agricultural loans.* No agricultural loan should be made with a maturity to exceed one year, unless a later maturity is specifically authorized by the Farm Credit Administration; and it is contemplated that such loans will usually be made for the period of time such loans are customarily made in the locality, or drawn to mature at such time as liquidation of the loans will be expected.

(c) *Restocking loans and all other loans not specifically mentioned.* These loans are limited in the same manner and to the same term, to wit: one year, as agricultural and livestock loans.

§ 91.7 *Split lines.* Regional agricultural credit corporations shall not handle "split lines" of credit. A regional agricultural credit corporation should either meet all of the applicant's financing requirements or none of them.

§ 91.8 *Special requirements.* In connection with any new loans made with cattle as security therefor, or renewals of old loans in which cattle are any part of the security, the regional agricultural credit corporation requires the borrower to execute, in addition to the note and mortgage evidencing the debt, a collateral undertaking in which the borrower agrees that, in the event any cattle belonging to him are infected with Bang's disease and are sold in accordance with the terms of a contract with the Agricultural Adjustment Administration, executed in furtherance of this proposed program of eradication, and an indemnity payment is received in connection with the elimination of such cattle, the borrower will (a) apply such indemnity payment towards the purchase of sound cattle of the same type, grade, and approximate value as those sold under the proposed program, and subject the cattle so purchased as security for the loan, as if pledged for the repayment of the loan at the time of the making thereof; and/or (b) apply such indemnity payment to the reduction of his debt.

§ 91.9 *Renewals.* At no time should paper be renewed (except where renewal will facilitate liquidation or pending action by a production credit association) until the regional agricultural credit corporation office is reasonably certain that the borrower is unable to obtain credit elsewhere and then only under express agreement that he will attempt to refinance elsewhere when asked to do so.

§ 91.10 *Interest rate.* The interest rate for agricultural loans is the same as that provided for livestock loans.

Effective June 1, 1940, the rate of interest on all loans now outstanding bearing a rate of interest in excess of 5½ percent per annum, and the rate of interest on all loans hereafter made or renewed, shall be 5½ percent.

§ 91.11 *Inspection fees.* Effective June 1, 1934, the corporations will charge borrowers for actual cost of inspections not to exceed rate charged by production credit associations in same areas, this charge to be made only on normal and regular inspections made necessary in handling, extending, renewing or increasing loans and not for interim inspections made solely for the purpose of keeping in touch with status of loan between regular inspections.

PART 92—LOANS, TYPES AND KINDS; ELIGIBILITY OF BORROWERS

Sec.
92.1 Agricultural loans.
92.2 Livestock loans.
92.3 Special types and kinds; eligibility of poultry raisers.
92.4 Silver fox growers.
92.5 Nurserymen.
92.6 Indians.
92.7 Corporations.

AUTHORITY: §§ 92.1 to 92.7, inclusive, issued under sec. 201 (e), 47 Stat. 713; 12 U. S. C. 1148.

§ 92.1 *Agricultural loans.* The term "agricultural loan" is used to designate a loan made for an agricultural purpose to an individual farmer or a partnership or corporation (other than a cooperative corporation) engaged in the business of farming. Such loans will include loans or advances secured by liens on growing crops or other property, for the purpose of defraying the cost of seed and cultivation; loans for harvesting, likewise secured by liens on crops; marketing loans secured by warehouse receipts (preferably issued by warehouses licensed under the U. S. Warehouse Act (39 Stat. 486; 7 U. S. C. 241–273)) covering agricultural commodities; and "barnyard loans", or loans secured by first mortgage liens on milch cows, hogs, work horses, mules, equipment and small stock.

§ 92.2 *Livestock loans.* The term "livestock loan" is used to designate a loan to a livestock grower, feeder, or breeder secured by a first lien on livestock, where the loan is expected to be repaid through funds obtained from: (a) the sale of the livestock and/or the increase and other available sources, in the case of a range or breeder loan, or (b) the sale of fat cattle and sheep, in the case of a feeder or pasture loan.

§ 92.3 *Special types and kinds; eligibility of poultry raisers.* Poultry raisers are farmers and, as such, eligible to apply to the regional agricultural credit corporations for poultry loans. Commercial hatcheries, engaged primarily in the business of producing and selling baby chicks, are not so considered.

The term "poultry loans" is used to designate loans which are secured primarily by liens on poultry and on the feed and equipment used in producing the same, as distinguished from so-called "barnyard loans", or loans "secured by first mortgage liens on milch cows, hogs, work horses, mules, equipment and small stock". The term "poultry raiser" is used to designate an applicant engaged primarily in the business of producing poultry and not merely following such pursuit for the purpose of providing supplementary income.

§ 92.4 *Silver fox growers.* Silver fox growers may be considered eligible as borrowers from regional agricultural credit corporations, where silver foxes are given as security for the loans.

§ 92.5 *Nurserymen.* Nurserymen engaged in the culture or propagation of ornamental shrubs and trees, and other products usually included in standard nurseries, as well as other products having "utilitarian value" such as fruit trees and evergreens are eligible for loans which are required to be within amounts which will be paid from expected sales to be made within one year from the date the loan is made.

§ 92.6 *Indians.* Loans to Indians should be made only upon the security of the so-called "unrestricted" property, located on a Government Indian reservation.

§ 92.7 *Corporations.* A corporation is considered to be a "farmer" or "stockman" only if its principal business is that of farming and/or raising, breeding, fattening and marketing of livestock.

PART 93—APPLICATION OF PROCEEDS OF SALE

§ 93.1 *Disposition of proceeds of sale.* All proceeds of sale should be applied on the loan affected and the borrower permitted, when desired, to make application for an additional loan under the additional advance clause contained in the mortgage. (Sec. 201 (e), 47 Stat. 713; 12 U. S. C. 1148)

PART 94—SECURITY REQUIREMENTS

§ 94.1 *Security requirements.* All loans made by the regional agricultural credit corporations shall be fully and adequately secured. Primary security to be acceptable must consist of first and paramount liens on personal property. It is not the intention that loans shall be secured primarily by mortgages or other liens on real estate, either farms or ranches; and while this class of security is acceptable as additional collateral, it is only to be so considered. (Sec. 201 (f), 47 Stat. 713; 15 U. S. C. 605b (f))

PART 95—LOANS FOR SPECIAL AREAS

Sec.
95.1 Loans in the Wenatchee-Okanogan District, State of Washington, and in the Counties of Yakima, Kittitas, Skamania, Klickitat, and Benton, in the State of Washington, and the County of Hood River, in the State of Oregon.
95.2 Eligible borrowers.
95.3 Loan purposes.
95.4 Applications.
95.5 Use of loan proceeds; right to withhold advances.
95.6 Adequacy of credit.
95.7 Security.
95.8 Loans to corporations.
95.9 Other creditors.
95.10 Packing and marketing of fruit.
95.11 Factors.
95.12 Sales of fruit; remittance of proceeds.
95.13 Interest and other charges.
95.14 Reserve fund.
95.15 Additional regulations; amendments.
95.16 Section 91.5 (b) not applicable to Wenatchee Branch.

AUTHORITY: §§ 95.1 to 95.16, inclusive, issued under sec. 201 (e), 47 Stat. 713; 12 U. S. C. 1148.

§ 95.1 *Loans in the Wenatchee-Okanogan District, State of Washington, and in the Counties of Yakima, Kittitas, Skamania, Klickitat, and Benton, in the State of Washington, and the County of Hood River, in the State of Oregon.* The Wenatchee Branch of the Regional Agricultural Credit Corporation of Washington, D. C. (hereinafter referred to as "the Wenatchee Branch"), is authorized to make loans during the 1941–1942 and the 1942–1943 crop seasons to fruit growers (a) in the Counties of Okanogan, Chelan, Douglas, and Grant, in the State of Washington (known as the Wenatchee-Okanogan District), and (b) subject to the limitation in § 95.3, in the Counties of Yakima, Kittitas, Skamania, Klickitat, and Benton, in the State of Washington, and the County of Hood River, in the State of Oregon.

§ 95.2 *Eligible borrowers.* Farmers (including orchardists and fruit growers) are eligible to borrow from the corporation when they can qualify under the terms and conditions set forth herein and in the application and agreements required by the Wenatchee Branch to be executed in connection with such loans. Loans shall be made direct to borrowers and the Wenatchee Branch shall not discount notes for any other financing institution. Borrowers shall be required to cooperate in such program or programs as may be promulgated by or developed in cooperation with the United States Department of Agriculture, and to comply with Federal and State requirements now in effect or hereafter promulgated, with respect to sanitation, grading, packing and marketing of fruit.

§ 95.3 *Loan purposes.* Loans may be made to finance the production, harvesting, packing, storing, and marketing of fruit, including the care and preservation of orchards as well as the reasonable living expenses of the operator, under terms and conditions prescribed by the Wenatchee Branch Committee. Loans may be made also for the purchase and repair of equipment, for rehabilitation

of orchards, and for such other purposes, including (but not by way of limitation) the processing of apple by-products, as may be approved by the Wenatchee Branch Committee, provided loans to fruit growers in the Counties of Yakima, Kittitas, Skamania, Klickitat, and Benton, in the State of Washington, and the County of Hood River, in the State of Oregon, shall be limited to the processing, packing, storing and marketing of apple by-products, the purchase and repair of equipment used in connection with such operations and the reasonable living expenses of the operator-borrower, all of which loans shall be in accordance with the terms and conditions prescribed by the Wenatchee Branch Committee.

§ 95.4 *Applications.* Each application (to be presented in triplicate) for a season's financing shall be accompanied by figures for an operating budget. Applicants will be required to agree to pursue approved agricultural and horticultural practices and to harvest, pack and market their fruit in a manner and upon terms approved by the Wenatchee Branch.

§ 95.5 *Use of loan proceeds; right to withhold advances.* Each applicant for a loan will be required to agree to use the proceeds of his loan in accordance with the terms of his operating budget approved by the Wenatchee Branch. All commitments as to future advances shall be optional with the lender. By making advances the Wenatchee Branch shall not be deemed nor held to have obligated itself to the making of any other or further advances.

§ 95.6 *Adequacy of credit.* Each applicant will be required to furnish evidence satisfactory to the Wenatchee Branch that the amount of his loan, together with other available resources, will be sufficient to finance the production, harvesting, and packing of his fruit crop in accordance with approved standards.

§ 95.7 *Security.* All notes shall be secured by (a) crop liens or mortgages conveying a first and paramount lien on crops grown or to be grown during the current season, or (b) liens on other personal property, such as farm and orchard machinery, equipment and livestock; or (c) liens on real estate; or (d) liens on either or all the above classifications of property, any of which may be accepted as primary security.

§ 95.8 *Loans to corporations.* Notes of each corporate borrower shall be endorsed or guaranteed by the holder or holders of at least a majority of the outstanding shares of voting stock of such corporate borrower; or, at the option of the Wenatchee Branch, by the principal stockholder or stockholders: *Provided,* That in lieu of endorsements upon the notes such stockholders may execute a continuing guaranty of all indebtedness of such borrower to the Wenatchee Branch and to its successors or assigns. At the option of the Wenatchee Branch, the shares of capital stock owned by the endorsing or guaranteeing stockholders shall be pledged as security for the loan.

§ 95.9 *Other creditors.* As a condition to the granting of a loan, the Wenatchee Branch may require the applicant to obtain from all creditors, whether secured or unsecured, such waivers and subordinations as in the opinion of the Wenatchee Branch are necessary to afford it a first and paramount lien upon the crops to be produced and any chattels or other property offered or required as security for its advances; and also may require standstill and nondisturbance agreements executed by the holders of chattel and real estate mortgages constituting liens upon the orchard or other property. All such waivers and agreements shall be so drawn as to remain in effect so long as the Wenatchee Branch, or its assignee, is a creditor of the borrower.

§ 95.10 *Packing and marketing of fruit.* Each applicant for a loan will be required to agree that he will pack and offer for sale only such grades and varieties of fruit as may be designated or approved by the Wenatchee Branch, and that he will conform to a program approved by the Wenatchee Branch for the disposition of less desirable grades and varieties.

§ 95.11 *Factors.* Borrowers will be required to arrange for the packing, storing, and marketing of their fruit by factors whose facilities, methods, and charges have been approved by the Wenatchee Branch.

§ 95.12 *Sales of fruit; remittance of proceeds.* Each borrower and each marketing agency will be required to agree to market all fruit in accordance with a marketing program satisfactory to the Wenatchee Branch. All net proceeds of sales of pledged fruit will be required to be remitted to the Wenatchee Branch by the marketing agency, which shall furnish accounts of sales showing the quantity, grade and variety of fruits sold, to whom sold, prices received, selling charges and other costs deducted, and the net proceeds remitted.

§ 95.13 *Interest and other charges.* Each borrower will be required to reimburse the Wenatchee Branch for the actual cost of title examination and the recordation of necessary legal instruments incidental to the loan. Interest will be charged on all loans and advances at the rate of 5½ percent per annum. An additional charge of ½ of 1 percent of the amount lent, to be deducted from the proceeds of the loan, will be made to reimburse the Wenatchee Branch for a portion of the cost of horticultural and supervisory services furnished by it.

§ 95.14 *Reserve fund.* Each applicant for a loan will be required to agree to participate in the creation of a reserve fund, to be established, held and administered in the following manner:

(a) There shall be deducted from the net sales proceeds of all pledged fruit the sum of 2 cents per packed box or its equivalent of packed fruit sold and 2 cents per field box or its equivalent for all fruit otherwise sold. Such deduction shall be made by the Wenatchee Branch from remittances received by it.

(b) The fund so created may be deposited in a Federal Reserve Bank, in a separate account, or the funds may be deposited with the Treasurer of the United States in the symbol finance account, together with other moneys, subject to the order of the Wenatchee Branch and held by it for the following purposes:

(1) To indemnify the Wenatchee Branch for any credit losses on loans made to fruit growers in the Wenatchee-Okanogan area, and in the Counties of Yakima, Kittitas, Skamania, Klickitat, and Benton, in the State of Washington, and the County of Hood River, in the State of Oregon. The Wenatchee Branch shall be authorized to charge against such fund any and all credit losses as determined by it;

(2) After all loans made by the Wenatchee Branch have been liquidated and all losses chargeable to the reserve fund have been determined and deducted therefrom, the balance shall be held for a reasonable time by the Wenatchee Branch available for the development of a comprehensive long-range program (including the establishment of a credit corporation to finance growers' production needs) when such program for the benefit of the fruit industry of the area is fixed and determined by a majority of the contributing interested growers in cooperation with the United States Department of Agriculture or otherwise. Upon the determination of such a program, the Wenatchee Branch shall be authorized to pay the balance of the reserve fund to the institution and/or institutions and/or agencies designated thereunder.

§ 95.15 *Additional regulations; amendments.* The right is reserved to amend the regulations in this part without notice, and to prescribe such additional rules and regulations as may be deemed necessary to protect the interests of the Wenatchee Branch and to make its lending program effective. If the Wenatchee Branch, with the approval of the Farm Credit Administration, continues to finance fruit production in the Wenatchee-Okanogan District after the close of the 1941–1942 season, the rules and regulations in this part, as amended, shall extend to such future financing in the same manner and to the same extent as though specifically prescribed for that purpose.

§ 95.16 *Section 91.5 (b) not applicable to Wenatchee Branch.* Section 91.5 (b) of this chapter shall not be applicable to the loans made by the Wenatchee Branch of the Regional Agricultural Credit Corporation of Washington, D. C.

PART 96—AGRICULTURAL LOANS AND ADVANCES BY REGIONAL AGRICULTURAL CREDIT CORPORATION OF WASHINGTON, D. C., FOR MAXIMUM WAR PRODUCTION

SUBPART A—AGRICULTURAL LOANS FOR MAXIMUM WAR PRODUCTION

Sec.

96.100 Introduction.
96.101 General policies.

Sec.
96.102 Loans to be made through duly authorized loan representatives of the Regional Agricultural Credit Corporation of Washington, D. C.
96.103 Collection of loans.

Terms, Conditions, and Requirements of Loans

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SUBPART A—AGRICULTURAL LOANS FOR MAXIMUM WAR PRODUCTION

§ 96.100 *Introduction.* As announced by the Secretary of Agriculture on January 21, 1943, a new source of agricultural credit at the county level is now available to farmers and stockmen through the Production Loans Branch of the Food Production Administration to assist in financing increased production of needed agricultural commodities. The program will be carried out in the manner outlined below; and loans shall be made in accordance with the terms and conditions herein set forth.

§ 96.101 *General policies.* The following general principles and policies will serve as a guide to the Corporation's representatives, and the chairmen of the war boards and their designees in determining, according to their best judgment, whether a loan should be made in the amount applied for, or in a smaller amount, or whether the application should be declined:

(a) The purpose of the program is to provide adequate financing to assure maximum wartime production of essential agricultural commodities; therefore, no loan shall be made unless it will enable the borrower to engage in or increase his production of essential agricultural commodities. All loans made under the program are expected to be repaid. To qualify for a loan the applicant's farming operations should show a reasonable probability of successful production and, together with the collateral security offered, should afford reasonable assurance that the indebtedness will be liquidated in due course. It should be kept in mind that the success of the program depends largely upon the expeditious consideration of each application and the prompt closing of all loans which are approved.

(b) This program is not a substitute for other sources of credit, nor is it intended to compete with other lenders. Its purpose is to supplement other sources of credit where needed. Each producer will be urged to obtain his financial requirements, if possible, from any bank, production credit association, or other lender, including the emergency crop and feed loan office if the loan is eligible. In order to assure that the foregoing policies are carried out, the county war boards in each county shall invite the county bankers' association (or the bankers in the county if there is no such association) to name a representative or a committee to meet from time to time with the chairman of the county USDA war board and representatives of other credit agencies operating in the county to discuss credit problems relating to maximum production and types of loans made by the different agencies, to coordinate loan policies, and to make sure that all legitimate credit requirements of farmers are met. Applications for loans from the Corporation will be taken only where the producer desires to be financed through this program and the loan representative of the Regional Agricultural Credit Corporation and the chairman of the county war board should satisfy themselves that each applicant for a Regional Agricultural Credit Corporation loan is not in position to obtain the credit he needs from other sources at reasonable rates and terms. The Corporation reserves the right to sell or assign, without recourse, any note acquired by it to any bank or other lending institution desiring to purchase the paper, subject to the written consent of the notemaker. A charge of one-half of one percent of the unpaid principal of the loan will be made by the Corporation to the purchaser of any such notes to reimburse the Corporation for expenses incurred in making the loan.

(c) This is not a program for refinancing existing indebtedness. The mere transfer of a debt from one creditor to another will not aid production. An exception is to be made where an applicant for a loan under this program is presently indebted to any regional agricultural credit corporation. In such cases the amount of any loan approved shall include an amount sufficient to retire such existing loan in order that all obligations due from any individual to a regional agricultural credit corporation will be concentrated in one corporation. All collateral securing an existing debt to a regional agricultural credit corporation shall be included in the security to the new loan.

(d) Loans will not be made for the purchase of real estate or for extensive permanent improvements upon the farm. Loans for repairs and needed minor improvements which will facilitate increased production and for the purchase of essential livestock (including dairy cattle), work stock, machinery, equipment, etc., may be made even though liquidation of that portion of the loan made for capital expenditures may require two or three years' time. Thus, the construction of a house or barn will not be financed but provision may be made for construction of facilities such as cribs or storage bins, small poultry houses, and similar structures which may be needed to assist production of essential agricultural commodities, and which do not involve heavy outlays of money. Where it is determined that the producer actually needs equipment, such as a tractor, combine, peanut picker, or similar items of machinery, and that his operations (including any custom work which may be available to him) will enable him to pay for such equipment in two or three years, purchases of such equipment may be financed.

(e) This loan program does not extend to fruit growers in Okanogan, Chelan, Douglas, and Grant Counties in the State of Washington, which area is now served by the Wenatchee, Washington, Branch of the Corporation. That office will continue to function under its present program. Any fruit grower in that area whose financial requirements (whether for fruit production or for other purposes) are brought to the attention of a County War Board or the local loan representative of the Corporation should be referred to the Wenatchee Branch Office.

(f) All credit information obtained in connection with any application for a loan shall be held in strict confidence by all representatives, officials, or other employees, who have occasion to handle such applications or other papers, and shall not be released or divulged except upon the specific approval of the president, a vice president, or the secretary of the Corporation.

§ 96.102 *Loans to be made through duly authorized loan representatives of the Regional Agricultural Credit Corporation of Washington, D. C.* (a) To expedite the handling of applications and closing of loans, arrangements have been made to have a loan representative of the Regional Agricultural Credit Corporation of Washington, D. C. (hereinafter referred to as "the Corporation") located in each agricultural county in the United States. Such representatives are designated by the County War Boards; but in emergency cases where immediate change in loan representatives is essential to the effectiveness of the program the Corporation may terminate the services of a representative and designate a temporary replacement for him to serve until an acceptable

representative can be appointed in the regular manner. The Corporation will provide for bonds or equivalent protection covering its representatives and custodians.

(b) The Corporation will maintain an office in each District Farm Credit Administration headquarters city, in charge of an official designated as a District Vice President. All communications and inquiries by loan representatives relative to operations of the Corporation under its food production financing programs should be addressed to the appropriate District Vice President.

(c) Each application for a loan which, if approved would cause the total of all the applicant's loans and advances outstanding from the Corporation (including any undisbursed proceeds of any loans or advances previously approved) to exceed $2,500 shall be referred to the District Vice President for approval or disapproval.

Loans which, together with all the applicant's other loans and advances outstanding from the Corporation (including any undisbursed proceeds of any loans or advances previously approved), do not exceed $2,500 will be closed upon approval by the designated loan representative of the Corporation and the Chairman of the County War Board (or by their respective alternates if such alternates have been duly designated and authorized to act).

(d) Each application referred to the District Vice President for approval or disapproval shall be accompanied by such inspection reports and other data as the District Vice President may require, and by the recommendations of the loan representative and Chairman of the County War Board.

(e) It is preferable, where an application requires approval above the county level, that the mortgage securing the proposed loan be not filed or recorded prior to advice of final approval. If the mortgage is prepared before the papers are submitted to the District Vice President for consideration, a copy thereof should accompany the papers. If the mortgage is to be drawn later, the papers submitted should include a list of the property to be covered by such mortgage. The District Vice President will return all papers to the loan representative, with advice of the action to be taken. Upon final approval by the District Vice President, the proceeds of loans will be disbursed by the loan representative and Chairman of the County War Board, in the same manner as other loans or advances are disbursed.

(f) When procedures are settled for the handling of loans which the County War Board determines require supervision of the type given by Farm Security Administration supervisors, definite instructions for the handling of such loans will be issued by the Corporation. It is anticipated that upon the issuance of such instructions, loans recommended by the War Board for such supervision will be supervised by Farm Security Administration supervisors in accordance with such instructions.

§ 96.103 *Collection of loans.* Instructions relative to collections of loans, remittance of proceeds, and releases of collateral will be issued at a later date.

Terms, Conditions, and Requirements of Loans

§ 96.104 *Eligible borrowers.* Loans may be made to actual producers only. These include any farmer, stockman, or poultry producer, including any partnership or corporation engaged in agricultural or livestock production. Canners, packers, or other processors, dealers, commission merchants, and commercial hatcheries, as such, are not eligible and loans shall not be made to finance their commercial or processing operations but may be made to finance farming or livestock production, as defined in § 96.105, in which they may be engaged. Loans also may be made to any local group of farmers or stockmen formed for the purpose of acquiring larger items of machinery or equipment, sires, etc., for common use among the group, provided all members of the group join in executing the note, mortgage, etc.

§ 96.105 *Loan purposes.* Loans may be made to finance production, harvesting, and marketing of crops, purchasing, raising, breeding, fattening, and marketing of livestock; production and marketing of poultry, poultry products, and dairy products; purchase and repair of equipment essential to the farmer's production program; and for other purposes directly related or incident to the farming or livestock enterprise, including necessary labor and farm living expenses. Such loans may include provision for payment of existing obligations incurred in connection with the current season's operations (such as the purchase of seed, feed, fertilizer, and the payment of accrued wages for farm labor performed in connection with the current year's operations); the payment of income taxes and current taxes on real and personal farm property; and the payment of current interest on mortgage indebtedness as well as current installments on any amortized farm mortgage loan.

