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INFORMATION
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Purchase of mortgages by Reconstruction Finance Corporation.

"SEC. 12. (a) The Reconstruction Finance Corporation is hereby authorized to purchase from the United States Housing Corporation, at their face value, such of the aforesaid mortgages as in the opinion of the Board of Directors of Reconstruction Finance Corporation constitute full and adequate security for the indebtedness secured thereby, and to sell or otherwise dispose of any such mortgages so purchased for such price and upon such terms as it may determine.

Disposal.

Sale of mortgages not purchased.

"(b) Any such mortgages not purchased by Reconstruction Finance Corporation may be sold by the United States Housing Corporation pursuant to rules and regulations adopted under the provisions of section 13 (b) hereof.

Use of proceeds from sale.
Ante, p. 1193.

"(c) The funds received by the United States Housing Corporation from the sales provided for in sections 10 and 13 hereof, from any collections on mortgages executed and delivered pursuant to section 11 hereof, and from any sales of such mortgages authorized by said section 11, shall be used to clear any liens described in clause (c) of section 10, and to pay any special expenses incurred by the United States Housing Corporation in carrying out the provisions of this Act, including title expenses, recordation costs, and any expenses of the application to Federal Housing Administrator for insurance pursuant to section 11 hereof, and the remainder may, in the discretion of the Secretary of the Treasury and the Reconstruction Finance Corporation and pursuant to the rules and regulations promulgated under section 13 (b) hereof, be paid to the city of New Brunswick, New Jersey, for municipal and school service rendered to the Lincoln Gardens area and the residents thereof prior to the date of the sale of such property as provided in section 10.

Payment to city for public service rendered.

Failure to execute release to Corporation a bar to benefits.
Ante, p. 1193.

"SEC. 13. (a) Anyone who fails or refuses to execute a release to the Corporation as provided in section 9 hereof, for any reasons whatsoever, within ninety days after the date such section takes effect, shall be ineligible to receive the benefits of sections 9 to 11, inclusive, of this Act, and the Corporation shall cause such proceedings to be instituted as may be appropriate to enforce the rights of the United States and if necessary, to divest anyone of any interest which may have been acquired in any property in the Lincoln Gardens project, and sell the property so recovered at public or private sale. The Corporation may, however, in its discretion, extend such time for a further period of not to exceed ninety days.

Enforcement of rights of United States.

Rules and regulations.

"(b) The Corporation, with the approval of the Secretary of the Treasury and the Reconstruction Finance Corporation, shall have power to make such rules and regulations as may be deemed advisable in carrying out the provisions of sections 9 to 13, inclusive, of this Act and settling any pending litigation with respect to any property involved."

Approved, June 25, 1938.

[CHAPTER 694]

June 25, 1938
[S. 1532]
[Public, No. 736]

AN ACT

To exempt retired officers of the Marine Corps and Coast Guard from certain restrictions with respect to holding office under the United States.

Holding other lucrative office.
28 Stat. 205.
5 U. S. C., Supp. III, § 62.
Exemption from restriction on, extended.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the second sentence of section 2 of the Legislative, Executive, and Judicial Appropriation Act, approved July 31, 1894, as amended, is amended by striking out the words "Army or Navy" and inserting in lieu thereof the words "Army, Navy, Marine Corps, or Coast Guard."

Approved, June 25, 1938.