Ordinarily, the payment of delinquent interest, delinquent taxes, or other obligations may not be included in the financing, but this may be done in special circumstances where only relatively small amounts need to be loaned for such purposes and it reasonably appears to the persons approving the loan that the existence of such obligations is likely to impede the applicant's ability to attain his maximum production of essential agricultural commodities.

In cases where funds are required to complete an operation already partially financed (for example, to complete cultivation and harvesting a crop or to finish feeding livestock, etc.), and where the crops or livestock are mortgaged to a creditor who is unable or unwilling to provide additional funds, it may be advisable to take up the existing indebtedness. In such cases, where the loan representative and chairman of the county war board agree that a loan should be made in order to attain maximum production of essential agricultural commodities the existing indebtedness may be refinanced as a part of the loan transaction, subject of course to all other provisions and limitations of these instructions.

§ 96.106 *Loans to tenant farmers and sharecroppers.* Loans to tenant farmers or sharecroppers shall be conditioned upon their furnishing, on forms prescribed by the Corporation, such waivers or subordinations of statutory or recorded liens as will afford the Corporation a first lien upon the specific crops being financed: *Provided*, That no waiver or subordination need be taken in any case in which the statutory or recorded lien is limited to a specified share of the crops and the tenant or sharecropper has an unencumbered interest in such crops which is not susceptible to the creation of a subsequent overriding lien and which is, in the opinion of the loan representative and chairman of the county war board, sufficient to secure the repayment of the loan. In this respect, the established practices of other prudent lenders operating in the territory in which the crops are grown should be followed.

§ 96.107 *Loans to corporations.* To be considered a "farmer" a corporation must be engaged in farming or in the breeding, raising, or fattening of livestock as a substantial part of its business enterprise, as distinguished from incidental farming operations. Notes of each corporate borrower shall be endorsed or guaranteed by the holder or holders of at least a majority of the outstanding shares of voting stock of such corporate borrower, or by the principal stockholder or stockholders: *Provided*, That, in lieu of endorsements upon the notes, such stockholders may execute a continuing guaranty of all indebtedness of such borrower to the Corporation. Copies of the form of guaranty to be used may be obtained from the office of the Regional Agricultural Credit Corporation of Washington, D. C.

§ 96.108 *Collateral security.* In general, the minimum collateral security required will be a first and paramount lien upon the crops to be produced, the chattels purchased, and the livestock or poultry in the production and care of which the proceeds of the loan are to be expended. If the loan includes refinancing of an existing regional agricultural credit corporation loan, the collateral securing the old obligation will be included in the security to the new loan. In those States where a crop lien cannot be obtained until actual growth has begun (such, for example, as Nebraska and Wisconsin), an agreement to execute a crop lien will be required, in form prescribed by the Corporation. Such other and additional collateral as the County War Board or the Corporation's loan representative may deem necessary or advisable to afford adequate protection for the debt may be accepted.

§ 96.109 *Interest.* All notes shall be drawn with interest at the rate of 5 per centum per annum payable at maturity. Interest will be charged only on the unpaid balance, from date of each advance to date of payment.

§ 96.110 *Maturity.* All notes shall be drawn with a maturity of one year or

less. The maturity date should coincide as nearly as may be practicable with the usual time for marketing the crops or livestock from which liquidation is expected. Although it is recognized that in some instances a borrower may be unable to repay within one year the full amount advanced for the purchase of equipment or for other capital expenditures, the maturity date of the notes shall not be more than one year from the date of the loan. In addition to repaying funds advanced to cover current production costs, the borrower will be expected to repay in the first year at least one-third of the amount advanced for capital purposes. The unpaid balances of loans for capital expenditures may then be renewed or extended at maturity where other conditions surrounding the transaction are satisfactory. Instructions for the handling of renewals and extensions will be issued at a later date.

§ 96.111 *Forms and documents.* The Corporation, through the various production credit associations, will furnish its loan representatives and County War Boards with a supply of the following forms: (a) Application for loan; (b) promissory note; (c) chattel mortgage or comparable lien instrument; (d) agreement to give a crop lien; (e) form of waiver; (f) form of subordination agreement; (g) assignment of proceeds; and (h) blank drafts to be used in disbursing loan proceeds,

§ 96.112 *Use of forms.* The forms prescribed by the Corporation will be used as outlined below:

(a) *The application.* It is the purpose of the application to obtain in concise form a request for a loan; financial statement of the applicant; information as to the use to be made of the proceeds; the plan of repayment; and such other information as may be necessary to enable the Corporation's representative and the County War Board to pass upon the loan applied for and to determine whether such loan would enable the applicant to contribute to the production of essential agricultural commodities. The application should be prepared and signed in duplicate. The original is to accompany the note and other supporting instruments, which are to be forwarded to a designated production credit association or other custodian, to be held for the account of the Corporation, and the copy is to be retained in the office of the loan representative.

To facilitate identification of subsequent transactions, each loan representative should assign the state and county code and farm serial number to each application filed with him. Should additional applications be filed by the same borrowers, such applications should bear the same numbers as the originals, with the addition of a suffix letter. (For example, No. 37–12–145 A, B, etc.)

(b) *Promissory note.* All notes are to be drawn for the amount of the approved loan; notes are to be made payable "on or before (insert specific date)", such maturity date to be fixed by the Corporation's loan representative and to be not later than one year after date; are to be made payable to the Regional Agricultural Credit Corporation of Washington, D. C., and are to provide for interest at the rate of 5 per centum per annum from date, payable at maturity. The loan representative shall have both the husband and wife execute the note and mortgage in the case of loans made to a married person in the States of Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, and Washington.

All notes should bear the number assigned to the individual borrower's application. (See instructions as to numbering applications.) It is advisable to prepare the note in duplicate, one copy to serve as the record of the loan representative and County War Board. Only the original note should be signed.

One note should be taken for the full amount to be loaned, even though the proceeds are to be advanced in two or more installments. In connection with such installment advances, the loan representative will enter on the reverse side of the note, in the space provided therefor, the date and amount of the first advance, which must correspond to the amount of the draft or drafts given at the time the loan is made. Subsequent advances will be posted by the custodian and may also be entered on the copy retained in the county office.

(c) *Chattel mortage.* The chattel or crop mortgage should be prepared in triplicate (or in quadruplicate if the borrower requests a copy or if the State law as indicated on the forms of mortgages, requires the mortgagee to furnish a copy to the mortgagor) at least two copies of which should be executed by the borrower. One copy (usually the original) shall be filed or recorded with the local official responsible for keeping the official record of such security instruments. Filing or recording fees shall be paid by the borrower, and may be paid out of the proceeds of the loan. The second (signed) copy should be endorsed to show the date and place of filing of the original and shall accompany the note and other papers to be sent to the designated custodian. The third copy is intended for the files of the Corporation's loan representative in the county office.

(d) *Agreement to give a crop lien.* Where agreements to execute a crop lien at a later date are taken, they should be executed in duplicate, the original to accompany the note and other papers; the copy to be retained in the local office.

(e) *Waivers and subordinations.* Where an applicant has other creditors who have prior liens upon the crops or chattels which are to constitute the collateral security for a loan from the Corporation, the Corporation's loan representative will require the applicant to obtain such waivers and subordinations as will afford the Corporation a first and paramount lien upon the property involved. Where an existing lien covers property which is not to be given as security for the loan applied for, but the continued possession of which is essential to enable the producer to carry on his operations, it is suggested that consideration be given to the desirability of obtaining standstill or nondisturbance agreements executed by the holders of chattel or real estate mortgages, if deemed to be necessary to assure the use of such property during the life of the loan. Such waivers and agreements should be drawn to remain in effect for the term of the loan and, if deemed advisable, for any renewal or extension thereof. Such instruments should be executed in duplicate. The executed original should be attached to the note and other papers; the other copy to be retained in the local office.

(f) *Drafts.* When a loan has been approved, a draft or drafts on the form prescribed are to be drawn on the Regional Agricultural Credit Corporation of Washington, D. C., payable at a designated Federal Intermediate Credit Bank. Any proceeds of a loan to be paid to someone other than the borrower shall be paid by draft made payable to the borrower and such third party, jointly. Separate instructions will be issued with respect to the manner in which proceeds of loans shall be applied to retire an existing obligation to a regional agricultural credit corporation.

If a loan is to be disbursed in two or more installments, in accordance with the budget schedule incorporated in or attached to the application, the initial advance is to be disbursed at the time of closing the loan and subsequent advances may be made in accordance with the approved budget, but in no event shall drafts be drawn payable to or for the account of any borrower in an amount exceeding the amount of his note, nor exceeding the amount approved, unless an additional loan is applied for and approved. Where total advances in excess of the original loan are to be made, a new application and note shall be obtained. Additional collateral may be required for additional loans.

Drafts will be signed by the Corporation's authorized loan representative, or a designated alternate, and countersigned by the Chairman of the County War Board or by an alternate designated by him for that purpose. Specimen signatures of all persons authorized to sign and countersign such drafts shall be furnished and delivered as may be directed by the Corporation. It is contemplated that signature cards will be sent to the Chairman of the State War Board and will be forwarded by him upon instructions, to a designated Federal Intermediate Credit Bank.

All drafts shall be drawn in duplicate, the duplicate copy to be sent to the custodian designated to hold the notes and other papers. If the loan representative desires a copy of the draft for his records, a third copy may be made. It is thought, however, that it will be sufficient for the records of the county office to place an appropriate notation upon the file copy of the application showing the date, number, amount, and payee of each draft issued.

§ 96.113 *Servicing of loans.* It is expected that the Corporation's loan representative, the Chairman and members of the County War Board, and members of the County and Community A. A. A. Committees ordinarily will keep in touch with farming activities within their respective counties and may from time to

time have opportunity to call upon borrowers under this program. It is the desire of the Corporation that the operations of the borrowers be given such general inspections as may be necessary to determine whether the crops and livestock being financed are being given proper care and attention; that such advice, guidance, or other assistance as may be needed to assure maximum production be given; and that, where necessary, appropriate steps be taken to protect the interests of the Corporation. Where any serious difficulty exists, a brief report of the facts should be sent to the Corporation at its office in Washington, D. C., or to such other office as may hereafter be designated.

In view of the fact that each County War Board will have in its files a copy of each producer's 1943 farm plan for war production, only such inspections (if any) as the chairman of the County War Board or the Corporation's loan representative deems necessary should be made, except in connection with problem cases that may develop, or as required by the District Vice President of the Corporation in connection with loans requiring his approval as provided in § 96.102 (d). It is contemplated that from time to time field representatives of the Washington office of the Corporation will visit some, or possibly all, counties in which loans are outstanding, for the purpose of making a general check up of the loan. Visits by such field representatives to the farms and ranches in a county ordinarily will be made in company with the Corporation's loan representative, or the Chairman of the County War Board, or such other person as may be designated and available.

Inspections deemed necessary by the chairman of the County War Board or the Corporation's loan representative, or required by the District Vice President, in connection with the making or renewal of loans, shall be made by an inspector approved by and serving the production credit association operating in the county, or such other inspector as may be approved by the District Vice President. Appropriate inspection report forms of the production credit association or other forms prescribed by the District Vice President may be used for this purpose.

The cost of such inspections, but not to exceed an amount equal to one-half of one percent of the amount for which the loan is approved, shall be paid by the borrower to the Corporation, and may be deducted from the proceeds of the loan. If the application is rejected, no charge will be made and the cost of the inspection will be borne by the Corporation. The procedures to be followed in compensating inspectors for their work and for remitting to the Corporation inspection fees collected from borrowers will be set forth in later instructions.

§ 96.114 *Custody of documents, handling of collections, etc.* It is contemplated that the personnel or facilities of production credit associations, and possibly other agencies of the Farm Credit Administration, will be utilized as custodians of the notes and other documents evidencing and supporting loans made under this program. Instructions with respect to the duties to be performed by such custodians will be issued at a later date, at which time the custodians will be designated and advice thereof will be sent to all loan representatives, County War Boards, and others interested.

The procedure for handling collections and remittances to the Corporation, and the channels through which such collections are to be made, are matters yet to be determined. These will be covered in subsequent instructions.

§ 96.115 *Further instructions.* These instructions may be supplemented or superseded by other instructions issued by the Corporation from time to time as conditions may warrant.

SUBPART B—ADVANCES TO FINANCE EXTRAORDINARY PRODUCTION OF ESSENTIAL AGRICULTURAL COMMODITIES

§ 96.200 *Introduction.* (a) In cases where the County War Board finds that a farmer has capacity to produce essential crops and when such production can be related definitely to the use of the proceeds of the advance, the Regional Agricultural Credit Corporation through its local representative may advance to such farmer the amount determined by the War Board to be necessary to finance such production.

(b) The borrower shall be personally liable for the full amount of such advances; except that if the district vice president of the Regional Agricultural Credit Corporation certifies that:

(1) The borrower has used the amount advanced for producing the crops for the production of which the advances were made;

(2) The borrower has provided for insurance on such crops to the extent and in the manner required by the Regional Agricultural Credit Corporation to protect its interest in such crops;

(3) The borrower, in good faith, has diligently applied principles of good husbandry to the production of such crops;

(4) The borrower has applied to the repayment of the advances an amount equal to all proceeds of such crops, including the proceeds of any incentive or other similar payments made by the United States on such crops and the proceeds of any insurance on such crops; and

(5) Such amount has been insufficient to repay the advances in full,

then the Regional Agricultural Credit Corporation will not look to other assets of the borrower for the repayment of that part of the advances which exceeds such proceeds but will cancel the borrower's obligation for the balance of the advances.

(c) No such advance shall be made except upon determination by the County War Board, evidenced in accordance with instructions of the Regional Agricultural Credit Corporation, that the proceeds of the production would be adequate to repay the advance, assuming reasonably expectable growing conditions and taking into consideration evident factors indicative of the price to be expected for the crops when produced, including support prices and other similar factors.

(d) Advances under this subpart will be made by the designated loan representatives of the Regional Agricultural Credit Corporation of Washington, D. C. In approving such advances the loan representatives shall take into consideration determinations and recommendations made by the County War Boards as required in this subpart. Such advances shall be made only to finance the production of crops designated as essential war crops and shall be subject to the following terms and conditions.

§ 96.201 *Essential war crops.* The following crops have been designated by the Food Production Administration as "essential war crops" the production of which may be financed under this program:

Soybeans for beans.
Flax for seed or fiber.
Peanuts to be harvested and picked.
Irish potatoes where farm goal is 3 acres or more.
Sweet potatoes on farms with goals determined.
American Egyptian cotton.
Hemp for seeed or fiber.
Dry beans.
Dry peas (excluding wrinkled varieties).
Castor beans.
Tomatoes, snap beans, lima beans, peas, and carrots for processing or sale fresh.
Cabbage, sweet corn, and table beets for processing only.
Sea Island cotton.
Corn and grain sorghums to be planted in rows and cultivated as cash grain crops in the counties in Arkansas, Illinois, Indiana, Kansas, Missouri, and Oklahoma, designated by the American Red Cross.
Food or feed crops to mature in 1943 planted on land which has been flooded in areas designated by the United States Department of Agriculture State War Boards in the Fourth, Sixth, and Ninth Farm Credit Districts.

§ 96.202 *Eligible borrowers.* Advances shall be made only to farmers who are actual producers. These include any farmer (individual, partnership, or corporation) engaged in agricultural production who proposes to engage in the year 1943 in the production of designated essential war crops and who has land suitable to the production of such crops and has, or will be able to procure, other facilities necessary for such production. To be considered a "farmer" a corporation must be engaged in farming as a substantial part of its business enterprise, as distinguished from incidental farming operations. Canners, packers, or other processors, dealers, or commission merchants, as such, are not eligible and advances shall not be made to finance their commercial or processing operations; but advances may be made to finance their actual production (including harvesting and delivery for sale or for processing) of designated essential war crops.

§ 96.203 *Purposes of advances.* Advances may be made to finance the actual current cash cost of producing and harvesting designated essential war crops and delivering such crops for sale or for processing. Such cash costs may include the cost of feed for workstock, seed, fertilizer, packages, insecticides and spraying, labor, motor fuel and oil, the repair of equipment, insurance on the essential

war crop for the production of which the advance is made and other current expenses necessary or directly incidental to the production, harvesting, and disposition of such crops by the producer. Advances will not be made under the provisions of this subpart for the purchase of major items of farming equipment or other capital expenditures such as extensive improvements, etc., nor for the purpose of making payments for the use or ownership of land, such as cash rent, taxes, interest, installments or mortgage debts, etc., nor for the payment of existing debts, except that provision may be made for the payment of obligations incurred prior to the application in connection with the production of the crop being financed, such as prior purchase of feed for workstock, seed, fertilizer, etc., and the payment of wages for farm labor performed in the production of the current year's crop. No other outstanding obligations will be refinanced under this plan.

Applications for advances which are not eligible to be made hereunder such, for example, as applications involving the financing of major items of farming equipment, cash rent, or interest or installments on mortgage debts, but which meet the requirements set forth in Subpart A of this part may be handled through loans under Subpart A, using the forms therein prescribed.

§ 96.204 *Collateral security.* In all cases advances made hereunder must be secured by a first and paramount lien upon the specific crop to be produced. In the case of all designated essential war crops on which Federal crop insurance is available, the advances shall be secured also by such insurance on the crops for the production of which the advances are made, and in the case of all designated essential war crops, the Corporation may require that the borrower provide for such other insurance upon the crops for the production of which the advances are made, as it determines to be necessary for the protection of its interest in such crops.

It shall be a condition of the release of the borrower's obligation to the Corporation for any part of the amount of any advances made under this subpart that there shall have been paid to the Corporation for application against such advances the proceeds of any incentive or other similar payments made by the United States on the crops for the production of which the advances were made and the proceeds of any insurance on such crops, and that he shall have executed such documents as the Corporation may have required in order to provide for the payment to it of the proceeds of such payments and the proceeds of any insurance on such crops.

Except as provided in this section, no other collateral security will be required.

§ 96.205 *Advances to tenant farmers and sharecroppers.* Advances to tenant farmers or sharecroppers shall be conditioned upon their furnishing, on forms prescribed by the Corporation, such waivers or subordinations of statutory or recorded liens as will afford the Corporation a first lien upon the specific crop being financed.

§ 96.206 *Special review of applications.* (a) Each application for an advance which, if approved, would cause the total of all the applicant's loans and advances outstanding from the Corporation (including any undisbursed proceeds of any loans or advances previously approved) to exceed $2,500 shall be referred to the District Vice President for approval or disapproval.

Advances which, together with all the applicant's other loans or advances outstanding from the Corporation (including any undisbursed proceeds of any loans or advances previously approved), do not exceed $2,500 will be closed upon approval by the designated loan representative (or by his alternate if an alternate has been duly designated and authorized to act) and by the County War Board.

(b) Each application referred to the District Vice President for approval or disapproval shall be accompanied by such inspection reports and other data as the District Vice President may require and by the recommendations of the loan representative and the County War Board.

(c) It is preferable, where an application requires approval above the county level, that the mortgage securing the proposed advance be not filed or recorded prior to advice of final approval. If the mortgage is prepared before the papers are submitted to the District Vice President for consideration, a copy thereof should accompany the papers. If the mortgage is to be drawn later, the papers submitted should include a list of the property to be covered by such mortgage. The District Vice President will return all papers to the loan representative, with advice of the action to be taken. Upon final approval by the District Vice President the proceeds of the advance will be disbursed by the loan representative and Chairman of the County War Board, in the same manner as other loans or advances are disbursed.

(d) When procedures are settled for the handling of advances which the County War Board determines require supervision of the type given by Farm Security Administration supervisors, definite instructions for the handling of such advances will be issued by the Corporation. It is anticipated that upon the issuance of such instructions, advances recommended by the War Board for such supervision will be supervised by Farm Security Administration supervisors in accordance with such instructions.

§ 96.207 *Interest.* All notes shall be drawn with interest at the rate of 5 per centum per annum payable at maturity. Interest will be charged only on the unpaid balance, from date of advance (or partial advance) to date of payment.

§ 96.208 *Maturity.* All notes shall be drawn with a maturity of one year or less. The maturity date shall coincide as nearly as may be practicable with the usual time for marketing the crops for the production of which the advance is to be made.

§ 96.209 *Forms and documents.* The following forms shall be used in connection with advances made under the provisions of this subpart:

(a) *The application.* Each application for advances under the provisions of this subpart shall be prepared on Form RACC–FP3, which is especially designed to develop the information necessary to enable the loan representative and county war board to determine whether such advances may be made. The application shall be prepared and signed in duplicate and, in all other respects shall be handled in the same way as an application for a loan under Subpart A of this part. The letter "W" preceding the State and county code and farm serial number will identify the application and supporting papers as relating to advances made under the provisions of this subpart. The letter "W" shall be inserted before the State and county code and farm serial number on all documents related to the advance on which it is not printed and on all drafts issued in disbursing proceeds of the advance.

If the applicant is a corporation, it will be required to complete and execute "Corporation Form 1–A" in the same manner as required in connection with loans under Subpart A of this part.

(b) *Promissory note.* A special form of note (Form RACC–FP4) shall be taken covering advances made under the provisions of this subpart. Such notes shall be prepared and executed in the same manner as other notes, in accordance with § 96.112 (b). Notes of corporate borrowers shall be endorsed or guaranteed as provided in § 96.107.

(c) *Crop lien instrument.* All notes evidencing advances made under the provisions of this subpart shall be secured by a mortgage or other lien instrument, in form prescribed or approved by the Corporation. Such mortgages or other lien instruments shall describe the land upon which the crops being financed are grown in such manner as to permit definite identification of the specific crop involved. Such description may be in terms of fractions of designated sections or quarter-sections of land, by metes and bounds, or in such other manner as will indicate clearly the location of the area planted to the crops to be financed. In all cases, the number of acres planted to such crops shall be specified. Such instruments shall be prepared in triplicate (or in quadruplicate if the borrower requests a copy or if the State law, as indicated on the forms, requires the mortgagee to furnish a copy to the mortgagor). The original and one copy shall be executed by the borrower. One copy (usually the original) shall be filed or recorded with the local official responsible for keeping the official record of such security instruments. Either a certificate of filing or recording shall be obtained or the second (signed) copy shall be endorsed by the filing or recording officer to show the date and place of filing the original, and the signed copy together with any certificate of filing or recording, shall accompany the note and other papers sent to

the Corporation's custodian. The third copy is intended for the files of the Corporation's loan representative in the county office. Filing or recording fees and any lien search fees shall be paid by the borrower.

(d) *Other forms.* All other forms approved for use in connection with loans under Subpart A of this part shall be used, as needed, in connection with advances made under this subpart. Each such form shall bear the identification number assigned to the application, as provided in paragraph (a) of this section, including the prefix letter "W". Disbursements of proceeds are to be made in the same manner as is prescribed for loans under Subpart A of this part, and all drafts shall bear the identifying numbers of the applications and related loan documents, including the prefix letter "W".

§ 96.210 *Inspections.* The instructions with respect to inspections, set forth in § 96.113 shall be followed in connection with applications for advances to be made under this subpart.

§ 96.211 *Applicability of Subpart A.* Except as herein modified, instructions set forth in Subpart A of this part shall be observed in connection with advances under this subpart insofar as they are applicable to such advances.

§ 96.212 *Further instructions.* These instructions may be supplemented or superseded by other instructions issued by the Corporation from time to time as conditions may warrant.

SUBPART C—LOANS TO FINANCE THE PURCHASE BY DAIRYMEN AND FARMERS OF DAIRY CATTLE ACQUIRED BY COMMODITY CREDIT CORPORATION FOR THE PURPOSE OF INSURING THEIR UTILIZATION FOR MILK PRODUCTION

§ 96.300 *Introduction.* This subpart outlines the terms and procedures under which loans will be made by the Regional Agricultural Credit Corporation of Washington, D. C., to finance the purchase by dairymen and other farmers, of dairy cattle (including heifers and calves) acquired by Commodity Credit Corporation.

The Regional Agricultural Credit Corporation may be referred to hereinafter as "RACC"; the Farm Security Administration as "FSA"; County Rural Rehabilitation Supervisors of the Farm Security Administration as "FSA supervisors"; and Commodity Credit Corporation as "CCC."

§ 96.301 *Purpose of program.* Arrangements have been made for the RACC, where necessary, to finance the purchase by dairymen and other farmers and stockmen of dairy cattle acquired by CCC in its program designed to prevent the loss of such cattle as productive units, through slaughter, and to insure their utilization in the production of milk and milk products necessary for both civilian and military needs. The acquisition and sale of such cattle are to be handled by FSA supervisors, acting as agents or representatives of CCC.

It is understood that, as a general policy, preference in the sale of dairy cattle acquired by CCC is to be given to the following classes of purchasers, in the order stated:

1. To producers supplying fluid milk markets;
2. To producers supplying processing plants for the production of powdered, condensed, or evaporated milk, or cheese;
3. To producers supplying creameries; and
4. To other farmers, including those needing dairy cows to supply milk products for home consumption.

§ 96.302 *Loans by RACC.* Each purchaser of dairy cattle from CCC, who requires credit to finance such purchase, shall be urged to utilize, if possible, other established sources of credit. It is expected that rehabilitation clients of the FSA will borrow from the FSA if it has funds available to finance such purchasers.

If other suitable arrangements cannot be made by a dairyman, farmer, or stockman to purchase cattle from CCC, a loan for that purpose may be made by RACC, in accordance with the provisions of this subpart. Such loans will be made upon approval of the application by the FSA supervisor.

§ 96.303 *Forms.* Applications for loans to purchase dairy cattle from CCC shall be made upon RACC form FP7. If applicant is a corporation, supplemental Form 1A shall be executed by the applicant and attached to the application. The note and other required documents shall be upon forms prescribed for making loans under Subpart A of this part.

§ 96.304 *Terms of notes.* Notes evidencing loans made hereunder shall be in the form prescribed for loans under Subpart A of this part, and shall bear interest at the rate of 5 percent per annum, payable at maturity. All such notes shall be drawn to mature not later than 1 year after date. The unpaid balance of that portion of any loan made to pay for dairy cattle purchased from CCC may be renewed or extended at maturity where other conditions surrounding the transaction, including the progress made in reducing the debt, the collateral security, and the borrower's operations remain satisfactory.

§ 96.305 *Security.* The minimum collateral security required for a cattle purchase loan will be a first and paramount lien upon the cattle, including all increase therefrom, and upon any feed purchased with the proceeds of the loan. The chattel mortgage (or other similar lien instrument) shall describe the cattle, as nearly as may be practicable, in the same manner as they are described in the purchase agreement, Form FSA–CCC 7. Inasmuch as CCC warrants that the title to the cattle is free from encumbrances, it will be assumed with respect to the cattle that the title conveyed by CCC is not subject to any outstanding liens. However, where State laws permit mortgages or other lien instruments to cover after-acquired property, it may be necessary to ascertain that no such mortgage or lien instrument previously given by the borrower to a third person will constiute a prior lien against the cattle when purchased by the borrower.

Where payment of the loan is to be made from dairy income, it is advisable to obtain an assignment of proceeds of milk or cream sales. In each case where the producer has assigned or is expected to assign to a third party all or any portion of the proceeds from the sale of dairy products, he shall be required to assign to RACC such portion of his dairy income as will effect an equitable division of his total income between RACC and other assignees.

Notes of each corporate borrower shall be endorsed or guaranteed by the holder or holders of at least a majority of the outstanding shares of voting stock of such corporate borrower, or by the principal stockholder or stockholders; provided that, in lieu of endorsements upon the notes, such stockholders may execute a continuing guaranty of all indebtedness of such borrower to the Corporation. In any case where a corporate borrower already has given a continuing guaranty to RACC, no additional guaranty is required if the terms of the existing guaranty are sufficiently comprehensive to include the loan to purchase dairy cattle.

§ 96.306 *Handling of applications.* Upon approval of an application the FSA supervisor shall forward the application and all other documents to the county war board for closing of the loan. When the county war board receives such application the papers are to be examined for completeness and accuracy before any proceeds are disbursed. In the event any such application is submitted without all the necessary supporting documents, or if any such documents should be found incomplete or deficient in any important respect, all the papers shall be returned to the FSA supervisor for completion or adjustment and resubmission to the county war board.

§ 96.307 *Loan disbursements.* Upon delivery to the loan representative of RACC of the application, note, chattel mortgage and any other necessary documents, in proper form and duly executed, and upon filing or recording the chattel mortgage, the loan representative shall issue and the chairman of the county war board shall countersign such drafts as may be necessary to disburse the proceeds. Drafts covering the purchase price of the cattle shall be drawn payable to the borrower and CCC, jointly, and delivered to the FSA supervisor. Wherever practicable, drafts issued in payment for feed, likewise, shall be drawn payable to the borrower and the vendor of the feed, jointly.

§ 96.308 *Applicability of Subpart A.* Except with respect to the approval of the loan in the first instance, as herein set forth, all loans to purchase dairy cattle from CCC will be handled in the same manner as loans made under the provisions of Subpart A of this part. Thus, the dairy cattle loan program does not contemplate continuing supervision by FSA supervisors except in cases where the county war board determines that such supervision is necessary and furnishes the FSA supervisor a written certification to that effect.

§ 96.309 *Credit for other purposes.* If an applicant for a loan to purchase

dairy cattle from CCC also requires credit for other purposes which are eligible to be financed under Bulletin F-1 or F-2, the applicant shall be referred to the county war board. A separate application (upon the prescribed forms) shall be taken to cover such requirements, and shall be handled in the manner outlined in the applicable bulletin.

§ 96.310 *Further instructions.* These instructions may be supplemented or superseded by other instructions issued by the Corporation from time to time as conditions may warrant.

I. W. DUGGAN,
Governor,
Farm Credit Administration.

[F. R. Doc. 47-4069; Filed, Apr. 25, 1947; 8:49 a. m.]

TITLE 7—AGRICULTURE

Chapter IX—Production and Marketing Administration (Marketing Agreements and Orders)

[Orange Reg. 118]

PART 933—ORANGES, GRAPEFRUIT, AND TANGERINES GROWN IN FLORIDA

LIMITATION OF SHIPMENTS

§ 933.344 *Orange Regulation 118*—(a) *Findings.* (1) Pursuant to the amended marketing agreement and the order, as amended (7 CFR, Cum. Supp., 933.1 et seq.; 11 F. R. 9471), regulating the handling of oranges, grapefruit, and tangerines grown in the State of Florida, issued under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended, and upon the basis of the recommendations of the committees established under the aforesaid amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of shipments of oranges, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that compliance with the notice, public rule making procedure, and effective date requirements of the Administrative Procedure Act (Pub. Law 404, 79th Cong.; 60 Stat. 237) is impracticable and contrary to the public interest in that the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the Agricultural Marketing Agreement Act of 1937, as amended, is insufficient for such compliance.

(b) *Order.* (1) During the period beginning at 12:01 a. m., e. s. t., April 28, 1947, and ending at 12:01 a. m., e. s. t., May 12, 1947, no handler shall ship:

(i) Any oranges, except Temple oranges, grown in the State of Florida, which grade U. S. Combination Russet, U. S. No. 2 Russet, U. S. No. 3, or lower than U. S. No. 3 grade (as such grades are defined in the United States standards for citrus fruits, as amended (11 F. R. 13239; 12 F. R. 1)); or

(ii) Any oranges, except Temple oranges, grown in the State of Florida, which are of a size larger than a size that will pack 150 oranges, packed in accordance with the requirements of a standard pack (as such pack is defined in the aforesaid amended United States standards), in a standard box (as such box is defined in the standards for containers for citrus fruit established by the Florida Citrus Commission pursuant to section 3 of Chapter 20449, Laws of Florida, Acts of 1941 (Florida Laws Annotated § 595.09)).

(2) As used in this section, "handler" and "ship" shall have the same meaning as is given to each such term in said amended marketing agreement and order. (48 Stat. 31, 670, 675, 49 Stat. 750, 50 Stat. 246; 7 U. S. C. 601 et seq.)

Done at Washington, D. C., this 23d day of April 1947.

[SEAL] S. R. SMITH,
Director, Fruit and Vegetable Branch, Production and Marketing Administration.

[F. R. Doc. 47-4031; Filed, Apr. 25, 1947; 8:46 a. m.]

[Lemon Reg. 219]

PART 953—LEMONS GROWN IN CALIFORNIA AND ARIZONA

LIMITATION OF SHIPMENTS

§ 953.326 *Lemon Regulation 219*—(a) *Findings.* (1) Pursuant to the marketing agreement and the order (7 CFR, Cum. Supp., 953.1 et seq.), regulating the handling of lemons grown in the State of California or the State of Arizona, issued under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended, and upon the basis of the recommendation and information submitted by the Lemon Administrative Committee, established under the said marketing agreement and order, and upon other available information, it is hereby found that the limitation of the quantity of such lemons which may be handled, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that compliance with the notice, public rule making procedure, and effective date requirements of the Administrative Procedure Act (Pub. Law 404, 79th Cong., 2d sess.; 60 Stat. 237) is impracticable and contrary to the public interest in that the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the Agricultural Marketing Agreement Act of 1937, as amended, is insufficient for such compliance.

(b) *Order.* (1) The quantity of lemons grown in the State of California or in the State of Arizona which may be handled during the period beginning at 12:01 a. m., p. s. t., April 27, 1947, and ending at 12:01 a. m., p. s. t., May 4, 1947, is hereby fixed at 425 carloads, or an equivalent quantity.

(2) The prorate base of each handler who has made application therefor, as provided in the said marketing agreement and order, is hereby fixed in accordance with the prorate base schedule which is attached hereto and made a part hereof by this reference. The Lemon Administrative Committee, in accordance with the provisions of the said marketing agreement and order, shall calculate the quantity of lemons which may be handled by each such handler during the period specified in subparagraph (1) of this paragraph.

(3) As used in this section, "handled," "handler," "carloads," and "prorate base" shall have the same meaning as is given to each such term in the said marketing agreement and order. (48 Stat. 31, 670, 675, 49 Stat. 750, 50 Stat. 246; 7 U. S. C. 601 et seq.)

Done at Washington, D. C., this 24th day of April 1947.

[SEAL] S. R. SMITH,
Director, Fruit and Vegetable Branch, Production and Marketing Administration.

PRORATE BASE SCHEDULE

[Storage Date: April 20, 1947. 12:01 A. M. Apr. 27, 1947, to 12:01 A. M. May 11, 1947]

Handler	*Prorate base (percent)*
Total	100.000
Allen-Young Citrus Packing Co	.000
American Fruit Growers, Fullerton	.910
American Fruit Growers, Lindsay	.000
American Fruit Growers, Upland	.469
Consolidated Citrus Growers	.000
Corona Plantation Co	.451
Hazeltine Packing Co	.938
Leppla-Pratt Produce Distributors, Inc	.000
McKellips, C. H.-Phoenix Citrus Co	.000
McKellips Mutual Citrus Growers, Inc	.000
Phoenix Citrus Packing Co	.000
Ventura Coastal Lemon Co	1.357
Ventura Pacific Co	1.371
Total A. F. G	5.496
Arizona Citrus Growers	.000
Desert Citrus Growers Co., Inc	.000
Mesa Citrus Growers	.000
Elderwood Citrus Association	.000
Klink Citrus Association	.093
Lemon Cove Association	.000
Glendora Lemon Growers Association	1.590
La Verne Lemon Association	.913
La Habra Citrus Association	2.127
Yorba Linda Citrus Association, The	1.250
Alta Loma Heights Citrus Association	.878
Etiwanda Citrus Fruit Association	.552
Mountain View Fruit Association	.856
Old Baldy Citrus Association	1.032
Upland Lemon Growers Association	5.432
Central Lemon Association	1.248
Irvine Citrus Association	1.550
Placentia Mutual Orange Association	.691
Corona Citrus Association	.454
Corona Foothill Lemon Co	1.813
Jameson Co	.954
Arlington Heights Fruit Co	.630
College Heights Orange & Lemon Association	2.580
Chula Vista Vitrus Association, The	1.347
El Cajon Valley Citrus Association	.362
Escondido Lemon Association	4.346
Fallbrook Citrus Association	1.738
Lemon Grove Citrus Association	.557
San Dimas Lemon Association	2.477
Carpinteria Lemon Association	2.015
Carpinteria Mutual Citrus Association	2.348

PRORATE BASE SCHEDULE—CONTINUED

Handler	Prorate base (percent)
Goleta Lemon Association	1.985
Johnston Fruit Co	4.210
North Whittier Heights Citrus Association	1.098
San Fernando Heights Lemon Association	1.640
San Fernando Lemon Association	1.130
Sierra Madre-Lamanda Citrus Association	2.309
Tulare County Lemon & Grapefruit Association	.090
Briggs Lemon Association	2.048
Culbertson Investment Co	.419
Culbertson Lemon Association	1.016
Fillmore Lemon Association	1.870
Oxnard Citrus Association:	
No. 1	2.623
No. 2	2.736
Rancho Sespe	1.130
Santa Paula Citrus Fruit Association	3.073
Saticoy Lemon Association	2.384
Seaboard Lemon Association	3.570
Somis Lemon Association	2.718
Ventura Citrus Association	.959
Limoneira Co	2.704
Teague-McKevett Association	.738
East Whittier Citrus Association	.995
Leffingwell Rancho Lemon Association	.939
Murphy Ranch Co	1.544
Whittier Citrus Association	1.057
Whittier Select Citrus Association	.796
Total C. F. G. E	85.614
Arizona Citrus Products Co	.000
Chula Vista Mutual Lemon Association	1.074
Escondido Cooperative Citrus Association	.493
Glendora Cooperative Citrus Associtition	.160
Index Mutual Association	.454
La Verne Cooperative Citrus Association	1.757
Libbey Fruit Packing Co	.000
Orange Cooperative Citrus Association	.277
Pioneer Fruit Co	.000
Tempe Citrus Co	.000
Ventura Co. Orange & Lemon Association	2.119
Whittier Mutual Orange & Lemon Association	.288
Total M. O. D	6.622
Abbate, Chas. Co., The	.000
Atlas Citrus Packing Co	.013
California Citrus Groves, Inc., Ltd	.000
El Modena Citrus, Inc	.015
Evans Bros. Packing Co.:	
Riverside	.149
Sentinel Butte Ranch	.000
Foothill Packing Co	.220
Granada Packing House	.000
Harding & Leggett	.084
Morris Bros. Fruit Co	.000
Orange Belt Fruit Distributors	1.444
Potato House, The	.000
Raymond Bros	.015
Riverside Growers, Inc	.000
Rooke, B. G. Packing Co	.000
San Antonio Orchard Co	.094
Sun Valley Packing Co	.000
Sunny Hills Ranch, Inc	.000
Valley Citrus Packing Co	.000
Verity, R. H., Sons & Co	.234
Western States Fruit & Produce Co	.000
Total independents	2.268

[F. R. Doc. 47-4030; Filed, Apr. 25, 1947; 8:46 a. m.]

[Orange Reg. 174, Amdt. 1]

PART 966—ORANGES GROWN IN CALIFORNIA AND ARIZONA

LIMITATION OF SHIPMENTS

§ 966.320 *Orange Regulation 174, as amended*—(a) *Findings.* (1) Pursuant to the provisions of the order (7 CFR, Cum. Supp., 966.1 et seq.) regulating the handling of oranges grown in the State of California or in the State of Arizona, issued under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended, and upon the basis of the recommendation and information submitted by the Orange Administrative Committee, established under the said order, and upon other available information, it is hereby found that the limitation of the quantity of such oranges which may be handled, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that compliance with the notice, public rule making procedure, and effective date requirements of the Administrative Procedure Act (Pub. Law 404, 79th Cong., 2d sess.; 60 Stat. 237) is impracticable and contrary to the public interest in that the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the Agricultural Marketing Agreement Act of 1937, as amended, is insufficient for such compliance.

(b) *Order.* Orange Regulation 174 (12 F. R. 2554) is hereby amended as follows:

(1) The quantity of oranges grown in the State of California or in the State of Arizona which may be handled during the period beginning at 12:01 a. m., p. s. t., April 20, 1947, and ending at 12:01 a. m., p. s. t., April 27, 1947, is hereby fixed as follows:

(i) *Valencia oranges.* (*a*) Prorate Districts Nos. 1 and 2, no movement; and (*b*) Prorate District No. 3, 60 carloads.

(ii) *Oranges other than Valencia oranges.* (*a*) Prorate District No. 1, unlimited movement; (*b*) Prorate District No. 2, 1250 carloads; and (*c*) Prorate District No. 3, unlimited movement.

(2) The prorate base of each handler who has made application therefor, as provided in the said order, is hereby fixed in accordance with the prorate base schedule which is attached to Orange Regulation 174 (12 F. R. 2554) and made a part hereof by this reference. The Orange Administrative Committee, in accordance with the provisions of the said order, shall calculate the quantity of oranges which may be handled by each such handler during the period specified in subparagraph (1) of this paragraph.

(3) As used in this section, "handled," "handler," "carloads," and "prorate base" shall have the same meaning as is given to each such term in the said order; and "Prorate District No. 1," "Prorate District No. 2," and "Prorate District No. 3" shall have the same meaning as is given to each such term in § 966.107 of the rules and regulations (11 F. R. 10258) issued pursuant to said order. (48 Stat. 31, 670, 675, 49 Stat. 750, 50 Stat. 246; 7 U. S. C. 601 et seq.)

Done at Washington, D. C., this 24th day of April 1947.

[SEAL] S. R. SMITH,
Director, Fruit and Vegetable Branch, Production and Marketing Administration.

[F. R. Doc. 47-4029; Filed, Apr. 25, 1947; 8:46 a. m.]

[Orange Reg. 175]

PART 966—ORANGES GROWN IN CALIFORNIA AND ARIZONA

LIMITATION OF SHIPMENTS

§ 966.321 *Orange Regulation 175*—(a) *Findings.* (1) Pursuant to the provisions of the order (7 CFR, Cum. Supp., 966.1 et seq.) regulating the handling of oranges grown in the State of California or in the State of Arizona, issued under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended, and upon the basis of the recommendation and information submitted by the Orange Administrative Committee, established under the said order, and upon other available information, it is hereby found that the limitation of the quantity of such oranges which may be handled, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that compliance with the notice, public rule making procedure, and effective date requirements of the Administrative Procedure Act (Pub. Law 404, 79th Cong., 2d sess.; 60 Stat. 237) is impracticable and contrary to the public interest in that the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the Agricultural Marketing Agreement Act of 1937, as amended, is insufficient for such compliance.

(b) *Order.* (1) The quantity of oranges grown in the State of California or in the State of Arizona which may be handled during the period beginning at 12:01 a. m., P. s. t., April 27, 1947, and ending at 12:01 a. m., P. s. t., May 4, 1947, is hereby fixed as follows:

(i) *Valencia oranges.* (*a*) Prorate District No. 1, 500 carloads; (*b*) Prorate District No. 2, no movement; and (*c*) Prorate District No. 3, 70 carloads.

(ii) *Oranges other than Valencia oranges.* (*a*) Prorate District No. 1, no movement; (*b*) Prorate District No. 2, 800 carloads; and (*c*) Prorate District No. 3, no movement.

(2) The prorate base of each handler who has made application therefor, as provided in the said order, is hereby fixed in accordance with the prorate base schedule which is attached hereto and made a part hereof by this refer-

ence. The Orange Administrative Committee, in accordance with the provisions of the said order, shall calculate the quantity of oranges which may be handled by each such handler during the period specified in subparagraph (1) of this paragraph.

(3) As used in this section, "handled," "handler," "carloads," and "prorate base" shall have the same meaning as is given to each such term in the said order; and "Prorate District No. 1," "Prorate District No. 2," and "Prorate District No. 3" shall have the same meaning as is given to each such term in § 966.107 of the rules and regulations (11 F. R. 10258) issued pursuant to said order. (48 Stat. 31, 670, 675, 49 Stat. 750, 50 Stat. 246; 7 U. S. C. 601 et seq.)

Done at Washington, D. C., this 24th day of April 1947.

[SEAL] S. R. SMITH,
Director, Fruit and Vegetable Branch, Production and Marketing Administration.

PRORATE BASE SCHEDULE

[12:01 A. M. April 27, 1947, to 12:01 A. M. May 4, 1947]

ALL ORANGES OTHER THAN VALENCIA ORANGES

Prorate District No. 2

Handler	Prorate base (percent)
Total	100.0000
A. F. G. Alta Loma	.3367
A. F. G. Fullerton	.0594
A. F. G. Orange	.0651
A. F. G. Redlands	.4154
A. F. G. Riverside	.8475
Corona Plantation Co	1.2395
Hazeltine Packing Co	.0000
Signal Fruit Association	.9064
Azusa Citrus Association	.0000
Azusa Orange Co., Inc	.0000
Damerel-Allison Co	.0000
Glendora Mutual Orange Association	.0000
Irwindale Citrus Association	.0000
Puente Mutual Citrus Association	.0000
Valencia Heights Orchards Association	.0000
Glendora Citrus Association	.0000
Glendora Heights O. & L. Growers Association	.0000
Gold Buckle Association	4.0481
La Verne Orange Association, The	4.0644
Anaheim Citrus Fruit Association	.0000
Anaheim Valencia Orange Association	.0000
Eadington Fruit Co., Inc	.0000
Fullerton Mutual Orange Association	.0000
La Habra Citrus Association	.0000
Orange County, Valencia Association	.0000
Orangethorpe Citrus Association	.0000
Placentia Cooperative Orange Association	.0000
Yorba Linda Citrus Association, The	.0000
Alta Loma Heights Citrus Association	.4625
Citrus Fruit Growers	.8647
Cucamonga Citrus Association	.6759
Etiwanda Citrus Fruit Association	.2643
Mountain View Fruit Association	.1902
Old Baldy Citrus Association	.6055
Rialto Heights Orange Growers	.5121
Upland Citrus Association	2.6855
Upland Heights Orange Association	1.2663
Consolidated Orange Growers	.0000
Garden Grove Citrus Association	.0000

PRORATE BASE SCHEDULE—Continued

ALL ORANGES OTHER THAN VALENCIA ORANGES—continued

Prorate District No. 2—Continued

Handler	Prorate base (percent)
Goldenwest Citrus Association, The	0.0000
Olive Heights Citrus Association	.0000
Santa Ana-Tustin Mutual Citrus Association	.0000
Santiago Orange Growers Association	.0000
Tustin Hills Citrus Association	.0000
Villa Park Orchards Association, Inc., The	.0000
Bradford Bros	.0000
Placentia Mutual Orange Association	.0000
Placentia Orange Growers Association	.0000
Call Ranch	.7736
Corona Citrus Association	.9213
Jameson Co	.4389
Orange Heights Orange Association	1.0553
Break & Son, Allen	.4051
Bryn Mawr Fruit Growers Association	1.2784
Crafton Orange Growers Association	1.6315
E. Highlands Citrus Association	.4972
Fontana Citrus Association	.5230
Highland Fruit Growers Association	.8021
Krinard Packing Co	1.7853
Mission Citrus Association	.9383
Redlands Cooperative Fruit Association	2.0703
Redlands Heights Groves	1.0745
Redlands Orange Growers Association	1.3993
Redlands Orangedale Association	1.1254
Redlands Select Groves	.6746
Rialto Citrus Association	.6570
Rialto Orange Company	.4373
Southern Citrus Association	1.2944
United Citrus Growers	.8431
Zilen Citrus Co	1.1790
Arlington Heights Fruit Co	.5322
Brown Estate, L. V. W	2.2113
Gavilan Citrus Association	1.9996
Hemet Mutual Groves	.4171
Highgrove Fruit Association	.7393
McDermont Fruit Co	1.9947
Mentone Heights Association	1.0868
Monte Vista Citrus Association	1.3547
National Orange Co	.0449
Riverside Heights Orange Growers Association	1.5264
Sierra Vista Packing Association	.9216
Victoria Ave. Citrus Association	2.9347
Claremont Citrus Association	1.1675
College Heights Orange and Lemon Association	1.2445
El Camino Citrus Association	.6186
Indian Hill Citrus Association	1.3841
Pomona Fruit Growers Association	2.3939
Walnut Fruit Growers Association	.4796
West Ontario Citrus Association	1.8465
El Cajon Valley Citrus Association	.0000
Escondido Orange Association	.0000
San Dimas Orange Growers Association	1.3580
Covina Citrus Association	1.0353
Covina Orange Growers Association	.5932
Duarte-Monrovia Fruit Exchange	.5005
Ball & Tweedy Association	.0000
Canoga Citrus Association	.0000
N. Whittier Heights Citrus Association	.0000
San Fernando Fruit Growers Association	.0000
San Fernando Heights Orange Association	.4134
Sierra Madre Lamanda Citrus Association	.0000
Camarillo Citrus Association	.0129
Fillmore Citrus Association	.0000

PRORATE BASE SCHEDULE—Continued

ALL ORANGES OTHER THAN VALENCIA ORANGES—continued

Prorate District No. 2—Continued

Handler	Prorate base (percent)
Ojai Orange Association	0.0000
Piru Citrus Association	.0000
Santa Paula Orange Association	.0000
Tapo Citrus Association	.0118
East Whittier Citrus Association	.0000
Whittier Citrus Association	.0000
Whittier Select Citrus Association	.0000
Anaheim Cooperative Orange Association	.0000
Bryn Mawr Mutual Orange Association	.5810
Chula Vista Mutual Lemon Association	.0000
Escondido Coop. Citrus Association	.0000
Euclid Avenue Orange Association	2.6275
Foothill Citrus Union, Inc	.1403
Fullerton Cooperative Orange Association	.0000
Garden Grove Orange Cooperative	.0000
Glendora Cooperative Citrus Association	.0422
Golden Orange Groves, Inc	.4852
Highland Mutual Groves, Inc	.5108
Index Mutual Association	.0000
La Verne Cooperative Citrus Association	3.2164
Olive Hillside Groves, Inc	.0000
Orange Cooperative Citrus Association	.0000
Redlands Foothill Groves	2.5822
Redlands Mutual Orange Association	1.2392
Riverside Citrus Association	.0000
Ventura County Orange & Lemon Association	.2644
Whittier Mutual Orange & Lemon Association	.0000
Babijuice Corp. of Calif	.0000
Banks Fruit Co	.0000
California Fruit Distributors	.0000
Cherokee Citrus Co., Inc	1.2863
Chess Co., Meyer W	.5145
Evans Brothers Packing Co	.8957
Gold Banner Association	2.2643
Granada Hills Packing Co	.0270
Granada Packing House	.0000
Hill, Fred A	.8435
Inland Fruit Dealers, Inc	.2795
Orange Belt Fruit Distributors	2.6965
Panno Fruit Co., Carlo	.0000
Paramount Citrus Association	.0000
Riverside Growers, Inc	.5111
San Antonio Orchards Association	1.5052
Snyder & Sons Co., W. A	1.1876
Verity & Sons Co., R. H	.1167
Wall, E. T	1.7990
Western Fruit Growers, Inc., Redlands	3.2083
Yorba Orange Growers Association	.0381

VALENCIA ORANGES

Prorate District No. 1

Total	100.0000
A. F. G. Lindsay	.9392
A. F. G. Porterville	1.8265
Cooperative Citrus Association	.3443
Doffiemyer, W. Todd	.3239
Elderwood Citrus Association	1.2754
Exeter Citrus Association	1.6934
Hillside Packing Corp	3.9496
Ivanhoe Mutual Orange Association	1.0956
Klink Citrus Association	3.6418
Lemon Cove Association	1.3433
Lindsay Citrus Growers Association	3.4460
Lindsay Coop. Citrus Association	2.3375
Lindsay District Orange Co	1.4231
Lindsay Fruit Association	2.5716
Lindsay Orange Growers Association	.6537

PRORATE BASE SCHEDULE—Continued

VALENCIA ORANGES—continued

Prorate District No. 1—Continued

Handler	Prorate base (percent)
Orange Cove Citrus Association	2.9300
Orange Packing Co	1.6462
Orosi Foothill Citrus Association	1.1487
Paloma Citrus Fruit Association	.5336
Rocky Hill Citrus Association	2.7887
Sanger Citrus Association	2.5331
Sequoia Citrus Association	.7417
Stark Packing Corp	4.4649
Visalia Citrus Association	1.2282
Waddell & Sons	2.3157
Orland Orange Growers Association, Inc	.1184
Baird-Neece Corp	2.3050
Beattie Association, Agnes M	.2953
Grand View Heights Citrus Association	3.4750
Magnolia Citrus Association	1.8905
Porterville Citrus Association	.7180
Richgrove-Jasmine Citrus Association	1.2763
Sandilands Fruit Co	.3897
Strathmore Cooperative Association	3.0419
Strathmore District Orange Association	2.1948
Strathmore Fruit Growers Association	2.1094
Strathmore Packing House Co	1.3176
Sunflower Packing Association	1.9962
Sunland Packing House	3.4788
Tule River Citrus Association	.9985
Jensen, M. N	1.5117
Kroells Brothers, Ltd	1.5294
Lindsay Mutual Groves	1.6672
Martin Ranch	.6766
Stivers Packing Co	1.0776
Woodlake Packing House	1.5330
Randolph Marketing Co., Porterville	1.6630
Abbate Co., The Chas	.5014
Anderson Packing Co	1.0784
Baker Bros	.7545
Calif. Citrus Groves, Inc., Ltd	2.0987
Calif. Growers, Inc	.8452
Evans Brothers Packing Co	2.8010
Exeter Groves Packing Co	1.3686
Harding & Leggett	1.6203
Lo Bue Brothers	.3131
Marks, W. & M	.0454
Reimers, Don H	.2281
Rooke Packing Co., B. G	3.2710
Snyder & Sons Co., W. A	.6091
Webb Packing Co., Inc	.4777
Wollenman Packing Co	.6033
Woodlake Heights Packing Corp	.9246

Prorate District No. 3

Total	100.0000
Allen-Young Citrus Packing Co	.4249
Consolidated Citrus Growers	4.2805
Leppla-Pratt Produce Distributors, Inc	5.3931
McKellips Mutual Citrus Growers	14.5396
McKellips Phoenix Citrus Co., C. H	1.8068
Phoenix Citrus Packing Co	2.6615
Arizona Citrus Growers	20.7790
Desert Citrus Growers	3.0850
Mesa Citrus Growers	13.0650
Imperial Valley Grapefruit Growers	.0000
Yuma Mesa Fruit Growers Association	6.0880
Arizona Citrus Products Co	2.3685
Libbey Fruit Packing Co	5.2480
Pioneer Fruit Co	4.0000
Tempe Citrus Co	2.6335
Champion Produce House, L. M	.5756
Commercial Citrus Packing	1.3336
Dhuyvetter Bros	.9030
Ishikawa, Paul	.0603
Macchiaroli Fruit Co., James	2.2872
Morris Brothers Fruit Co	.7880
Orange Belt Fruit Distributors	3.3024

PRORATE BASE SCHEDULE—Continued

VALENCIA ORANGES—continued

Prorate District No. 3—Continued

Handler	Prorate base (percent)
Paramount Citrus Association	0.7011
Potato House, The	.3513
Russo Brothers	.2307
Sharp Company, K. K	.1500
Sun Valley Packing Co	.6170
Valley Citrus Packing Co	2.3264

[F. R. Doc. 47-4033; Filed, Apr. 25, 1947; 8:46 a. m.]

TITLE 8—ALIENS AND NATIONALITY

Chapter I—Immigration and Naturalization Service, Department of Justice

Subchapter A—Administrative Organization

PART 60—FIELD SERVICE DISTRICTS AND OFFICERS

POWER OF ARREST WITHOUT WARRANT, OF BOARDING AND SEARCHING, AND OF EXECUTING WARRANTS

APRIL 16, 1947.

Section 60.28, Chapter I, Title 8, Code of Federal Regulations, is hereby amended to read as follows:

§ 60.28 *Power of arrest without warrant, of boarding and searching, and of executing warrants* — (a) *Definitions.* (1) The term "the act" as used in this section shall, unless otherwise indicated, mean the act of February 27, 1925, as amended by the act of August 7, 1946, 43 Stat. 1049, 60 Stat. 865 (8 U. S. C. 110).

(2) The term in the act "officer of the Immigration and Naturalization Service having authority to examine aliens as to their right to enter or remain in the United States" shall mean an immigrant inspector or any person designated an immigrant inspector by § 60.27.

(3) The phrase in the act "within a reasonable distance from any external boundary of the United States" shall mean within a distance not exceeding 100 air miles from any external boundary of the United States, or any shorter distance which may be fixed by the district director in charge of a district defined in § 60.1, or, so far as the power to board and search aircraft is concerned, any distance within any of the areas designated in paragraph (d) of this section.

(b) *Authorized employees.* All patrol inspectors, immigrant inspectors, and all persons designated immigrant inspectors by § 60.27 are authorized to exercise the power of arrest without warrant, the power to board and search vessels and other conveyances, and the power to execute warrants and other processes conferred by the act.

(c) *Reasonable distance; fixing by district directors.* In fixing reasonable distances of less than 100 air miles pursuant to paragraph (a) (3) of this section, district directors shall take into consideration topography, confluence of arteries of transportation leading from external boundaries of the United States, relative distance from such boundaries, density of population, possible inconvenience to the traveling public, types of conveyances used, and reliable information as to movements of persons effecting illegal entry into the United States: *Provided,* That whenever in the opinion of a district director a distance in his district of more than 100 air miles from any external boundary of the United States would because of unusual circumstances be reasonable, such district director shall forward a complete report with respect to the matter to the Commissioner of Immigration and Naturalization, who may, if he determines that such action is justified, declare such distance to be reasonable.

(d) *Powers; where exercised.* The powers conferred by the act may be exercised in the forty-eight States of the United States, the District of Columbia, Hawaii, Alaska, Puerto Rico, and the Virgin Islands.

(e) *Examining officer.* Although any officer authorized by paragraph (b) of this section to make arrests is qualified under paragraph (a) (2) of this section to conduct the examination required under clause (1) of the act, such examination shall be conducted by the arresting officer only in cases in which no other qualified officer is readily available and the taking of the alien before another officer would entail unnecessary delay and then only when the conducting of such examination is a part of the duties assigned to the arresting officer.

(f) *Disposition of cases of deportable aliens.* Whenever the examination which is required under clause (1) of the act in the case of an alien illegally entering or in the United States indicates that further action should be brought against the arrested alien, the examining officer shall proceed in accordance with the provisions of Part 150 of this chapter or shall take whatever action may be appropriate or required under the laws or other regulations applicable to the particular case. In so doing, the examining officer may utilize any record made by the arresting officer.

(g) *Disposition of felony cases.* The cases of persons arrested under clauses (3) of the act for felonies shall be handled administratively in accordance with the applicable provisions of § 60.25, but in no case shall there be prejudiced the right of the person arrested to be taken without unnecessary delay before the nearest available commissioner or before another nearby officer empowered to commit persons charged with offenses against the laws of the United States.

(h) *Powers not exclusive.* The powers conferred by the act upon the employees qualified thereunder are in addition to the powers conferred on immigrant inspectors by that provision of section 16 of the Immigration Act of 1917 (39 Stat. 885; 8 U. S. C. 152) which reads "Immigrant inspectors are hereby authorized and empowered to board and search for aliens any vessel, railway car, or any other conveyance, or vehicle in which they believe aliens are being brought into the United States" and in addition to any powers which are or may be conferred on officers or employees of the Immigration and Naturalization Service by other laws.

This section shall become effective on the date of its publication in the FEDERAL REGISTER. The requirements of section

4 of the Administrative Procedure Act (Pub. Law 404, 79th Cong.; 60 Stat. 238) relative to notice of proposed rule making and delayed effective date are inapplicable for the reason that the rules prescribed by this section pertain to agency organization and procedure, including delegation of authority. (Sec. 23, 39 Stat. 892, sec. 24, 43 Stat. 166, sec. 37 (a), 54 Stat. 675; 8 U. S. C. 102, 222, 458; sec. 1, Reorg. Plan No. V, 3 CFR, Cum. Supp. ch. IV)

UGO CARUSI,
Commissioner of Immigration and Naturalization.

Approved: April 20, 1947.

TOM C. CLARK,
Attorney General.

[F. R. Doc. 47-3977; Filed, Apr. 25, 1947; 8:45 a. m.]

Subchapter B—Immigration Regulations

PART 110—PRIMARY INSPECTION AND DETENTION

DESIGNATION OF LAREDO MUNICIPAL AIRPORT, LAREDO, TEXAS, AS A TEMPORARY AIRPORT OF ENTRY FOR ALIENS

APRIL 21, 1947.

Section 110.3 (b), *Designated ports of entry by aircraft,* Chapter I, Title 8, Code of Federal Regulations is amended by inserting "Laredo, Tex., Laredo Municipal Airport" between "Havre, Mont., Havre-Hill County Airport" and "Malone, N. Y., Malone-Bufort Airport" in the list of temporary airports of entry for aliens.

Notice of the proposed designation of the Laredo Municipal Airport as a temporary airport of entry for aliens was published in the FEDERAL REGISTER dated March 15, 1947 (12 F. R. 1775), pursuant to section 4 of the Administrative Procedure Act (Pub. Law 404, 79th Cong.; 60 Stat. 238). The designation shall become effective on May 1, 1947, the delayed effective date requirements of section 4 (c) of the Administrative Procedure Act being dispensed with for the reasons that (1) the public convenience will be served by making the immigration facilities available beginning on May 1, 1947; (2) no representations in opposition to the designation have been received; and (3) the designation for customs purposes has been made effective on May 1, 1947 (12 F. R. 2110). The designation of this airport is based on a determination that a sufficient need exists to justify such designation and the designation is made for the purpose of providing for convenient compliance with immigration requirements.

(Sec. 7 (d), 44 Stat. 572; 49 U. S. C. 177 (d); sec. 1, Reorg. Plan No. V, 3 CFR, Cum. Supp., Ch. IV)

TOM C. CLARK,
Attorney Geneal.

Recommended: April 10, 1947.

T. B. SHOEMAKER,
Acting Commissioner of Immigration and Naturalization.

[F. R. Doc. 47-3976; Filed, Apr. 25, 1947; 8:45 a. m.]

PART 116—CIVIL AIR NAVIGATION

SPECIAL REGULATIONS RELATING TO AIR TRAVEL BETWEEN FOREIGN CONTIGUOUS TERRITORY AND THE UNITED STATES

APRIL 22, 1947.

The regulations for the application to civil air navigation of the laws and regulations relating to customs, public health, entry and clearance, and immigration issued by the Acting Secretary of the Treasury, the Federal Security Administrator, the Acting Secretary of Commerce, and the Acting Attorney General, within their respective authorities, on August 28, 1941, as amended on October 31, 1941, June 5, 1942, September 21, 1942, April 14, 1943, August 26, 1944, July 16, 1945, October 18, 1945, July 3, 1946, July 27, 1946, and December 23, 1946 (6 F. R. 4516, 4536, 4537, 4514, 5582, 5583, 5596; 7 F. R. 4471, 4472, 4496, 7800, 7813; 8 F. R. 5291, 5296, 5320; 9 F. R. 10446, 10448, 10503; 10 F. R. 9314, 9315, 9338, 13102, 13103, 13130; and 11 F. R. 7655, 7661, 7663, 8075, 8078, 8122, 13775, 13785, 13792; 19 CFR, Cum. Supp., 6.1 to 6.11, 42 CFR, Cum. Supp., 11.501 to 11.516, and 8 CFR, Cum. Supp., 116.1 to 116.16), are hereby further amended as follows:

1. Paragraph (a) of § 6.3 of Title 19 of the Code of Federal Regulations, such section being also designated as § 11.503 of Title 42 and § 116.3 of Title 8 of that Code, is amended by changing the period at the end of the second sentence to a comma and adding the following: "except that permission to land in Alaska elsewhere than at an airport of entry may be granted to aircraft arriving from Canada, by the Collector of Customs at Juneau, Alaska, who upon granting such permission shall immediately notify the officer in charge of the Public Health Service, the Immigration and Naturalization Service, and any other agency affected thereby in Alaska."

2. The last sentence of subparagraph (1) of paragraph (b) of § 6.8 of Title 19 of the Code of Federal Regulations, such section being also designated as § 11.508 of Title 42 and § 116.8 of Title 8 of that Code, is amended to read: "The list is not required if the aircraft is not arriving from outside the United States or if it is arriving on a trip which originated in Canada, Newfoundland, or the French islands of St. Pierre and Miquelon, or if the information with respect to the crew is furnished in accordance with § 6.10."

3. Subparagraph (2) of paragraph (b) of § 6.8 of Title 19 of the Code of Federal Regulations, such section being also designated as § 11.508 of Title 42 and § 116.8 of Title 8 of that Code, is amended by adding a sentence reading: "This subparagraph shall not apply to aircraft arriving on a trip which originated in Canada, Newfoundland, or the French islands of St. Pierre and Miquelon."

4. *Omission of notice and public procedure.* This order shall become effective on the day of its publication in the FEDERAL REGISTER. Notice of proposed rule making and public procedure prescribed by section 4 of the Administrative Procedure Act (Pub. Law 404, 79th Cong.; 60 Stat. 238) are being dispensed with because they are found unnecessary and contrary to the public interest. Such finding is based on the fact that this order will result in the facilitation of travel and lessen the requirements on affected persons.

(R. S. 161, 251, sec. 23, 39 Stat. 892, sec. 24, 43 Stat. 166, sec. 7, 44 Stat. 572, sec. 644, 46 Stat. 761, sec. 367, 602, 58 Stat. 706, 712; 5 U. S. C. 22, 19 U. S. C. 66, 1644, 49 U. S. C. 177, 42 U. S. C. Sup. 201 note, 270, 8 U. S. C. 102, 222, sec. 1, Reorg. Plan No. V, 5 F. R. 2132, 2223, sec. 102, Reorg. Plan No. 3 of 1946, 11 F. R. 7875)

E. H. FOLEY, Jr.,
Acting Secretary of the Treasury.
W. R. JOHNSON,
Commissioner of Customs.
THOMAS PARRAN,
Surgeon General,
Public Health Service.
TOM C. CLARK,
Attorney General.

Approved:

WATSON B. MILLER,
Federal Security Administrator.

[F. R. Doc. 47-3975; Filed, Apr. 25, 1947; 8:49 a. m.]

TITLE 19—CUSTOMS DUTIES

Chapter I—Bureau of Customs, Department of the Treasury

PART 6—AIR COMMERCE REGULATIONS

SPECIAL REGULATIONS RELATING TO AIR TRAVEL BETWEEN FOREIGN CONTIGUOUS TERRITORY AND THE UNITED STATES

CROSS REFERENCE: For amendments to §§ 6.3 and 6.8 concerning special regulations relating to air travel between foreign contiguous territory and the United States, issued jointly by the Bureau of Customs of the Department of the Treasury, the Public Health Service of the Federal Security Agency, and the Immigration and Naturalization Service of the Department of Justice, see Title 8, Chapter I, Part 116, *supra.*

TITLE 21—FOOD AND DRUGS

Chapter I—Food and Drug Administration, Federal Security Administration

PART 141—TESTS AND METHODS OF ASSAY FOR ANTIBIOTIC DRUGS PENICILLIN AND STREPTOMYCIN

Correction

In Federal Register Document No. 47-3238 appearing at page 2215 of the issue for Friday, April 4, 1947, the following changes should be made:

1. In § 141.1 (b) (1) the third line should be omitted.

2. In § 141.1 (b) (3) the eighth item in the table should read:

"Distilled water, q. s. ------ 1,000.0 ml."

3. In § 141.5 (a) "50 mgm." should read "50 mg."

4. In § 141.7 (a) the fifth line should read "of § 141.1, prepare sample as follows:"

5. In § 141.7 (b) the fourth line should read "to inactivate the penicillin added in the".

6. In § 141.18 (a) the section number appearing in the fifth line should read "§ 141.1".

7. In § 141.105 the thirtieth line should read "given by 0.1 mcg./kg. of histamine base".

8. The last line of the last paragraph of this document should read "these drug products."

PART 144—CERTIFICATION OF BATCHES OF DRUGS COMPOSED WHOLLY OR PARTLY OF INSULIN

Correction

In Federal Register Document No. 47–3237 appearing at page 2226 of the issue for Friday, April 4, 1947, the following changes should be made:

1. In § 144.2 (h) the reference to § 144.2 should read "§ 144.3".

2. The seventh line from the end of § 144.9, beginning with the words "the Administrator may" should begin a new line.

PART 146—CERTIFICATION OF BATCHES OF PENICILLIN- OR STREPTOMYCIN-CONTAINING DRUGS

Correction

In Federal Register Document No. 47–3236 appearing at page 2231 of the issue for Friday, April 4, 1947, the following changes should be made:

1. In § 146.1 (a) the first word in the second paragraph should read "Wherever".

2. In § 146.1 (p) the first two words of the third line should be deleted.

3. In § 146.4 (a) (2) the second line should read "less it complies with the packaging re-".

4. In § 146.27 (b), the fifteenth line, the word "content" should read "contents".

5. In the fifth line of § 146.29 (e) the word "of" should read "in".

6. In § 146.31 (d) (2) (i) the word "match" should read "batch".

7. In the second line of § 146.34 (e) (2) the word "investigation" should read "investigations".

8. In § 146.36 (a) the third line should read "*and purity*. Penicillin vaginal suppositories are".

9. In § 146.38 (a) the ninth line should read "by lyophilizing a solution containing".

10. In § 146.101 (d) (2) the first word in the eleventh line should read "or".

TITLE 24—HOUSING CREDIT

Chapter VIII—Office of Housing Expediter

[Housing Expediter Priorities Reg. 4 as Amended Jan. 27, 1947, Amdt. 1]

PART 803—PRIORITIES REGULATIONS UNDER VETERANS' EMERGENCY HOUSING ACT OF 1946

SUSPENSION OF APPLICATIONS FOR CERTIFICATES AND REQUESTS FOR RENEWALS

Section 803.4, Housing Expediter Priorities Regulation 4, as amended January 27, 1947, is amended as follows:

Effective May 1, 1947, paragraph (e) (1) of this section, which provides for filing of applications for Housing Expediter certificates, and paragraph (e) (2) of this section, which provides for filing of applications for renewal of such certificates, are suspended until further notice. Applications received under either paragraph (e) (1) or paragraph (e) (2) of this section prior to May 1, 1947, will be processed as provided in this section.

(60 Stat. 207; 50 U. S. C. App. Sup. 1821)

Issued this 25th day of April 1947.

FRANK R. CREEDON,
Housing Expediter.

[F. R. Doc. 47-4081; Filed, Apr. 25, 1947; 11:30 a. m.]

[Suspension Order S–10]

PART 807—SUSPENSION ORDERS

GEORGE B. CHARLSEN & R. M. STAUFFER

George B. Charlsen, 101 South Kansas Avenue, Newton, Kansas, and R. M. Stauffer, 300 West Fourth Street, Newton, Kansas, as his contractor, on or about November 23, 1946, without authorization from the Civilian Production Administration or the Office of the Housing Expediter, began and thereafter carried on construction of a building, size 60′ x 70′, to be used as a commercial store building at 105–109 South Kansas Avenue, Newton, Kansas, estimated to cost in excess of $25,000. The beginning and carrying on of such construction without authorization constituted a violation of Veterans' Housing Program Order 1, and diverted critical material to uses not authorized by the Civilian Production Administration or the Office of the Housing Expediter. In view of the foregoing, it is hereby ordered that:

§ 807.10 *Suspension Order No. S–10.* (a) Neither George B. Charlsen nor R. M. Stauffer, their successors or assigns, nor any other person, shall do any further construction on the premises located at 105–109 South Kansas Avenue, Newton, Kansas, including completing or altering the structure, unless authorized in writing by the Office of the Housing Expediter.

(b) George B. Charlsen and R. M. Stauffer shall refer to this order in any application or appeal which they or either of them may file with the Office of the Housing Expediter for authorization to carry on such construction.

(c) Nothing contained in this order shall be deemed to relieve George B. Charlsen and R. M. Stauffer from any restriction, prohibition or provision contained in any other order or regulation of the Office of the Housing Expediter, except insofar as the same may be inconsistent with the provisions hereof.

Issued this 24th day of April 1947.

OFFICE OF THE HOUSING EXPEDITER,
By JAMES V. SARCONE,
Authorizing Officer.

[F. R. Doc. 47-4023; Filed, Apr. 24, 1947; 2:19 p. m.]

[Suspension Order S–19]

PART 807—SUSPENSION ORDERS

DR. GERALD B. WINROD ET AL.

Dr. Gerald B. Winrod, Wichita, Kansas, as President of The Defenders of the Christian Faith, Inc., a Kansas non-profit corporation who also uses the names Defenders' Publishing Company and The Defender Publishers, in connection with their activities, on or about December 16, 1946, without authorization from the Civilian Production Administration or the Office of the Housing Expediter, began and thereafter carried on construction of a one-story building, size 50′ x 90′, containing 4,500 square feet of floor area, at 2500–2508 East Douglas Avenue, Wichita, Kansas, which was to be an addition to an existing one-story building, size 50′ x 50′, having 2,500 square feet of floor area, making the total floor area of the existing building and the addition 7,000 square feet. The addition was to be used as a printing plant and the estimated cost thereof was more than $14,000. The beginning and carrying on of construction of such addition was in violation of Veterans' Housing Program Order 1, and has diverted critical materials to uses not authorized by the Office of the Housing Expediter. In view of the foregoing, it is hereby ordered that:

§ 807.19 *Suspension Order No. S–19.* (a) Neither Dr. Gerald B. Winrod, The Defenders of the Christian Faith, Inc., a corporation, The Defenders' Publishing Company, nor The Defender Publishers, their successors or assigns, shall do any further construction on the premises at 2500–2508 East Douglas Avenue, Wichita, Kansas, including the putting up, completing or altering the structure, unless hereafter authorized in writing by the Office of the Housing Expediter.

(b) Dr. Gerald B. Winrod, The Defenders of the Christian Faith, Inc., The Defenders' Publishing Company, and the Defender Publishers, shall refer to this order in any application or appeal which they may file with the Office of the Housing Expediter for authorization to carry on such construction.

(c) Nothing contained in this order shall be deemed to relieve Dr. Gerald B. Winrod, The Defenders of the Christian Faith, Inc., The Defenders' Publishing Company, or the Defender Publishers, their successors or assigns, from any restriction, prohibition or provision contained in any other order, except insofar as the same may be inconsistent with the provisions hereof.

Issued this 24th day of April 1947.

OFFICE OF THE HOUSING EXPEDITER,
By JAMES V. SARCONE,
Authorizing Officer.

[F. R. Doc. 47-4024; Filed, Apr. 24, 1947; 2:19 p. m.]

TITLE 32—NATIONAL DEFENSE

Chapter IX—Office of Temporary Controls, Civilian Production Administration

AUTHORITY: Regulations in this chapter unless otherwise noted at the end of documents affected, issued under sec. 2 (a), 54 Stat. 676, as amended by 55 Stat. 236, 56 Stat. 177, 58 Stat. 827, 59 Stat. 658, Pub. Laws 388 and 475, 79th Cong.; E. O. 9024, 7 F. R. 329; E. O. 9040, 7 F. R. 527; E. O. 9125, 7 F. R. 2719; E. O. 9599, 10 F. R. 10155; E. O. 9638, 10 F. R. 12591; C. P. A. Reg. 1, Nov. 5, 1945, 10 F. R. 13714; Housing Expediter's Priorities Order 1, Aug. 27, 1946, 11 F. R. 9507; E. O. 9809, Dec. 12, 1946, 11 F. R. 14281; OTC Reg. 1, 11 F. R. 14311.

PART 1138—ANTIMONY

[General Preference Order M-112, as Amended Apr. 25, 1947]

§ 1138.1 *General Preference Order M-112*—(a) *Definitions.* For the purpose of this order "antimony" means and includes:

(1) Ores and concentrates, including beneficiated or treated forms, containing antimony commercially recognized;

(2) Antimony metal, otherwise known as "Regulus" and the element antimony in commercially pure form;

(3) Liquated antimony, sometimes known as "needle antimony", "crude antimony" or "Crudum", which is in any case the result of separating antimony sulphide from antimony ores by fusion, without essential chemical change;

(4) Any alloy containing 50 per cent or more by weight of antimony, as defined in (1), (2), and (3) above;

(5) Antimony oxide which results from the processing of antimony, as defined in (1), (2), (3) and (4) above;

(6) Antimony sulphide (precipitate or synthetic) which results from the processing of antimony, as defined in (1), (2), (3), (4), and (5) above.

(b) *Deliveries, allocations and uses*—(1) *Restrictions on deliveries.* No person shall deliver or accept delivery of antimony without a specific allocation in writing by the Civilian Production Administration, except as follows:

(i) Antimony may be delivered to any person in lots of 224 lbs. (contained antimony), or less, but the total quantity of contained antimony which any person may receive in any calendar month from all sources of supply under this subparagraph shall not exceed 224 lbs.

(ii) Antimony may be delivered to the Office of Metals Reserve, Reconstruction Finance Corporation, or to any other corporation organized under section 5 (d) of the Reconstruction Finance Corporation Act, as amended, or to any agent of such corporation.

(2) *Allocations and uses.* The Civilian Production Administration may from time to time allocate and direct the manner and quantity in which antimony shall be delivered or used, including all antimony released by the Reconstruction Finance Corporation. Such action may also be taken with respect to the use of antimony-bearing lead scrap, secondary antimony-bearing lead alloys or any other practicable substitute in lieu of antimony. The Civilian Production Administration may also require any person seeking to place a purchase order for antimony to place the same with one or more particular suppliers. Such allocations and directions will be made primarily to insure satisfaction of all defense requirements of the United States, both direct and indirect and they may be made without regard to any preference ratings assigned to particular contracts or purchase orders.

(c) *Applications for and reports of antimony.* (1) Applications for an allocation of antimony should be made on Form CPA-2931 to the Civilian Production Administration not later than the 20th day of the month preceding the month in which delivery is requested. Applications for an allocation of antimony for export outside the United States, its territories or possessions or the Dominion of Canada may be made by letter addressed to the Civilian Production Administration furnishing the following information:

(i) The export license number and validation date;

(ii) The country to which the antimony is to be exported;

(iii) The name of the proposed supplier; and

(iv) The quantity allowed to be exported under the license.

Exports of antimony to any country other than Canada are also subject to any export license requirements of the Office of International Trade, Department of Commerce.

No application for an allocation of antimony should be filed if less critical materials obtainable from secondary sources, or substitute materials, are usable by and available to the applicant. Failure by any person to file an application in accordance with this paragraph may be construed as notice to the Civilian Production Administration that such person does not desire an allocation of antimony for the succeeding month.

(2) Any person who on the first day of a calendar month has in his possession or under his control 2240 pounds or more of antimony or who used during the preceding calendar month 2240 pounds or more of antimony shall not later than the 20th day of such month report to the Civilian Production Administration on Form CPA-2931 in accordance with the instructions accompanying such form, regardless of whether or not he seeks an allocation of antimony during the next succeeding month.

(d) *Inventory restrictions.* No person shall knowingly deliver to any person and no person shall accept delivery of any quantity of antimony, if the total inventory in the hands of the person accepting delivery is, or by virtue of acceptance will become, in excess of his reasonably anticipated requirements for permissible uses in the next 30 days, excepting in the case of antimony as defined in paragraph (a) (1) which shall be limited to 45 days. This restriction does not apply to a producer of antimony as defined in paragraph (a).

(e) [Deleted March 12, 1947.]

(f) *Violations.* Any person who wilfully violates any provision of this order, or who, in connection with this order, wilfully conceals a material fact or furnishes false information to any department or agency of the United States is guilty of a crime, and upon conviction may be punished by fine or imprisonment. In addition, any such person may be prohibited from making or obtaining further deliveries of, or from processing or using, material under priority control and may be deprived of priorities assistance.

(g) *Appeals and Communications.* Any appeal from the provisions of this order shall be made by filing a letter referring to the particular provisions appealed from and stating fully the grounds of appeal. Appeals, reports and all communications concerning this order shall, unless otherwise directed, be addressed to the Tin, Lead and Zinc Branch, Civilian Production Administration, Washington 25, D. C., reference M-112.

(h) The reporting and record-keeping provisions of this order have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

Issued this 25th day of April 1947.

CIVILIAN PRODUCTION ADMINISTRATION,
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 47-4077; Filed, Apr. 25, 1947; 11:15 a. m.]

PART 3290—MANILA (ABACA) AND AGAVE FIBERS AND CORDAGE

[Conservation Order M-84, Direction 1]

SPINNABLE CENTRAL AMERICAN ABACA (MANILA) FIBER

The following direction is issued pursuant to Conservation Order M-84:

(a) *Purpose of this direction.* Under paragraph (f) (1) of Order M-84, the Civilian Production Administration may from time to time allocate to processors the available supplies of manila and agave fiber held by the Reconstruction Finance Corporation, as provided in the order. This direction provides for the suspension of allocations by the CPA of spinnable Central American abaca (Manila) fiber held by the RFC, until further notice by amendment or revocation of this direction or otherwise.

(b) *Suspension of allocations of spinnable Central American abaca (Manila) fiber.* Until such time as the CPA may order otherwise, spinnable Central American abaca (Manila) fiber held by the RFC will not be allocated under Conservation Order M-84. Applications may be made to the RFC for such fiber, and not to the CPA.

(c) *Restriction on sales by RFC.* Spinnable Central American abaca (Manila) fiber

held by RFC may be sold and delivered by it to any person for use in making products in which use of such fiber is permitted under Conservation Order M-84 and directions issued under that order, or for resale for such uses, within the continental United States. Spinnable Central American abaca (Manila) fiber may not be sold by RFC for export.

(d) *Inconsistent provisions of Order M-84 suspended.* The provisions of paragraph (f) of Conservation Order M-84, to the extent they are inconsistent with the terms of this direction, are hereby suspended.

Issued this 25th day of April 1947.

CIVILIAN PRODUCTION ADMINISTRATION,
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 47-4076; Filed, Apr. 25, 1947; 11:15 a. m.]

TITLE 36—PARKS AND FORESTS

Chapter II—Forest Service, Department of Agriculture

PART 201—NATIONAL FORESTS

KISATCHIE NATIONAL FOREST; TRANSFER OF LAND

CROSS REFERENCE: For transfer of lands from Federal Farm Mortgage Corporation to Forest Service, Department of Agriculture, see Federal Farm Mortgage Corporation in Notices section, *infra.*

TITLE 42—PUBLIC HEALTH

Chapter I—Public Health Service, Federal Security Agency

PART 11—FOREIGN QUARANTINE

SPECIAL REGULATIONS RELATING TO AIR TRAVEL BETWEEN FOREIGN CONTIGUOUS TERRITORY AND THE UNITED STATES

CROSS REFERENCE: For amendments to §§ 11.503 and 11.508 concerning special regulations relating to air travel between foreign contiguous territory and the United States, issued jointly by the Bureau of Customs of the Department of the Treasury, the Public Health Service of the Federal Security Agency, and the Immigration and Naturalization Service of the Department of Justice, see Title 8, Chapter I, Part 116, *supra.*

TITLE 43—PUBLIC LANDS: INTERIOR

Chapter I—Bureau of Land Management, Department of the Interior

PART 162—LIST OF ORDERS CREATING AND MODIFYING GRAZING DISTRICTS

ARIZONA GRAZING DISTRICT NO. 2

CROSS REFERENCE: For order affecting the tabulation contained in § 162.1, see Misc. 2114081 under Department of the Interior, Bureau of Land Management, in the Notices section, *infra*, relating to lands in Arizona Grazing District No. 2.

TITLE 46—SHIPPING

Chapter II—United States Maritime Commission

[G. O. 56, Supp. 3, WSA Function Series]

PART 306—GENERAL AGENTS AND AGENTS

COMPENSATION PAYABLE TO GENERAL AGENTS, AGENTS AND BERTH AGENTS; DRY CARGO VESSELS

In Item 2 of this supplement (approved February 21, 1947, and published in the FEDERAL REGISTER of March 12, 1947; 12 F. R. 1683), the first effective date of the amendment of § 306.173 (a) (2) should read "July 15, 1946" so that the words and figures to and including the second colon of said item read:

2. Section 306.173 *Compensation for port services in continental United States* is amended as follows:

Subparagraph (2) of paragraph (a) is amended, effective as of July 15, 1946, and until September 1, 1946, to read:

By order of the United States Maritime Commission.

[SEAL] A. J. WILLIAMS,
Secretary.

APRIL 22, 1947.

[F. R. Doc. 47-3951; Filed, Apr. 25, 1947; 8:50 a. m.]

NOTICES

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

[Misc. 1506772]

MONTANA AND NORTH DAKOTA

ORDER PROVIDING FOR THE OPENING OF PUBLIC LANDS

APRIL 14, 1947.

Departmental Order approved July 13, 1945, revoked Departmental Orders of August 24, 1903, September 2, 1905, July 27, 1908, January 4, 1910, and May 16, 1932, so far as they withdrew in the first and second forms prescribed by section 3 of the Reclamation Act of June 17, 1902 (32 Stat. 388), the lands hereinafter described within the lower Yellowstone Project, Montana-North Dakota, and provided that such revocation shall not affect the withdrawal of any other lands by said orders or affect any other order withdrawing or reserving the lands described.

At 10:00 a. m. on June 16, 1947, the lands shall, subject to valid existing rights and the provisions of existing withdrawals, become subject to application, petition, location, or selection as follows:

(a) *Ninety-day period for preference-right filings.* For a period of 90 days from June 17, 1947, to September 15, 1947, inclusive, the public lands affected by this order shall be subject to (1) application under the homestead or the desert land laws, or the small tract act of June 1, 1938 (52 Stat. 609, 43 U. S. C. sec. 682a), as amended, by qualified veterans of World War II, for whose service recognition is granted by the act of September 27, 1944 (58 Stat. 747, 43 U. S. C. secs. 279–283), subject to the requirements of applicable law, and (2) application under any applicable public-land law, based on prior existing valid settlement rights and preference rights conferred by existing laws or equitable claims subject to allowance and confirmation. Applications by such veterans shall be subject to claims of the classes described in subdivision (2).

(b) *Twenty-day advance period for simultaneous preference-right filings.* For a period of 20 days from May 28, 1947 to June 16, 1947, inclusive, such veterans and persons claiming preference rights superior to those of such veterans, may present their applications, and all such applications, together with those presented at 10:00 a. m. on June 17, 1947, shall be treated as simultaneously filed.

(c) *Date for non-preference right filings authorized by the public-land laws.* Commencing at 10:00 a. m. on September 16, 1947, any of the lands remaining unappropriated shall become subject to such application, petition, location, or selection by the public generally as may be authorized by the public-land laws.

(d) *Twenty-day advance period for simultaneous non-preference right filings.* Applications by the general public may be presented during the 20-day period from August 27, 1947 to September 15, 1947, inclusive, and all such applications, together with those presented at 10:00 a. m. on September 16, 1947, shall be treated as simultaneously filed.

Veterans shall accompany their applications with certified copies of their certificates of discharge, or other satisfactory evidence of their military or naval service. Persons asserting preference rights, through settlement or otherwise, and those having equitable claims, shall accompany their applications by duly corroborated affidavits in support thereof, setting forth in detail all facts relevant to their claims.

Applications for these lands, which shall be filed in the District Land Offices at Billings, Montana, and Bismarck, North Dakota, shall be acted upon in accordance with the regulations contained in § 295.8 of Title 43 of the Code of Federal Regulations (Circular No. 324, May 22, 1914, 43 L. D. 254), and Part 296 of that title, to the extent that such regulations are applicable. Applications under the homestead laws shall be governed by the regulations contained in Parts 166 to 170, inclusive, of Title 43 of the Code

of Federal Regulations and applications under the desert land laws and the small tract act of June 1, 1938, shall be governed by the regulations contained in Parts 232 and 257, respectively, of that title.

Inquiries concerning these lands shall be addressed to the District Land Offices at Billings, Montana, and Bismarck, North Dakota.

The lands affected by this order are described as follows:

PRINCIPAL MERIDIAN, MONTANA

T. 19 N., R. 57 E.,
Sec. 26, Lot 1.
T. 20 N., R. 58 E.,
Sec. 22, Lot 7;
Sec. 28, Lot 1.
T. 22 N., R. 58 E.,
Sec. 26, E½NW¼.
T. 24 N., R. 60 E.,
Sec. 30, Lot 1.

FIFTH PRINCIPAL MERIDIAN, NORTH DAKOTA

T. 150 N., R. 104 W.,
Sec. 17, Lot 2.
T. 152 N., R. 104 W.,
Sec. 19, W½SE¼SE¼, and SE¼SE¼SE¼;
Sec. 27, SW¼SW¼;
Sec. 28, Lot 8.

The areas described aggregate 278.04 acres.

The lands are along or near the Yellowstone River and are nearly level in topography at elevations from 1900 to 2000 feet above sea level.

THOS. C. HAVELL,
Acting Assistant Director.

[F. R. Doc. 47-3955; Filed, Apr. 25, 1947; 8:51 a. m.]

[Misc. 2069556]

MONTANA

ORDER PROVIDING FOR THE OPENING OF PUBLIC LANDS

APRIL 11, 1947.

Departmental Order approved December 11, 1945, revoked Departmental Orders of October 21, 1902 and July 27, and October 15, 1904, so far as they withdrew in the first and second forms prescribed by section 3 of the Reclamation Act of June 17, 1902 (32 Stat. 388), the lands hereinafter described within the Milk River Project, Montana, and provided that such revocation shall not affect the withdrawal of any other lands by said orders or affect any other order withdrawing or reversing the lands described.

At 10:00 a. m. on June 13, 1947, the lands shall, subject to valid existing rights and the provisions of existing withdrawals, become subject to application, petition, location, or selection as follows:

(a) *Ninety-day period for preference-right filings.* For a period of 90 days from June 14, 1947, to September 12, 1947, inclusive, the public lands affected by this order shall be subject to (1) application under the homestead or the desert land laws, or the small tract act of June 1, 1938 (52 Stat. 609, 43 U. S. C. sec. 682a), as amended, by qualified veterans of World War II, for whose service recognition is granted by the act of September 27, 1944 (58 Stat. 747, 43 U. S. C. secs. 279–283), subject to the requirements of applicable law, and (2) application under any applicable public-land law, based on prior existing valid settlement rights and preference rights conferred by existing laws or equitable claims subject to allowance and confirmation. Applications by such veterans shall be subject to claims of the classes described in subdivision (2).

(b) *Twenty-day advance period for simultaneous preference-right filings.* For a period of 20 days from May 25, 1947 to June 13, 1947, inclusive, such veterans and persons claiming preference rights superior to those of such veterans, may present their applications, and all such applications, together with those presented at 10:00 a. m. on June 14, 1947, shall be treated as simultaneously filed.

(c) *Date for non-preference right filings authorized by the public-land laws.* Commencing at 10:00 a. m. on September 13, 1947, any of the lands remaining unappropriated shall become subject to such application, petition, location, or selection by the public generally as may be authorized by the public-land laws.

(d) *Twenty-day advance period for simultaneous non-preference right filings.* Applications by the general public may be presented during the 20-day period from August 24, 1947, to September 12, 1947, inclusive, and all such applications, together with those presented at 10:00 a. m. on September 13, 1947, shall be treated as simultaneously filed. Veterans shall accompany their applications with certified copies of their certificates of discharge, or other satisfactory evidence of their military or naval service. Persons asserting preference rights, through settlement or otherwise, and those having equitable claims, shall accompany their applications by duly corroborated affidavits in support thereof, setting forth in detail all facts relevant to their claims.

Applications for these lands, which shall be filed in the District Land Office at Great Falls, Montana, shall be acted upon in accordance with the regulations contained in § 295.8 of Title 43 of the Code of Federal Regulations (Circular No. 324, May 22, 1914, 43 L. D. 254), and Part 296 of that title, to the extent that such regulations are applicable. Applications under the homestead laws shall be governed by the regulations contained in Parts 166 to 170, inclusive, of Title 43 of the Code of Federal Regulations and applications under the desert land laws and the small tract act of June 1, 1938, shall be governed by the regulations contained in Parts 232 and 257, respectively, of that title.

Inquiries concerning these lands shall be addressed to the District Land Offices at Great Falls, Montana.

The lands affected by this order are described as follows:

PRINCIPAL MERIDIAN

T. 30, N., R. 4 E.,
Sec. 11, SW¼SW¼;
Sec. 14, Lot 2 and N½SW¼;
Sec. 15, Lot 1;
Sec. 19, Lots 4 to 9 inclusive;
Sec. 20, Lots 1, 2, 4 to 9, inclusive, and SW¼NE¼;
Sec. 21, Lots 4 to 8, inclusive, W½NE¼, and SE¼NW¼;
Sec. 22, Lots 1 to 5, inclusive, and NE¼NW¼;
Sec. 23, Lots 1 to 6, and Lots 8 to 11, inclusive, SW¼NW¼; and SW¼NE¼;
Sec. 24, Lots 3, 4, and 5;
Sec. 25, Lots 3, 4, 5, 9, 10, SW¼NW¼, and W½SW¼;
Sec. 36, Lots 1 to 8, inclusive, NE¼NE¼, SE¼NW¼, W½NW¼, and NE¼SW¼.
T. 29 N., R. 5 E.,
Sec. 3, Lots 7 to 10, inclusive, and SW¼SE¼;
Sec. 4, Lots 3, 7, 8, 9, and SE¼SE¼;
Sec. 10, Lots 1, 2, and 3;
Sec. 11, Lots 1, 8, 9, 12, and SE¼SE¼;
Sec. 13, Lots 2, 4, 5, and 6;
Sec. 14, Lot 1, Lots 3 to 7, inclusive, and SW¼;
Sec. 24, Lots 2, 3, 4, and NW¼NW¼.
T. 30 N., R. 5 E.,
Sec. 29, Lots 4, 7, Lots 9 to 12, inclusive, and NW¼SE¼;
Sec. 31, Lots 2 to 10, inclusive;
Sec. 32, Lots 1, 2, 3, and N½SW¼;
Sec. 33, Lots 2 to 7, inclusive, and Lot 9.
T. 29 N., R. 6 E.,
Sec. 7, SE¼SW¼;
Sec. 13, Lot 2 and SE¼SE¼;
Sec. 14, Lots 3 to 11, inclusive, SE¼NW¼, and S½SW¼;
Sec. 15, Lots 7 to 11, inclusive, S½SW¼, and SE¼SE¼;
Sec. 16;
Sec. 17, Lots 1 to 4, inclusive, Lots 8, 10, 11, 12, and S½NE¼;
Sec. 18, Lots 2 to 4, Lots 7 to 10, inclusive, and NE¼NW¼;
Sec. 19, Lots 1, 2, 4, S½NE¼, SE¼NW¼, and NE¼SE¼;
Sec. 20, W½NE¼, NW¼, N½SW¼, and N½SE¼;
Sec. 21, Lots 1, 2, NE¼NE¼, and N½SW¼;
Sec. 22, NW¼NW¼;
Sec. 23, Lot 1 and N½S½;
Sec. 24, Lots 1 to 3, Lots 6 to 9, inclusive, and NE¼SE¼;
T. 29 N., R. 7 E.,
Sec. 16, S½NE¼, W½ and SE¼;
Sec. 17, Lots 2, 7, Lots 10 to 13, inclusive, and SW¼SW¼;
Sec. 19, Lots 1 to 11, inclusive, SE¼NE¼, SE¼SW¼, and N½SE¼;
Sec. 20, Lots 1 to 8, inclusive, NE¼NE¼, and NW¼SW¼;
Sec. 21, Lots 3, 7, 8, 13 and SW¼SW¼;
Sec. 25, Lot 3;
Sec. 27, Lots 1 to 5, inclusive, Lots 7, 8, SE¼NW¼, NW¼NW¼; SW¼SW¼, and N½SE¼;
Sec. 28, Lots 1, 2, 3, 6, and 7;
Sec. 35, Lots 3, 5, and 6;
Sec. 36, Lots 3, 5, 6, 8, S½NE¼, and S½.
T. 29 N., R. 8 E.,
Sec. 17, Lot 1;
Sec. 20, Lots 1 to 4, inclusive;
Sec. 30, Lots 1, 3, 4, 5, and NE¼NW¼;
T. 29 N., R. 11 E.,
Sec. 13, SE¼;
Sec. 14, NE¼SE¼;
Sec. 16, NE¼, SE¼NW¼, and S½.
T. 29 N., R. 12 E.,
Sec. 16;
Sec. 17, NE¼SW¼, W½SE¼, and SE¼SE¼;
Sec. 18, Lot 2;
Sec. 20, SE¼SW¼ and SW¼SE¼;
Sec. 21, SE¼SE¼;
Sec. 25, S½NW¼;
Sec. 26, SE¼NE¼;
Sec. 28, E½NE¼ and NE¼SE¼;
Sec. 29, W½NE¼, SW¼NW¼, and W½SW¼;
Sec. 32, S½NE¼, N½NW¼, and SE¼NW¼.

The areas described aggregate 12,543.19 acres. Part of the lands are patented.

The lands for the most part, are rolling in character and the Marias River flows through part of the lands. The predominant type of soil is a loam but in some parts is a sandy clay and in other parts, a sandy loam.

THOS. C. HAVELL,
Acting Assistant Director.

[F. R. Doc. 47-3956; Filed, Apr. 25, 1947; 8:51 a. m.]

[Misc. 2114081]

ARIZONA

ORDER PROVIDING FOR OPENING OF PUBLIC LANDS

APRIL 14, 1947.

In an exchange of lands made under the provisions of section 8 of the Act of June 28, 1934 (48 Stat. 1269), as amended June 26, 1936 (49 Stat. 1976, 43 U. S. C. 315g), the lands hereinafter described have been reconveyed to the United States.

At 10:00 a. m. on June 16, 1947, the lands shall, subject to valid existing rights and the provisions of existing withdrawals, become subject to application, petition, location, or selection as follows:

(a) *Ninety-day period for preference-right filings.* For a period of 90 days from June 16, 1947, to September 15, 1947, inclusive, the public lands affected by this order shall be subject to (1) application under the homestead or the desert land laws, or the small tract act of June 1, 1938 (52 Stat. 609, 43 U. S. C. sec. 682a), as amended, by qualified veterans of World War II, for whose service recognition is granted by the act of September 27, 1944 (58 Stat. 747, 43 U. S. C. secs. 279–283), subject to the requirements of applicable law, and (2) application under any applicable public-land law, based on prior existing valid settlement rights and preference rights conferred by existing laws or equitable claims subject to allowance and confirmation. Applications by such veterans shall be subject to claims of the classes described in subdivision (2).

(b) *Twenty-day advance period for simultaneous preference-right filings.* For a period of 20 days from May 27, 1947, to June 16, 1947, inclusive, such veterans and persons claiming preference rights superior to those of such veterans, may present their applications, and all such applications, together with those presented at 10:00 a. m. on June 16, 1947, shall be treated as simultaneously filed.

(c) *Date for non-preference right filings authorized by the public-land laws.* Commencing at 10:00 a. m. on September 15, 1947, any of the lands remaining unappropriated shall become subject to such application, petition, location, or selection by the public generally as may be authorized by the public-land laws.

(d) *Twenty-day advance period for simultaneous non-preference right filings.* Applications by the general public may be presented during the 20-day period from August 26, 1947, to September 15, 1947, inclusive, and all such applications, together with those presented at 10:00 a. m. on September 15, 1947, shall be treated as simultaneously filed.

Veterans shall accompany their applications with certified copies of their certificates of discharge, or other satisfactory evidence of their military or naval service. Persons asserting preference rights, through settlement or otherwise, and those having equitable claims, shall accompany their applications by duly corroborated affidavits in support thereof, setting forth in detail all facts relevant to their claims.

Applications for these lands, which shall be filed in the District Land Office, Phoenix, Arizona, shall be acted upon in accordance with the regulations contained in § 295.8 of Title 43 of the Code of Federal Regulations (Circular No. 324, May 22, 1914, 43 L. D. 254), and Part 296 of that title to the extent such regulations are applicable. Applications under the homstead laws shall be governed by the regulations contained in Parts 166 to 170, inclusive, of Title 43 of the Code of Federal Regulations and applications under the desert land laws and the small tract act of June 1, 1938, shall be governed by the regulations contained in Parts 232 and 257, respectively, of that title.

Inquiries concerning these lands shall be addressed to the District Land Office, Phoenix, Arizona.

The lands affected by this order are described as follows:

GILA AND SALT RIVER MERIDIAN

T. 27 N., R. 20 W.,
Sec. 20, SE¼NW¼ and NW¼SE¼.
T. 16 N., R. 15 W.,
Sec. 3, W½SW¼;
Sec. 15, W½ and W½E½;
Sec. 25, W½NW¼;
Secs. 27 and 35, containing 2,000 acres.

The above-described lands are in Grazing District No. 2, established March 6, 1936.

The land described in T. 16 N., R. 15 W., G. & S. R. M., is hilly and very rocky in character, cut by numerous sandy washes.

The land in sec. 20, T. 27 N., R. 20 W., is valley land, level to rolling in character, and having a sandy clay loam soil.

THOS. C. HAVELL,
Acting Assistant Director.

[F. R. Doc. 47–3953; Filed, Apr. 25, 1947; 8:51 a. m.]

[Misc. 2124454]

ARIZONA

ORDER PROVIDING FOR OPENING OF PUBLIC LANDS

APRIL 11, 1947.

In an exchange of lands made under the provisions of section 8 of the act of June 28, 1934 (48 Stat. 1269), as amended June 26, 1936 (49 Stat. 1976; 43 U. S. C. 315g), the lands hereinafter described have been reconveyed to the United States.

At 10:00 a. m. on June 13, 1947, the lands shall, subject to valid existing rights and the provisions of existing withdrawals, become subject to application, petition, location, or selection as follows:

(a) *Ninety-day period for preference-right filings.* For a period of 90 days from June 13, 1947, to September 11, 1947, inclusive, the public lands affected by this order shall be subject to (1) application under the homestead or the desert land laws, or the small tract act of June 1, 1938 (52 Stat. 609, 43 U. S. C. sec 682a), as amended, by qualified veterans of World War II, for whose service recognition is granted by the act of September 27, 1944 (58 Stat. 747, 43 U. S. C. secs. 279–283), subject to the requirements of applicable law, and (2) application under any applicable public-land law, based on prior existing valid settlement rights and preference rights conferred by existing laws or equitable claims subject to allowance and confirmation. Applications by such veterans shall be subject to claims of the classes described in subdivision (2).

(b) *Twenty-day advance period for simultaneous preference-right filings.* For a period of 20 days from May 24, 1947, to June 13, 1947, inclusive, such veterans and persons claiming preference rights superior to those of such veterans, may present their applications, and all such applications, together with those presented at 10:00 a. m. on June 13, 1947, shall be treated as simultaneously filed.

(c) *Date for non-preference right filings authorized by the public-land laws.* Commencing at 10:00 a. m. on September 11, 1947, any of the lands remaining unappropriated shall become subject to such application, petition, location, or selection by the public generally as may be authorized by the public-land laws.

(d) *Twenty-day advance period for simultaneous non-preference right filings.* Applications by the general public may be presented during the 20-day period from August 22, 1947, to September 11, 1947, inclusive, and all such applications, together with those presented at 10:00 a. m. on September 11, 1947, shall be treated as simultaneously filed.

Veterans shall accompany their applications with certified copies of their certificates of discharge, or other satisfactory evidence of their military or naval service. Persons asserting preference rights, through settlement or otherwise, and those having equitable claims, shall accompany their applications by duly corroborated affidavits in support thereof, setting forth in detail all facts relevant to their claims.

Applications for these lands, which shall be filed in the District Land Office at Phoenix, Arizona, shall be acted upon in accordance with the regulations contained in § 295.8 of Title 43 of the Code of Federal Regulations (Circular No. 324, May 22, 1914, 43 L. D. 254), and Part 296 of that title, to the extent that such regulations are applicable. Applications under the homestead laws shall be governed by the regulations contained in Parts 166 to 170, inclusive, of Title 43 of the Code of Federal Regulations and applications under the desert land laws and the small tract act of June 1, 1938, shall be governed by the regulations contained in Parts 232 and 257, respectively, of that title.

Inquiries concerning these lands shall be addressed to the District Land Office at Phoenix, Arizona.

The lands affected by this order are described as follows:

GILA AND SALT RIVER MERIDIAN

T. 5 W., R. 2 N.,
Sec. 23, W½SE¼ and E½SW¼.

The area described contains 160 acres.

The above-described land is level to rolling, arid and of desert character.

THOS. C. HAVELL,
Acting Assistant Director.

[F. R. Doc. 47–3952, Filed, Apr. 25, 1947; 8:50 a. m.]

[Misc. 386272]

WASHINGTON

ORDER PROVIDING FOR THE OPENING OF PUBLIC LANDS

APRIL 1, 1947.

Departmental Order approved December 11, 1945, revoked Departmental Order of December 26, 1913, so far as it withdrew in the first form prescribed by section 3 of the Reclamation Act of June 17, 1902 (32 Stat. 388), the lands hereinafter described within the Palouse Project, Washington, and provided that such revocation shall not affect the withdrawal of any other lands by said order or affect any other order withdrawing or reserving the lands described.

At 10:00 a. m. on June 13, 1947, the lands shall, subject to valid existing rights and the provisions of existing withdrawals, become subject to application, petition, location, or selection as follows:

(a) *Ninety-day period for preference-right filings.* For a period of 90 days from June 14, 1947, to September 12, 1947, inclusive, the public lands affected by this order shall be subject to (1) application under the homestead or the desert land laws, or the small tract act of June 1, 1938 (52 Stat. 609, 43 U. S. C. sec. 682a), as amended, by qualified veterans of World War II, for whose service recognition is granted by the act of September 27, 1944 (58 Stat. 747, 43 U. S. C. secs. 279–283), subject to the requirements of applicable law, and (2) application under any applicable public-land law, based on prior existing valid settlement rights and preference rights conferred by existing laws or equitable claims subject to allowance and confirmation. Applications by such veterans shall be subject to claims of the classes described in subdivision (2).

(b) *Twenty-day advance period for simultaneous preference-right filings.* For a period of 20 days from May 25, 1947, to June 13, 1947, inclusive, such veterans and persons claiming preference rights superior to those of such veterans, may present their applications, and all such applications, together with those presented at 10:00 a. m. on June 14, 1947, shall be treated as simultaneously filed.

(c) *Date for non-preference right filings authorized by the public-land laws.* Commencing at 10:00 a. m. on September 13, 1947, any of the lands remaining unappropriated shall become subject to such application, petition, location, or selection by the public generally as may be authorized by the public-land laws.

(d) *Twenty-day advance period for simultaneous non-preference right filings.* Applications by the general public may be presented during the 20-day period from August 24, 1947, to September 12, 1947, inclusive, and all such applications, together with those presented at 10:00 a. m. on September 13, 1947, shall be treated as simultaneously filed.

Veterans shall accompany their applications with certified copies of their certificates of discharge, or other satisfactory evidence of their military or naval service. Persons asserting preference rights, through settlement or otherwise, and those having equitable claims, shall accompany their applications by duly corroborated affidavits in support thereof, setting forth in detail all facts relevant to their claims.

Applications for these lands, which shall be filed in the District Land Office at Spokane, Washington, shall be acted upon in accordance with the regulations contained in § 295.8 of Title 43 of the Code of Federal Regulations (Circular No. 324, May 22, 1914, 43 L. D. 254), and Part 296 of that title, to the extent that such regulations are applicable. Applications under the homestead laws shall be governed by the regulations contained in Parts 166 to 170, inclusive, of Title 43 of the Code of Federal Regulations and applications under the desert land laws and the small tract act of June 1, 1938, shall be governed by the regulations contained in Parts 232 and 257, respectively, of that title.

Inquiries concerning these lands shall be addressed to the District Land Office at Spokane, Washington.

The lands affected by this order are described as follows:

WILLAMETTE MERIDIAN

T. 13 N., R. 30 E.,
Secs. 6 and 8.
Sec. 18, lot 1 and NE¼NW¼.
T. 9 N., R. 31 E.,
Sec. 22, NW¼NE¼ and N½NW¼.
T. 10 N., R. 31 E.,
Secs. 10, 12, 14, and 22.
T. 11 N., R. 31 E.,
Secs. 24, 26, and 34.
T. 13 N., R. 31 E.,
Sec. 2, S½NW¼;
Sec. 10, NW¼;
Sec. 18, lots 1, 2, 3, 4, NW¼NE¼, E½NW¼, and NE¼SW¼.
T. 10 N., R. 32 E.,
Secs. 8 and 18.

The areas described aggregate 7,724.31 acres. Part of the lands are patented, and portions are withdrawn from all forms of appropriation by Public Land Order No. 247 of October 9, 1944.

The lands vary from nearly level to rolling to steep and rough in topography. The soil for the most part is sandy, but parts contain silt loam and sandy loam and some is scab land.

THOS. C. HAVELL,
Acting Assistant Director.

[F. R. Doc. 47-3954; Filed, Apr. 25, 1947; 8:51 a. m.]

FEDERAL FARM MORTGAGE CORPORATION

[Surplus Property Transfer Order 3]

KISATCHIE NATIONAL FOREST

TRANSFER OF JURISDICTION OF SURPLUS FOREST LANDS

Transferring jurisdiction of surplus forest lands within the Kisatchie National Forest and Purchase Unit, Louisiana, to the Forest Service pursuant to the provisions of the Surplus Property Act of 1944 (58 Stat. 765), as amended.

Whereas, the following described lands owned by the United States and situated in Grant Parish, Louisiana, within the Kisatchie National Forest and Purchase Unit, have been declared surplus and classified as forest lands pursuant to the provisions of the Surplus Property Act of 1944 (58 Stat. 765), as amended:

LOUISIANA MERIDIAN

T. 8 N., R. 1 E.,
Sec. 6, NE¼—All that part of the NE¼ lying west of the west right of way line of U. S. Highway No. 165, containing 76.40 acres, more or less. Conveyed to the United States of America by deed from J. C. Sanford and Agnes G. Sanford, his wife, dated June 8, 1943, and recorded among the land records of Grant Parish, Louisiana, on June 12, 1943, in Book 74 at page 208;
Sec. 7, NE¼NW¼—All that part of NE¼ NW¼ lying north and west of the west right of way line of U. S. Highway No. 165, containing 1.80 acres, more or less. Conveyed to the United States of America by deed from The Urania Lumber Company, Ltd., dated July 12, 1943, and recorded among the land records of Grant Parish, Louisiana, on July 14, 1943, in Book 74 at page 339;
Sec. 7, SW¼NW¼—All that part of the SW¼NW¼ lying north and west of the west right of way of U. S. Highway No. 165, containing 9.50 acres, more or less. Conveyed to the United States of America by deed from The Urania Lumber Company, Ltd., dated July 12, 1943 and recorded among the land records of Grant Parish, Louisiana on July 14, 1943 in Book 74 at page 336.
T. 7 N., R. 1 W.,
Sec. 6, SW¼SW¼—A 3.00 acre tract of land in the SW corner of the SW¼SW¼ described as, all that part of the SW¼SW¼ lying west and south of the center line of Spring Branch, containing 3.00 acres, more or less. Conveyed to the United States of America by deed from Ola M. Ross, dated July 31, 1943 and recorded among the land records of Grant Parish, Louisiana on July 31, 1943 in Book 74 at page 390;
S½SW¼ except a 3.00 acre tract of land in the SW corner of the SW¼SW¼ lying west and south of the center line of Spring Branch, containing 77.68 acres, more or less. Conveyed to the United States of America by deeds from Joe Carson, et al., dated August 10 and 18, and October 18 and 19, 1943, and recorded, respectively, among the land records of Grant Parish, Louisiana on August 20, 1943 and October 25, 1943, in Book 74 at page 461 and in Book 75 at page 46.
T. 8 N., R. 1 W.,
Sec. 1, NE¼SW¼—Contains 40.08 acres, more or less, and was conveyed to the United States of America by deed from Belle M. Lincecum, dated June 30, 1943 and recorded among the land records of Grant Parish, Louisiana on June 30, 1943 in Book 74 at page 294;
Sec. 6, SE¼SW¼ and a 2.00 acre tract of land in the form of a rectangle lying north and south in the SE corner of the SW¼SW¼, being 1 acre in width. Contains 42.02 acres, more or less, and was conveyed to the United States of America by deed from W. C. Cookston and Malma Sanders Cookston, his wife, dated June 11, 1943 and recorded among the land records of Grant Parish, Louisiana on June 12, 1943 in Book 74 at page 205;
Sec. 27, SW¼NE¼—All the SW¼NE¼ lying north of the north right of way line of Louisiana State Highway No. 617 and being more particularly described as follows: Beginning at the NW corner of the SW¼NE¼, section 27; thence East 20 chains, thence S. 00°15′ W. 19.17 chains to north right of way line of Louisiana State Highway No. 617; thence N. 89°15′ W. 20.05 chains along north

right of way line of said highway to its intersection with the north and south midsection line; thence N. 18.89 chains along the north and south midsection line to point of beginning, containing 38.06 acres, more or less. Conveyed to the United States of America by deed from G. E. McManus and Della R. McManus, his wife, dated February 23, 1943 and recorded among the land records of Grant Parish, Louisiana on February 23, 1943 in Book 73 at page 312;

Sec. 31, SW¼NW¼. Contains 40.32 acres, more or less, and was conveyed to the United States of America by deed from Henry T. Townsend and Effie N. Townsend, his wife, dated May 13, 1943 and recorded among the land records of Grant Parish, Louisiana on May 13, 1943 in Book 74 at page 121.

T. 7 N., R. 2 W.,

Sec. 1, NE¼NE¼. Contains 39.66 acres, more or less, and was conveyed to the United States of America by deed from Allie E. Williams and Gyncia Williams, his wife, dated April 14, 1943 and recorded among the land records of Grant Parish, Louisiana on April 14, 1943 in Book 73 at page 566;

SE¼SE¼—A 3.00 acre tract of land in the NE corner of the SE¼SE¼, bound on the south by the center line of Spring Branch and on the west by the east right of way line of Carson Road, containing 3.00 acres, more of less. Conveyed to the United States of America by deeds from Joe Carson, et al., dated August 10 and 18, and October 18 and 19, 1943, and recorded, respectively, among the land records of Grant Parish, Louisiana on August 20, 1943 and October 25, 1943, in Book 74 at page 461 and in Book 75 at page 46;

SE¼SE¼ except a 3.00 acre tract of land in the NE corner of SE¼SE¼, bound on the south by the center line of Spring Branch and on the west by the east right of way line of Carson Road, containing 36.66 acres, more or less. Conveyed to the United States of America by deed from Ola M. Ross, dated July 31, 1943 and recorded among the land records of Grant Parish, Louisiana on July 31, 1943 in Book 74 at page 390;

Sec. 2, SE¼SE¼ except a one acre tract of land in the form of a square in the SW corner of SE¼SE¼, containing 38.06 acres, more or less. Conveyed to the United States of America by deed from V. W. Pilgrim and Lois Afeman Pilgrim, his wife, dated March 9, 1943 and recorded among the land records of Grant Parish, Louisiana on March 9, 1943 in Book 73 at page 383.

T. 8 N., R. 2 W.,

Sec. 22, W½SE¼SE¼. Contains 20 acres, more or less, and was conveyed to the United States of America by deed from the Hicks Company, Ltd., dated March 24, 1943 and recorded among the land records of Grant Parish, Louisiana on March 26, 1943 in Book 73 at page 446;

Sec. 36, SE¼NE¼—A 1.00 acre tract of land in the SE corner of the SE¼NE¼ and more particularly described as follows: Beginning at the SE corner of the SE¼NE¼; thence West 35 yards; thence North 140 yards; thence East 35 yards; thence South 140 yards to point of beginning, containing one acre, more or less. Conveyed to the United States of America by deed from Henry T. Townsend and Effie N. Townsend, his wife, dated May 13, 1943 and recorded among the land records of Grant Parish, Louisiana on May 13, 1943 in Book 74 at page 121.

Title to the following-described land was acquired by the United States of America in condemnation proceedings entitled United States of America vs. 4,925.00 acres of land, more or less, situate in Grant Parish, State of Louisiana, and W. A. Capps, et al., at Law No. 743:

T. 8 N., R. 1 E.,

Sec. 6, NW¼. Contains 157.09 acres, more or less.

T. 8 N., R. 1 W.,

Sec. 19, W½NW¼. Contains 79.36 acres, more or less;

Sec. 20, N½NW¼. Contains 79.56 acres, more or less;

Sec. 27, SE¼NW¼—All that part of the SE¼NW¼ lying north of the north right of way line of Louisiana State Highway No. 617 and being more particularly described as follows: Beginning at the NW corner of the SE¼NW¼, section 27; thence East 20.00 chains to the NE corner of the SE¼NW¼; thence S. 00°15′ W. 18.89 chains along the east line of said SE¼NW¼ to the north right of way line of Louisiana State Highway No. 617; thence along the north right of way line of said highway, as follows: N. 80°00′ W. 6.17 chains; thence N. 72°15′ W. 4.70 chains; thence N. 75°15′ W. 9.82 chains to the west line of the SE¼NW¼; thence N. 00°15′ E. 13.80 chains to the point of beginning, containing 32.69 acres, more or less;

Sec. 28, S½NE¼—All that part of the S½NE¼ lying north of the north right of way line of Louisiana State Highway No. 617 and being more particularly described as follows: Beginning at the NW corner of the S½NE¼, section 28; thence East 40 chains to the NE corner of the S½NE¼; thence S. 00°15′ W., 15.56 chains to the north right of way line of Louisiana State Highway No. 617; thence S. 71°00′ W., 11.61 chains along the north right of way line of Louisiana State Highway No. 617 to the south line of the S½NE¼, section 28; thence West, 29.25 chains to the SW corner of S½NE¼; thence N. 00°15′ E., 20.00 chains to place of beginning containing 77.61 acres, more or less.

T. 8 N., R. 2 W.,

Sec. 11, S½SE¼NW¼. Contains 19.73 acres, more or less;

Sec. 36, N½NE¼, S½NE¼ except a one acre tract of land in the SE corner more particularly described as follows: Beginning at the SE corner of the S½NE¼ section 36, thence W. 35 yards, thence N. 140 yards, thence E. 35 yards, thence S. 140 yards to point of beginning. Contains 159.00 acres, more or less.

Containing in all 1072.28 acres of land, more or less.

The lands hereby transferred are subject to:

1. Existing easements for public roads and highways, public utilities, railroads, and pipe lines; and

2. Reservation and/or exception of all oil, gas, and other mineral rights and other interests of record.

Whereas, the Forest Service is desirous of acquiring administrative control and jurisdiction over the above described lands for administration as a part of the Kisatchie National Forest and the acquisition has been approved by the National Forest Reservation Commission; and

Whereas, the Forest Service has caused the sum of $9,750.00, which is the fair value of the land, to be covered into the Treasury of the United States for deposit to the credit of the Federal Farm Mortgage Corporation from funds appropriated by the Congress for the acquisition of lands under the provisions of the act of March 1, 1911 (36 Stat. 961), as amended;

Now therefore, the Federal Farm Mortgage Corporation, pursuant to the authority vested in it in the disposal of surplus agricultural or forest property, by virtue of delegations of authority issued pursuant to the provisions of the aforementioned act of 1944, does hereby transfer the aforesaid lands to the Forest Service as of this date.

In witness whereof, the Federal Farm Mortgage Corporation has, on this 10th day of April 1947, caused these presents to be duly executed for and in its name and behalf and the seal of the said corporation to be hereunto affixed.

[SEAL] FEDERAL FARM MORTGAGE CORPORATION,
JACK HIGDON,
Vice President.

Attest:

W. D. JONES, Jr.

[F. R. Doc. 47-3958; Filed, Apr. 25, 1947; 8:46 a. m.]

FEDERAL POWER COMMISSION

MISSISSIPPI RIVER FUEL CORP.

NOTICE OF ORDER ALLOWING SUPPLEMENTAL RATE SCHEDULES PROVIDING EMERGENCY RULES AND REGULATIONS APPLICABLE TO THE 1947–48 HEATING SEASON TO TAKE EFFECT

APRIL 23, 1947.

Notice is hereby given that, on April 22, 1947, the Federal Power Commission issued its order entered April 22, 1947, allowing supplemental rate schedules providing emergency rules and regulations applicable to the 1947–48 heating season to take effect in the above-designated matter.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 47-3965; Filed, Apr. 25, 1947; 8:47 a. m.]

[Docket No. G-462]

MISSISSIPPI RIVER FUEL CORP. ET AL.

NOTICE OF ORDER MODIFYING AND AMENDING ORDER PERMITTING SUPPLEMENTAL RATE SCHEDULES TO BECOME EFFECTIVE

APRIL 23, 1947.

Notice is hereby given that, on April 22, 1947, the Federal Power Commission issued its order entered April 22, 1947, modifying and amending order permitting supplemental rate schedules to become effective in the above-designated matter.

LEON M. FUQUAY,
Secretary.

[F. R. Doc. 47-3964; Filed, Apr. 25, 1947; 8:47 a. m.]

[Docket No. G-881]

EL PASO NATURAL GAS CO.

ORDER FIXING DATE OF HEARING

Upon consideration of the application filed on April 1, 1947, Docket No. G-881,[1] by El Paso Natural Gas Company, a Delaware corporation, having its principal place of business in El Paso, Texas, pursuant to section 7 of the Natural Gas Act, as amended, to authorize applicant to construct and operate the following described natural gas pipeline facilities, subject to the jurisdiction of the Federal Power Commission:

A 6-inch O. D. Loop Line beginning at Applicant's mile Post 35.3 miles located on Applicant's Globe-Miami Transmission Line, Hidalgo County, New Mexico, and from that point extending in a northwesterly direction 17 miles, parallel and adjacent to Applicant's 8⅝-inch transmission line, to another point in Hidalgo County, near Applicant's mile Post 52.3.

It appearing to the Commission that:

(a) Applicant proposes the construction and operation of the above facilities for the purpose of increasing the capacity of its transmission pipeline system by 2½ million cubic feet of natural gas per day to meet present and future demands of existing customers;

(b) This proceeding is a proper one for disposition under the provisions of Rule 32 (b) (18 CFR 1.32 (b)) of the Commission's rules of practice and procedure (effective September 11, 1946), Applicant having requested that its application be heard under the shortened procedure provided by the aforesaid rule for non-contested proceedings, and no request to be heard, protest or petition having been filed subsequent to the giving of due notice of the filing of the application, including publication in the FEDERAL REGISTER on April 16, 1947 (12 F. R. 2460);

The Commission, therefore, orders that:

(A) Pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, as amended, and the Commission's rules of practice and procedure (effective September 11, 1946), a hearing be held on the 13th day of May, 1947, at 9:30 a. m. (e. s. t.) in the Hearing Room of the Federal Power Commission, 1800 Pennnsylvania Avenue, N. W., Washington, D. C., concerning the matters of fact and law asserted in the application filed in the above entitled proceeding; *Provided, however,* That if no request to be heard, protest or petition to intervene, raising in the judgment of the Commission an issue of substance, has been filed or allowed prior to the conclusion of the hearing provided for herein, the Commission may then forthwith dispose of the proceeding by order upon consideration of the application and the evidence filed therewith and incorporated in the record of the proceeding, together with such additional evidence as may be available or as the Commission may require to be filed and incorporated in the record for its consideration.

(B) Interested State Commissions may participate as provided by Rules 8 and 37 (f) (18 CFR 1.8 and 1.37 (f)) of the Commission's rules of practice and procedure (effective September 11, 1946).

Date of issuance: April 23, 1947.

By the Commission.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 47-3963; Filed, Apr. 25, 1947; 8:46 a. m.]

[1] Temporary certificate was granted on March 27, 1947, to construct and operate facilities in Docket No. G-881 subject to conditions imposed.

INTERSTATE COMMERCE COMMISSION

[S. O. 396, Special Permit 175]

RECONSIGNMENT OF ONIONS AT LITTLE ROCK, ARK.

Pursuant to the authority vested in me by paragraph (f) of the first ordering paragraph of Service Order No. 396 (10 F. R. 15008), permission is granted for any common carrier by railroad subject to the Interstate Commerce Act:

To disregard entirely the provisions of Service Order No. 396 insofar as it applies to the reconsignment at Little Rock, Ark, April 14 to 18, 1947, by Sam Pat Veg. Co., of cars of onions, now on the Mo. Pac. to Savannah, Ga., WFEX 49626, (Mo. Pac.-NCSt.L-CofGa) and to Thomasville, Ga., ART 18729, (Mo. Pac.-L.&N.-ACL).

The waybill shall show reference to this special permit.

A copy of this special permit has been served upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and notice of this permit shall be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

Issued at Washington, D. C., this 21st day of April 1947.

V. C. CLINGER,
Director.
Bureau of Service.

[F. R. Doc. 47-3888; Filed, Apr. 25, 1947; 8:46 a. m.]

[S. O. 396, Special Permit 176]

RECONSIGNMENT OF POTATOES AT DECATUR, ILL.

Pursuant to the authority vested in me by paragraph (f) of the first ordering paragraph of Service Order No. 396 (10 F. R. 15008), permission is granted for any common carrier by railroad subject to the Interstate Commerce Act:

To disregard entirely the provisions of Service Order No. 396 insofar as it applies to the reconsignment at Decatur, Ill., April 21, 1947, by N. Skallerup & Co., of car RD 24570, potatoes, now on the Wab. to Sikeston, Mo. (Wab-Frisco).

The waybill shall show reference to this special permit.

A copy of this special permit has been served upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and notice of this permit shall be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

Issued at Washington, D. C., this 21st day of April 1947.

V. C. CLINGER,
Director,
Bureau of Service.

[F. R. Doc. 47-3961; Filed, Apr. 25, 1947; 8:46 a. m.]

[S. O. 692, Special Permit 1]

RECONSIGNMENT OF LUMBER AT CHARLOTTE, N. C.

Pursuant to the authority vested in me by paragraph (e) of the first ordering paragraph of Service Order No. 692 (12 F. R. 1685), permission is granted for any common carrier by railroad subject to the Interstate Commerce Act:

To disregard the provisions of paragraph (h) of Service Order No. 692 insofar as it applies to the reconsignment April 21, 1947, of car AT&SF 135540, lumber, from Charlotte, North Carolina to Hickory, North Carolina, via P. & N. RR. to Pinoca, North Carolina, P. & N. to Gastonia, North Carolina, C. & N. W. beyond.

The waybill shall show reference to this special permit.

A copy of this special permit has been served upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and notice of this permit shall be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

Issued at Washington, D. C., this 21st day of April 1947.

V. C. CLINGER,
Director,
Bureau of Service.

[F. R. Doc. 47-3962; Filed, Apr. 25, 1947; 8:46 a. m.]

[S. O. 718]

UNLOADING OF COMMODITIES AT MURRAY HILL, N. J.

At a session of the Interstate Commerce Commission, Division 3, held at its office in Washington, D. C., on the 22d day of April A. D. 1947.

It appearing, that 3 cars containing stone at Murray Hill, N. J., on The Delaware, Lackawanna and Western Railroad Company, have been on hand under

load for unreasonable lengths of time and that the delay in unloading said cars is impeding their use; in the opinion of the Commission an emergency exists requiring immediate action: it is ordered, that:

(a) *Commodities at Murray Hill, N. J., be unloaded.* The Delaware, Lackawanna and Western Railroad Company, its agents or employees, shall unload immediately cars LV 31254, CIL 32094 and CIL 31940, loaded with granite and polished limestone, now on hand at Murray Hill, N. J., consigned to Mahoney Troast Construction Co.

(b) *Demurrage.* No common carrier by railroad subject to the Interstate Commerce Act shall charge or demand or collect or receive any demurrage or storage charges, for the detention under load of any car specified in paragraph (a) of this order, for the detention period commencing at 7:00 a. m., April 24, 1947, and continuing until the actual unloading of said car or cars is completed.

(c) *Provisions suspended.* The operation of any or all rules, regulations, or practices, insofar as they conflict with the provisions of this order is hereby suspended.

(d) *Notice and expiration.* Said carrier shall notify V. C. Clinger, Director, Bureau of Service, Interstate Commerce Commission, Washington, D. C., when it has completed the unloading required by paragraph (a) hereof, and such notice shall specify when, where, and by whom such unloading was performed. Upon receipt of that notice this order shall expire.

It is further ordered, that this order shall become effective immediately; that a copy of this order and direction be served upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and that notice of this order be given to the general public by depositing a copy in the office of the Secretary of the Commission, at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

(40 Stat. 101, sec. 402; 41 Stat. 476, sec. 4; 54 Stat. 901, 911; 49 U. S. C. 1 (10)–(17), 15 (2))

By the Commission, Division 3.

[SEAL] W. P. BARTEL, *Secretary.*

[F. R. Doc. 47-3960; Filed, Apr. 25, 1947; 8:46 a. m.]

SECURITIES AND EXCHANGE COMMISSION

[File No. 7-983]

PENNSYLVANIA POWER & LIGHT CO.

NOTICE OF APPLICATION FOR UNLISTED TRADING PRIVILEGES, AND OF OPPORTUNITY FOR HEARING

At a regular session of the Securities and Exchange Commission, held at its office in the City of Philadelphia, Pa., on the 22d day of April A. D. 1947.

The Boston Stock Exchange, pursuant to section 12 (f) (2) of the Securities Exchange Act of 1934 and Rule X-12F-1 thereunder, has made application for unlisted trading privileges in the common stock, no par value, of Pennsylvania Power & Light Company, a security listed and registered on the New York Stock Exchange and Philadelphia Stock Exchange.

Rule X-12F-1 provides that the applicant shall furnish a copy of the application to the issuer and to every exchange on which the security is listed or already admitted to unlisted trading privileges. The application is available for public inspection at the Commission's principal office in Philadelphia, Pennsylvania.

Notice is hereby given that, upon request of any interested person received prior to May 13, 1947, the Commission will set this matter down for hearing. In addition, any interested person may submit his views or any additional facts bearing on this application by means of a letter addressed to the Secretary of the Securities and Exchange Commission, Philadelphia, Pennsylvania. If no one requests a hearing on this matter, this application will be determined by order of the Commission on the basis of the facts stated in the application, and other information contained in the official file of the Commission pertaining to this matter.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F. R. Doc. 47-3966; Filed, Apr. 25, 1947; 8:47 a. m.]

[File No. 70-1463]

STATEN ISLAND EDISON CORP.

ORDER PERMITTING DECLARATION TO BECOME EFFECTIVE

At a regular session of the Securities and Exchange Commission, held at its office in the City of Philadelphia, Pennsylvania, on the 18th day of April 1947.

Staten Island Edison Corporation ("Staten Island"), an indirect subsidiary of General Public Utilities Corporation, a registered holding company, having filed a declaration, as amended, pursuant to sections 6 and 7 of the Public Utility Holding Company Act of 1935 ("act") with respect to the following transaction:

Staten Island proposes to issue and sell for cash at principal amount to three commercial banks an aggregate of $1,000,000 principal amount of eleven month notes which will bear interest at the rate of 1½% per annum. The net cash proceeds of the sale of the notes are to be used for construction requirements of the company and to repay an outstanding $350,000 sixty-day 1½% promissory note maturing May 5, 1947.

Such declaration, as amended, having been duly filed, and notice of said filing having been duly given in the form and manner prescribed by Rule U-23 promulgated pursuant to said act, and the Commission not having received a request for hearing with respect to said declaration, as amended, within the period specified in said notice, or otherwise, and not having ordered a hearing thereon; and

The Commission finding that no adverse findings are necessary with respect to the declaration, as amended, and deeming it appropriate in the public interest and in the interest of investors and consumers that said declaration, as amended, be permitted to become effective, and deeming it appropriate to grant a request of declarant that the order become effective at the earliest date possible:

It is hereby ordered, Pursuant to Rule U-23 and the applicable provisions of the act, and subject to the terms and conditions prescribed in Rule U-24, that the declaration, as amended, be, and the same hereby is, permitted to become effective forthwith.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F. R. Doc. 47-3968; Filed, Apr. 25, 1947; 8:47 a. m.]

[File No. 70-1499]

EAST COAST PUBLIC SERVICE CO. AND VIRGINIA EAST COAST UTILITIES, INC.

ORDER PERMITTING DECLARATION TO BECOME EFFECTIVE

At a regular session of the Securities and Exchange Commission held at its office in the City of Philadelphia, Pa., on the 21st day of April A. D. 1947.

East Coast Public Service Company, a registered holding company, and its public utility subsidiary company, Virginia East Coast Utilities, Incorporated, have filed a joint declaration pursuant to sections 7 and 12 (b) of the Public Utility Holding Company Act of 1935 and Rule U-45 promulgated thereunder, regarding the proposed issue and sale by Virginia East Coast Utilities, Incorporated of its promissory note in the principal amount of $250,000, bearing interest at the rate of 2½% per annum and maturing on July 7, 1947, to the Baltimore National Bank of Baltimore, Maryland. The proceeds of such sale are to be used in part to retire its present loan of $200,000 from the Baltimore National Bank, and in part for the construction of property additions.

East Coast Public Service Company proposes to guarantee the repayment of such note with interest to the Baltimore National Bank.

Said joint declaration having been filed on the 4th day of April, 1947, and notice of said filing having been duly given in the form and manner prescribed by Rule U-23 promulgated pursuant to said act, and the Commission not having received a request for a hearing with respect to said joint declaration within the period specified in said notice, or otherwise, and not having ordered a hearing thereon; and request having been made for accelerated action upon the joint declaration; and

The Commission finding with respect to said joint declaration that the requirements of the applicable provisions of the

act and the rules thereunder are satisfied and deeming it appropriate in the public interest and in the interest of investors and consumers that said joint declaration be permitted to become effective; and

The declarants having requested that the Commission take appropriate action to accelerate its order herein, and that the order become effective forthwith, and the Commission deeming it appropriate to grant such request;

It is ordered, Pursuant to Rule U-23 and the applicable provisions of the act, and subject to the terms and conditions prescribed in Rule U-24, that said joint declaration be, and the same hereby is, permitted to become effective forthwith.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F. R. Doc. 47-3967; Filed, Apr. 25, 1947; 8:47 a. m.]

DEPARTMENT OF JUSTICE

Office of Alien Property

AUTHORITY: 40 Stat. 411, 55 Stat. 839, Pub. Laws 322, 671, 79th Cong., 60 Stat. 50, 925; 50 U. S. C. and Supp. App. 1, 616; E. O. 9193, July 6, 1942, 3 CFR, Cum. Supp., E. O. 9567, June 8, 1945, 3 CFR, 1945 Supp., E. O. 9788, Oct. 14, 1946, 11 F. R. 11981.

[Vesting Order 8685]

OTTO BERNDT

In re: Estate of Otto Berndt, deceased. File D-28-10673; E. T. sec. 15025.

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Alwine Berndt, whose last known address is Germany, is a resident of Germany and a national of a designated enemy country, (Germany);

2. That all right, title, interest and claim of any kind or character whatsoever of the person named in subparagraph 1 hereof in and to the estate of Otto Berndt, deceased, is property payable or deliverable to, or claimed by, the aforesaid national of a designated enemy country (Germany);

3. That such property is in the process of administration by Charlotte Knofel, Administratrix, acting under the judicial supervision of the Probate Court of Wayne County, Michigan;

and it is hereby determined:

4. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on April 14, 1947.

For the Attorney General.

[SEAL] DONALD C. COOK, *Director.*

[F. R. Doc. 47-3978; Filed, Apr. 25, 1947; 8:45 a. m.]

[Vesting Order 8692]

CHARLES F. GLUECK

In re: Estate of Charles F. Glueck, deceased. File No. D-28-11017; E. T. sec. No. 15461.

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Sofie Heinrich, whose last known address is Germany, is a resident of Germany and a national of a designated enemy country (Germany);

2. That all right, title, interest and claim of any kind or character whatsoever of the person named in subparagraph 1 hereof in and to the estate of Charles F. Glueck, deceased, is property payable or deliverable to, or claimed by, the aforesaid national of a designated enemy country (Germany);

3. That such property is in the process of administration by First Judge of Probate for Suffolk County, Boston, Massachusetts, acting under the judicial supervision of the Probate Court, Suffolk County, Massachusetts;

and it is hereby determined:

4. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on April 14, 1947.

For the Attorney General.

[SEAL] DONALD C. COOK, *Director.*

[F. R. Doc. 47-3979; Filed, Apr. 25, 1947; 8:45 a. m.]

[Vesting Order 8695]

CHRISTIAN KALMBACH

In re: Estate of Christian Kalmbach, deceased. File D-28-8296, E. T. sec. 9520.

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Michael Kalmbach, Lina Hartenstein, Heinrich Steinmetz, Eugen Steinmetz and Frieda Geibel, whose last known addresses are Germany, are residents of Germany and nationals of a designated enemy country (Germany);

2. That the heirs at law, next of kin, distributees, legatees and personal representatives of Nana Henco and the heirs at law, next of kin, distributees, legatees and personal representatives of Karl Steinmetz, who there is reasonable cause to believe are residents of Germany, are nationals of a designated enemy country (Germany);

3. That all right, title, interest and claim of any kind or character whatsoever of the persons identified in subparagraphs 1 and 2 hereof, and each of them, in and to the estate of Christian Kalmbach, deceased, is property payable or deliverable to, or claimed by, the aforesaid nationals of a designated enemy country (Germany);

4. That such property is in the process of administration by First Judge of Probate for the County of Hampden, acting under the judicial supervision of the Probate Court of Hampden County, Massachusetts;

and it is hereby determined:

5. That to the extent that the above named persons and the heirs at law, next of kin, distributees, legatees and personal representatives of Nana Henco and the heirs at law, next of kin, distributees, legatees and personal representatives of Karl Steinmetz are not within a designated enemy country, the national interest of the United States requires that such persons be treated as nationals of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on April 14, 1947.

For the Attorney General.

[SEAL] DONALD C. COOK, *Director.*

[F. R. Doc. 47-3980; Filed, Apr. 25, 1947; 8:46 a. m.]

[Vesting Order 8697]

JOSEPHINE LEHMANN

In re: Estate of Josephine Lehmann, a/k/a Josephine Lebhmann, deceased. File No. D–28–3715; E. T. sec. 6178.

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Emma Horn, Herman Endrisz, Meda Endrisz, Eugen Endrisz, George Endrisz, Johann Endrisz, Maria Endrisz, a/k/a Marie Croner, Johanna Holderied, Melanie Sauter, Karl Kramer, Josephine Kramer, Johann Kramer and Rosa Kramer, whose last known address is Germany, are residents of Germany and nationals of a designated enemy country (Germany);

2. That all right, title, interest and claim of any kind or character whatsoever of the persons named in subparagraph 1 hereof in and to the estate of Josephine Lehmann, a/k/a Josephine Lebhmann, deceased, is property payable or deliverable to, or claimed by, the aforesaid nationals of a designated enemy country (Germany);

3. That such property is in the process of administration by Industrial Trust Company as Depositary, acting under the judicial supervision of the Orphans' Court of Camden County, New Jersey;

and it is hereby determined:

4. That to the extent that the persons named in subparagraph 1 hereof are not within a designated enemy country, the national interest of the United States requires that such persons be treated as nationals of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on April 14, 1947.

For the Attorney General.

[SEAL] DONALD C. COOK,
Director.

[F. R. Doc. 47–3981; Filed, Apr. 25, 1947; 8:46 a. m.]

[Vesting Order 8699]

LOUIS MADARASI

In re: Estate of Louis Madarasi, deceased. File D–34–848; E. T. sec. 14039.

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Joseph Madarasi, Mary Madarasi Kish and Barbara (Barbola) Madarasi Alpek, whose last known address is Hungary, are residents of Hungary and nationals of a designated enemy country (Hungary);

2. That all right, title, interest and claim of any kind or character whatsoever of the persons named in subparagraph 1 hereof in and to the estate of Louis Madarasi, deceased, is property payable or deliverable to, or claimed by the aforesaid nationals of a designated enemy country (Hungary);

3. That such property is in the process of administration by George Madarasi as administrator, acting under the judicial supervision of the Probate Court of Mahoning County, Youngstown, Ohio;

and it is hereby determined:

4. That to the extent that the persons named in subparagraph 1 hereof are not within a designated enemy country, the national interest of the United States requires that such persons be treated as nationals of a designated enemy country (Hungary).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on April 14, 1947.

For the Attorney General.

[SEAL] DONALD C. COOK,
Director.

[F. R. Doc. 47–3982; Filed, Apr. 25, 1947; 8:46 a. m.]

[Vesting Order 8703]

ANNA M. C. RICHARDS

In re: Estate of Anna M. C. Richards, deceased. File No. D–28–8222; E. T. sec. 9270.

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

That the property described as follows: All right, title, interest and claim of any kind or character whatsoever of Herman Wiechmann, Helene Jentsch, and Bertha Oettinghaus, and each of them, in and to the Estate of Anna M. C. Richards, deceased,

is property payable or deliverable to, or claimed by, nationals of a designated enemy country, Germany, namely,

Nationals and Last Known Address

Herman Wiechmann, Germany.
Helene Jentsch, Germany.
Bertha Oettinghaus, Germany.

That such property is in the process of administration by Rochester Trust Company, as depositary, acting under the judicial supervision of the Probate Court, Strafford County, New Hampshire;

And determined that to the extent that such nationals are persons not within a designated enemy country, the national interest of the United States requires that such persons be treated as nationals of a designated enemy country, (Germany);

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein, shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on April 14, 1947.

For the Attorney General.

[SEAL] DONALD C. COOK,
Director.

[F. R. Doc. 47–3983; Filed, Apr. 25, 1947; 8:46 a. m.]

[Vesting Order 8733]

ANNA BANDY

In re: Estate of Anna Bandy, deceased. File No. D–34–782; E. T. sec. 11876.

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Miklosne Hanyics, whose last known address is Hungary, is a resident of Hungary and a national of a designated enemy country (Hungary);

2. That the sum of $139.13 was paid to the Alien Property Custodian by the Public Administrator of the County of New York, Administrator of the Estate of Anna Bandy, deceased;

3. That the said sum of $139.13 was property payable or deliverable to, or claimed by the aforesaid national of a designated enemy country (Hungary);

4. That the said sum of $139.13 is presently in the possession of the Attorney General of the United States and was property in the process of administration by the Public Administrator, Administrator of the Estate of Anna Bandy, deceased, acting under the judicial supervision of the Surrogate's Court of New York County, New York;

and it is hereby determined:

5. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Hungary);

All determinations and all action required by law, including appropriate con-

sultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

This vesting order is issued nunc pro tunc to confirm the vesting of the said property in the Alien Property Custodian by acceptance thereof on June 26, 1946, pursuant to the Trading with the Enemy Act, as amended.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on April 16, 1947.

For the Attorney General.

[SEAL] DONALD C. COOK,
Director.

[F. R. Doc. 47-3984; Filed, Apr. 25, 1947; 8:46 a. m.]

[Vesting Order 8735]

HINDA MARCUS

In re: Estate of Hinda Marcus, deceased. File No. D-57-396; E. T. sec. 13261.

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Anne Rabinowitz, whose last known address is Roumania, is a resident of Roumania and a national of a designated enemy country (Roumania);

2. That the sum of $200.00 was paid to the Alien Property Custodian by Belle Stern, Executrix of the Estate of Hinda Marcus, deceased;

3. That the said sum of $200.00 was property payable or deliverable to, or claimed by the aforesaid national of a designated enemy country, (Roumania);

4. That the said sum of $200.00 is presently in the possession of the Attorney General of the United States and was property in the process of administration by Belle Stern, Executrix of the Estate of Hinda Marcus, deceased, acting under the judicial supervision of the Surrogate's Court, New York County, State of New York;

and it is hereby determined:

5. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Roumania);

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

This vesting order is issued nunc pro tunc to confirm the vesting of the said property in the Alien Property Custodian by acceptance thereof on June 26, 1946, pursuant to the Trading with the Enemy Act, as amended.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on April 16, 1947.

For the Attorney General.

[SEAL] DONALD C. COOK,
Director.

[F. R. Doc. 47-3985; Filed, Apr. 25, 1947; 8:46 a. m.]

[Vesting Order 8744]

ANNA FIBIER ET AL.

In re: Bank accounts owned by Anna Fibier and others.

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That the persons listed in Exhibit A, attached hereto and by reference made a part hereof, each of whose last known address is Germany, are residents of Germany and nationals of a designated enemy country (Germany);

2. That the property described as follows: That certain debt or other obligation owing to each individual whose name is set forth in Exhibit A, attached hereto and by reference made a part hereof, by The Farmers and Merchants National Bank of Los Angeles, Fourth and Main Streets, Los Angeles 13, California, arising out of the savings account, bearing the number and entitled as set forth opposite the name of each such individual in the aforesaid Exhibit A, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid nationals of a designated enemy country (Germany);

and it is hereby determined:

3. That to the extent that the persons listed in Exhibit A hereof are not within a designated enemy country, the national interest of the United States requires that such persons be treated as nationals of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on April 16, 1947.

For the Attorney General.

[SEAL] DONALD C. COOK,
Director.

EXHIBIT A

Name of owner	Title of account	Account No.	OAP file No.
Anna Fibier	Anna Fibier, blocked account	3670	F-28-9693-E-1
Heinrich Bohnsack, also known as Henry Bohnsack.	Henrich Bohnsack, blocked account	3397	F-28-9328-E-1
H. Bohnsack	H. Bohnsack, blocked account	3536	F-28-21722-E-1
Martha Stuve, also known as Martha Stuewe.	Martha Stuewe, blocked account	3152	F-28-12388-E-1 F-28-12388-C-1
Mrs. A. Schulze, also known as Alwinze Schulze.	Mrs. A. Schulze, blocked account	3308	F-28-12191-E-1 F-28-12191-C-1
Henry Bohnsack, also known as Hermann Bohnsack.	Hermann Bohnsack, blocked account	3177	F-28-9329-E-1 F-28-9329-C-1
Frieda Bohnsack, also known as Frieda Grzegolick, also known as Frieda Grzegoleck.	Frieda Grzegoleck, blocked account	4137	F-28-9930-E-1 F-28-9930-C-1
Wilhelmine Lahl	Wilhelmine Lahl, blocked account	4131	F-28-12905-E-1 F-28-12905-E-2
Martin Bohnsack	Martin Bohnsack, blocked account	3316	F-28-9330-E-1 F-28-9330-C-1

[F. R. Doc. 47-3986; Filed, Apr. 25, 1947; 8:46 a. m.]

[Vesting Order 8746]

BERNARD HOHL ET AL.

In re: Bank accounts owned by Bernard Hohl and others.

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That each individual, whose name is set forth in Exhibit A, attached hereto and by reference made a part hereof, whose last known address is Germany, is a resident of Germany and a national of a designated enemy country (Germany);

2. That the property described as follows: That certain debt or other obligation owing to each individual, whose name is set forth in Exhibit A, by Security-First National Bank of Los Angeles, Sixth and Spring Streets, Los Angeles, California, arising out of the savings ac-

counts, described in the manner set forth in Exhibit A, maintained at the branch office of the aforesaid bank located at 2100 West Pico Boulevard, Los Angeles, California, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid nationals of a designated enemy country (Germany);

and it is hereby determined:

3. That to the extent that the persons referred to in subparagraph 1 hereof are not within a designated enemy country, the national interest of the United States requires that such persons be treated as nationals of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on April 16, 1947.

For the Attorney General.

[SEAL] DONALD C. COOK,
Director.

EXHIBIT A

Names of owners and titles of accounts	Account No.	OAP file No.
Bernard Hohl	52163	F-28-25807-E-1, F-28-25807-C-1.
Sebastian Hohl	52164	F-28-25738-E-1, F-28-25738-C-1.
Vinzenz Hohl	52165	F-28-25804-E-1, F-28-25804-C-1.

[F. R. Doc. 47-3987; Filed, Apr. 25, 1947; 8:46 a. m.]

[Vesting Order 8749]

HENRY Y. AND SUYE OZAKI

In re: Bank account owned by Henry Y. Ozaki and Suye Ozaki. F-39-5828-E-1.

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Henry Y. Ozaki and Suye Ozaki, whose last known addresses are Tokoyo, Japan, are residents of Japan and nationals of a designated enemy country (Japan);

2. That the property described as follows: That certain debt or other obligation of The Peoples Trust and Savings Company, 913-915 Calhoun Street, Fort Wayne 2, Indiana, arising out of a Savings Account, Account Number 39448, entitled Henry Y. Ozaki: Joint with Suye Ozaki, wife, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, Henry Y. Ozaki and Suye Ozaki, the aforesaid nationals of a designated enemy country (Japan);

and it is hereby determined:

3. That to the extent that the persons named in subparagraph 1 hereof are not within a designated enemy country, the national interest of the United States requires that such persons be treated as nationals of a designated enemy country (Japan).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on April 16, 1947.

For the Attorney General.

[SEAL] DONALD C. COOK,
Director.

[F. R. Doc. 47-3988; Filed, Apr. 25, 1947; 8:46 a. m.]

[Vesting Order 8751]

FUJITO TAGAWA

In re: Bank account owned by Fujito Tagawa, also known as Fugito Tagawa. F-39-2824-E-1, F-39-2824-C-1.

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Fujito Tagawa, also known as Fugito Tagawa, whose last known address is Japan, is a resident of Japan and a national of a designated enemy country (Japan);

2. That the property described as follows: That certain debt or other obligation of American Trust Company, 464 California Street, San Francisco 20, California, arising out of a Savings Account, Account Number 3373, entitled Someru Fujihara, trustee for Fugito Tagawa, maintained at the Polk-California office of the aforesaid bank located at San Francisco, California, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, Fujito Tagawa, also known as Fugito Tagawa, the aforesaid national of a designated enemy country (Japan);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Japan).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on April 16, 1947.

For the Attorney General.

[SEAL] DONALD C. COOK,
Director.

[F. R. Doc. 47-3989; Filed, Apr. 25, 1947; 8:46 a. m.]

[Vesting Order 8753]

SEIICHI WAKYMOTO

In re: Bank account owned by Seiichi Wakymoto, also known as S. Wakymoto. D-39-1191-E-1.

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Seiichi Wakymoto, also known as S. Wakymoto, whose last known address is Japan, is a resident of Japan and a national of a designated enemy country (Japan);

2. That the property described as follows: That certain debt or other obligation owing to Seiichi Wakymoto, also known as S. Wakymoto, by Chase National Bank of the City of New York, 20 Pine Street, New York, N. Y., arising out of a Checking Account, entitled S. Wakymoto, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country (Japan);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Japan).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being

deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on April 16, 1947.

For the Attorney General.

[SEAL] DONALD C. COOK,
Director.

[F. R. Doc. 47-3990; Filed, Apr. 25, 1947; 8:46 a. m.]

[Vesting Order CE 377]

COSTS AND EXPENSES INCURRED IN CERTAIN ACTIONS OR PROCEEDINGS IN CERTAIN CALIFORNIA COURTS

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it having been found:

1. That each of the persons named in Column 1 of Exhibit A, attached hereto and by reference made a part hereof, was a person within the designated enemy country or the enemy-occupied territory identified in Column 2 of said Exhibit A opposite such person's name;

2. That it was in the interest of the United States to take measures in connection with representing each of said persons in the court or administrative action or proceeding identified in Column 3 of said Exhibit A opposite such person's name, and such measures having been taken;

3. That as a result of such action or proceeding each of said persons obtained or was determined to have the property particularly described in Column 4 of said Exhibit A opposite such person's name;

4. That such property is in the possession or custody of, or under the control of, the person described in Column 5 of said Exhibit A opposite such property;

5. That, in taking such measures in each of such actions or proceedings, costs and expenses have been incurred in the amount stated in Column 6 of said Exhibit A opposite such action or proceeding;

Now, therefore, there is hereby vested in the Attorney General of the United States, to be used or otherwise dealt with in the interest of and for the benefit of the United States, interests in the property in the possession or custody of, or under the control of, the persons described in Column 5 of said Exhibit A in amounts equal to the sums stated in Column 6 of said Exhibit A.

The term "designated enemy country" as used herein shall have the meaning prescribed in section 10 of Executive Order 9193, as amended. The term "enemy-occupied territory" as used herein shall have the meaning prescribed in rules of procedure, Office of Alien Property, § 501.6 (8 CFR, Cum. Supp., 503.6).

Executed at Washington, D. C., on April 22, 1947.

For the Attorney General.

[SEAL] DONALD C. COOK,
Director.

EXHIBIT A

Column 1 Name	Column 2 Country or territory	Column 2 Action or proceeding	Column 4 Property	Column 5 Depositary	Column 6 Sum vested
		Item 1			
Marco Combetto	Italy	Estate of Joseph Combetto, also known as J. Combetto, deceased, in the Superior Court of the State of California, in and for the County of Alameda.	$500	Bank of America: National Trust & Savings Association, 1200 Broadway, Oakland, Calif., Executor.	$8.00
		Item 2			
Maurizio Combetto	do	Same	$500	Same	8.00
		Item 3			
Enrico Combetto	do	Same	$500	Same	8.00
		Item 4			
Virginia Combetto	do	Same	$500	Same	8.00
		Item 5			
Adele Combetto	do	Same	$500	Same	8.00
		Item 6			
Margery Thompson Chiari	do	Estate of T. Arthur Thompson, deceased, in the Superior Court of the State of California, in and for the County of Los Angeles; No. 159081.	Income of trust under will of T. Arthur Thompson, deceased.	Howard T. Wayne, 2552 New York Drive, Altadena, Calif., and Claude A. Wayne, 10601 Chalon Rd., Los Angeles, Calif.; Trustees.	70.00
		Item 7			
Blanche Bolt Maccaferri	do	Estate of Frank C. Bolt, deceased, in the Superior Court of the State of California, in and for the County of Los Angeles; No. 98025.	Income from trust under will of Frank C. Bolt, deceased.	Security-First National Bank of Los Angeles, Trustee, 230 East Colorado St., Pasadena, Calif.	84.00
		Item 8			
Katherine Quay Ruspoli	do	Estate of Joseph M. Quay, deceased, in the Superior Court of the State of California, in and for the City and County of San Francisco; No. 24218.	Income of trust under will of Joseph M. Quay, deceased.	American Trust Company, Trustee, 464 California St., San Francisco, Calif.	51.00
		Item 9			
Robertina Pennazzi-Ricci	do	Guardianship Estate of Robertina Pennazzi-Ricci, a minor, in the Superior Court of the State of California, in and for the City and County of San Francisco; No. 99867.	Approximately $22,000.	Sylvester Andriano, guardian, 550 Montgomery St., San Francisco, Calif.	51.00

[F. R. Doc. 47-3993; Filed, Apr. 25, 1947; 8:47 a. m.]

[Vesting Order CE 378]

COSTS AND EXPENSES INCURRED IN CERTAIN ACTIONS OR PROCEEDINGS IN CERTAIN MICHIGAN, IOWA, NORTH DAKOTA, MINNESOTA AND KANSAS COURTS

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it having been found:

1. That each of the persons named in Column 1 of Exhibit A, attached hereto and by reference made a part hereof, was a person within the designated enemy country or the enemy-occupied territory identified in Column 2 of said Exhibit A opposite such person's name;

2. That it was in the interest of the United States to take measures in connection with representing each of said persons in the court or administrative

action or proceeding identified in Column 3 of said Exhibit A opposite such person's name, and such measures having been taken;

3. That as a result of such action or proceeding each of said persons obtained or was determined to have the property particularly described in Column 4 of said Exhibit A opposite such person's name;

4. That such property is in the possession or custody of, or under the control of, the person described in Column 5 of said Exhibit A opposite such property;

5. That, in taking such measures in each of such actions or proceedings, costs and expenses have been incurred in the amount stated in Column 6 of said Exhibit A opposite such action or proceeding;

Now, therefore, there is hereby vested in the Attorney General of the United States, to be used or otherwise dealt with in the interest of and for the benefit of the United States, interest in the property in the possession or custody of, or under the control of, the persons described in Column 5 of said Exhibit A in amounts equal to the sums stated in Column 6 of said Exhibit A.

The term "designated enemy country" as used herein shall have the meaning prescribed in section 10 of Executive Order 9193, as amended. The term "enemy-occupied territory" as used herein shall have the meaning prescribed in Rules of Procedure, Office of Alien Property, § 501.6 (8 CFR, Cum. Supp., 503.6).

Executed at Washington, D. C., on April 22, 1947.

For the Attorney General.

[SEAL] DONALD C. COOK,
Director.

EXHIBIT A

Column 1 Name	Column 2 Country or territory	Column 3 Action of proceeding	Column 4 Property	Column 5 Depositary	Column 6 Sum vested
		Item 1			
Johann (John) Franken	Netherlands	Estate of Henry Franken, deceased, Probate Court, County of Marquette, Mich.	$1,218.16	Herbert J. Potter, Administrator, Jenks Block, Ishpeming, Mich.	$167.00
		Item 2			
Antoon Franken	do	Same	1,218.16	Same	167.00
		Item 3			
Nella (Petronella) Franken	do	Same	1,218.16	Same	167.00
		Item 4			
Johanna Franken	do	Same	1,218.16	Same	167.00
		Item 5			
Knut Gunnarsli	Norway	Estate of Thomas R. Felle, deceased, District Court, Iowa, Winnebago County, File No. 2821.	658.67	Mr. S. R. Torgeson, Administrator, c/o Farmers & Merchants State Bank, Lake Mills, Iowa.	45.00
		Item 6			
Ole Solvang	do	Same	658.67	Same	45.00
		Item 7			
Anne Gunnarsli	do	Same	658.67	Same	45.00
		Item 8			
Marit L. Gikling	do	Estate of O. J. Gravem, also known as Ole J. Gravem, also known as Ole Johnson Gravem, deceased, County Court of Burleigh County, N. Dak., case 2034.	7,044.08	Royal Norwegian Consul General, Minneapolis, Minn.	80.00
		Item 9			
Erik Rognstadhagen	do	Estate of Berthe Nelson, also known as Bertha Nelson, deceased, Probate Court of Chippewa County, Minn., No. 3855.	144.48	Royal Norwegian Consul General, Room 2002 Foshay Tower, Minneapolis 2, Minn.	21.00
		Item 10			
Martha Huse	do	Same	144.48	Same	21.00
		Item 11			
Franz (Frank) Schenk	Austria	Estate of Marie Schenk, deceased, Probate Court, Barton County, Kans., No. 4453.	4,591.03	Mr. Leonard W. Schneider, Administrator, Albert, Kans.	147.00
		Item 12			
Johann Hiemer	do	Same	360.92	Same	12.00
		Item 13			
Frank Hiemer	Czechoslovakia	Same	360.92	Same	12.00

[F. R. Doc. 47-3994; Filed, Apr. 25, 1947; 8:47 a. m.]

[Vesting Order CE 379]

COSTS AND EXPENSES INCURRED IN CERTAIN ACTIONS OR PROCEEDINGS IN CERTAIN PENNSYLVANIA COURTS

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it having been found:

1. That each of the persons named in Column 1 of Exhibit A, attached hereto and by reference made a part hereof, was a person within the designated enemy country or the enemy-occupied territory identified in Column 2 of said Exhibit A opposite such person's name;

2. That it was in the interest of the United States to take measures in connection with representing each of said persons in the court or administrative action or proceeding identified in Column 3 of said Exhibit A opposite such person's name, and such measures having been taken;

3. That as a result of such action or proceeding each of said persons obtained or was determined to have the property particularly described in Column 4 of said Exhibit A opposite such person's name;

4. That such property is in the possession or custody of, or under the control of, the person described in Column 5 of said Exhibit A opposite such property;

5. That, in taking such measures in each of such actions or proceedings, costs and expenses have been incurred in the amount stated in Column 6 of said Exhibit A opposite such action or proceeding;

Now, therefore, there is hereby vested in the Attorney General of the United States, to be used or otherwise dealt with in the interest of and for the benefit of the United States, interests in the property in the possession or custody of, or under the control of, the persons de-

scribed in Column 5 of said Exhibit A in amounts equal to the sums stated in Column 6 of said Exhibit A.

The term "designated enemy country" as used herein shall have the meaning prescribed in section 10 of Executive Order 9193, as amended. The term "enemy-occupied territory" as used herein shall have the meaning prescribed in Rules of Procedure, Office of Alien Property, § 501.6 (8 CFR, Cum. Supp., 503.6).

Executed at Washington, D. C., on April 22, 1947.

For the Attorney General.

[SEAL] DONALD C. COOK,
Director.

EXHIBIT A

Column 1 Name	Column 2 Country or territory	Column 3 Action or proceeding	Column 4 Property	Column 5 Depositary	Column 6 Sum vested
		Item 1			
Silvia Lante	Italy	Estate of Susanna Lante, also known as Donna Susanna Lante Della Rovere, deceased, in the Orphans' Court of Philadelphia County, Pa.; No. 2521 of 1945.	$12,324.61	The Pennsylvania Company for Insurances on Lives and Granting Annuities, administrator, Philadelphia, Pa.	$31.00
		Item 2			
Angela Lante Martinengo	do	Same	12,324.61	Same	31.00
		Item 3			
G. Carlo Vezzani	do	Estate of Anne C. Page, deceased, in Orphans' Court of Philadelphia County, Pa.; No. 1480 of 1941.	7483.35	Fidelity Philadelphia Trust Co. executor, Philadelphia, Pa.	50.00
		Item 4			
Felicia Penzara	do	Estate of Phillip Penzara, deceased, in Orphans' Court of Lackawanna County, Pa.; No. 777 of 1940.	4974.55	Elizabeth B. Schroeder, executrix, 75 Spring St., Carbondale, Pa.	39.00
		Item 5			
Virginia F. Bozzo	do	Estate of John Bozzo, also known as Giovanni Bozzo, deceased, in the Orphans' Court of Allegheny County, Pa.; No. 4658 of 1945.	397.09	Peoples First National Bank & Trust Co., administrator, Pittsburgh, Pa.	10.00
		Item 6			
Filippo Bozzo	do	Same	198.54	Same	5.00
		Item 7			
Francesco Bozzo	do	Same	198.54	Same	5.00
		Item 8			
Marietta Bozzo	do	Same	198.55	Same	5.00
		Item 9			
Teresa Bozzo Falcone	do	Same	198.55	Same	5.00
		Item 10			
Angelo Perri	do	Estate of Perri Modesto, deceased, in the Orphans' Court of Beaver County, Pa.; No. —, March term, 1947.	698.05	Joe Fricano, 174 Station St., Vittorio Meli, 320 4th Ave., Alfonsino Pancottino, 206 3rd Ave., Joe Baghetti, Oak St., Aliquippa, Pa.	15.00
		Item 11			
Salvatore Perri	do	Same	698.05	Same	15.00
		Item 12			
Mario Perri	do	Same	698.05	Same	15.00
		Item 13			
Caterina Perri	do	Same	698.05	Same	15.00

[F. R. Doc. 47-3995; Filed, Apr. 25, 1947; 8:47 a. m.]

[Vesting Order 8754]

YANASE AUTOMOBILE CO.

In re: Debt owing to Yanase Automobile Co. F-39-5280-C-1.

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Yanase Automobile Co., the last known address of which is Tokyo, Japan, is a corporation, partnership, association or other business organization, organized under the laws of Japan, and which has or, since the effective date of Executive Order 8389, as amended, has had its principal place of business in Japan and is a national of a designated enemy country (Japan);

2. That the property described as follows: That certain debt or other obligation owing to Yanase Automobile Co., by General Motors Overseas Operations, Division of General Motors Corporation, 1775 Broadway, New York 19, N. Y., in the amount of $128.39, as of December 31, 1945, together with any and all accruals thereto, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy county (Japan);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Japan).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on April 16, 1947.

For the Attorney General.

[SEAL] DONALD C. COOK,
Director.

[F. R. Doc. 47-3991; Filed, Apr. 25, 1947; 8:47 a. m.]

[Vesting Order CE 380]

COSTS AND EXPENSES INCURRED IN CERTAIN ACTIONS OR PROCEEDINGS IN CERTAIN NEW YORK COURTS

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Execu-

tive Order 9788, and pursuant to law, after investigation, it having been found:

1. That each of the persons named in Column 1 of Exhibit A, attached hereto and by reference made a part hereof, was a person within the designated enemy country or the enemy-occupied territory identified in Column 2 of said Exhibit A opposite such person's name;

2. That it was in the interest of the United States to take measures in connection with representing each of said persons in the court or administrative action or proceeding identified in Column 3 of said Exhibit A opposite such person's name, and such measures having been taken;

3. That as a result of such action or proceeding of said persons obtained or was determined to have the property particularly described in Column 4 of said Exhibit A opposite such person's name;

4. That such property is in the possession or custody of, or under the control of, the person described in Column 5 of said Exhibit A opposite such property;

5. That, in taking such measures in each of such actions or proceedings, costs and expenses have been incurred in the amount stated in Column 6 of said Exhibit A opposite such action or proceeding;

Now, therefore, there is hereby vested in the Attorney General of the United States, to be used or otherwise dealt with in the interest of and for the benefit of the United States, interests in the property in the possession or custody of, or under the control of, the persons described in Column 5 of said Exhibit A in amounts equal to the sums stated in Column 6 of said Exhibit A.

The term "designated enemy country" as used herein shall have the meaning prescribed in section 10 of Executive Order 9193, as amended. The term "enemy-occupied territory" as used herein shall have the meaning prescribed in Rules of Procedure, Office of Alien Property, § 501.6 (8 CFR, Cum. Supp., 503.6).

Executed at Washington, D. C., on April 22, 1947.

For the Attorney General.

[SEAL] DONALD C. COOK,
Director.

EXHIBIT A

Column 1 Name	Column 2 Country or territory	Column 3 Action or proceeding	Column 4 Property	Column 5 Depositary	Column 6 Sum vested
		Item 1			
Filomena Peluso Danello	Italy	Estate of D'Anello Paolo, also known as Paolo Danello, deceased, Surrogate's Court, Erie County, N. Y.	$1,325.41	The County Treasurer of Erie County, Buffalo, N. Y.	$14.00
		Item 2			
Christina Danello	do	Same	883.61	Same	10.00
		Item 3			
Carmen Danello	do	Same	883.61	Same	10.00
		Item 4			
Luigi Danello	do	Same	883.61	Same	10.00
		Item 5			
The issue of Giovanni Vitellaro, deceased.	do	Estate of Salvatore Vitellaro, deceased, Surrogate's Court, Queens County, N. Y.; Docket No. 865/1934.	644.93	Sarah Sick and James J. Conroy, administrators, c. t. a., 171-25 41st Ave., Flushing, Queens County, N. Y.	19.00
		Item 6			
Paul Vitellaro or his issue	do	Same	644.93	Same	19.00
		Item 7			
The issue of Vincenzina Gallo, deceased.	do	Same	644.93	Same	19.00
		Item 8			
Francesco Morrone	do	Estate of Joseph A. Morroney, deceased, Surrogate's Court, New York County, N. Y., Docket No. P-2842/1944.	5,010.48	Virginia Giamundo, executrix, 28 Grandview Ave., Mt. Vernon, N. Y.	30.34
		Item 9			
Maria Morrone Petrosino	do	Same	5,010.48	Same	30.33
		Item 10			
Rachela Morrone Crisci	do	Same	5,010.48	Same	30.33
		Item 11			
Nicolo Greco	do	Estate of Salvatore Greco, deceased, Surrogate's Court, New York County, N. Y.; Docket No. A-1433/1944.	[1] $2,000.00	Public Administrator, County of New York, Hall of Records, 31 Chamber St., New York, N. Y.	165.72
		Item 12			
Alice Yvonne Lieberman	do	Trust under will of Pauline Horrmann, deceased, Surrogate's Court, Richmond County, N. Y.; Docket No. 5154-1917.	[2]	Bankers Trust Co., substituted trustee, c/o Guggenheimer & Untermyer, 30 Pine St., New York, N. Y.	73.00

[1] Approximately.
[2] Remainder interest in trust for Pauline Uhl, deceased, under will of Pauline Horrmann, deceased.

[F. R. Doc. 47-3996; Filed, Apr. 25, 1947; 8:47 a. m.]