

[CHAPTER 783]

AN ACT

July 1, 1948

[H. R. 3566]

[Public Law 863]

Immigration Act of
1917, amendment.Deportable aliens of
good character.

Report to Congress.

Cancellation of de-
portation proceedings.Recording alien's
admission for permanent residence.

Quota deduction.

43 Stat. 160.

To amend subsection (c) of section 19 of the Immigration Act of 1917, as amended, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (c) of section 19 of the Immigration Act of February 5, 1917, as amended (54 Stat. 671; 56 Stat. 1044; 8 U. S. C. 155 (c)), is further amended to read as follows:

“(c) In the case of any alien (other than one to whom subsection (d) is applicable) who is deportable under any law of the United States and who has proved good moral character for the preceding five years, the Attorney General may (1) permit such alien to depart the United States to any country of his choice at his own expense, in lieu of deportation; or (2) suspend deportation of such alien if he is not ineligible for naturalization or if ineligible, such ineligibility is solely by reason of his race, if he finds (a) that such deportation would result in serious economic detriment to a citizen or legally resident alien who is the spouse, parent, or minor child of such deportable alien; or (b) that such alien has resided continuously in the United States for seven years or more and is residing in the United States upon the effective date of this Act. If the deportation of any alien is suspended under the provisions of this subsection for more than six months, a complete and detailed statement of the facts and pertinent provisions of law in the case shall be reported to the Congress with the reasons for such suspension. These reports shall be submitted on the 1st and 15th day of each calendar month in which Congress is in session. If during the session of the Congress at which a case is reported, or prior to the close of the session of the Congress next following the session at which a case is reported, the Congress passes a concurrent resolution stating in substance that it favors the suspension of such deportation, the Attorney General shall cancel deportation proceedings. If prior to the close of the session of the Congress next following the session at which a case is reported, the Congress does not pass such a concurrent resolution, the Attorney General shall thereupon deport such alien in the manner provided by law. Deportation proceedings shall not be canceled in the case of any alien who was not legally admitted for permanent residence at the time of his last entry into the United States, unless such alien pays the Commissioner of Immigration and Naturalization a fee of \$18 (which fee shall be deposited in the Treasury of the United States as miscellaneous receipts). Upon the cancellation of such proceedings in any case in which fee has been paid the Commissioner shall record the alien's admission for permanent residence as of the date of his last entry into the United States and the Secretary of State shall, if the alien was a quota immigrant at the time of entry and was not charged to the appropriate quota, reduce by one the immigration quota of the country of the alien's nationality as defined in section 12 of the Act of May 26, 1924 (U. S. C., title 8, sec. 212), for the fiscal year then current at the time of cancellation or the next following year in which a quota is available: *Provided*, That no quota shall be reduced by more than 50 per centum in any fiscal year.”

Approved July 1, 1948.

[CHAPTER 784]

AN ACT

July 1, 1948

[S. 2790]

[Public Law 864]

To amend the Servicemen's Readjustment Act of 1944, as amended, and for other purposes.

Federal National
Mortgage Association.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title III of the

National Housing Act, as amended, is hereby amended to read as follows:

48 Stat. 1252.
12 U. S. C. §§ 1716-
1723.
Post, p. 1275.

“TITLE III—FEDERAL NATIONAL MORTGAGE ASSOCIATION

“CREATION AND POWERS OF THE FEDERAL NATIONAL MORTGAGE ASSOCIATION

“SEC. 301. (a) The Administrator is further authorized and empowered to provide for the establishment of a Federal National Mortgage Association (hereinafter referred to as the “Association”) which shall be authorized, subject to such rules and regulations as may be prescribed by the Association—

“(1) to purchase, service, or sell any mortgages, which are insured after April 30, 1948, under section 203 or section 603 of this Act, or guaranteed under section 501, 502, or 505 (a) of the Servicemen’s Readjustment Act of 1944, as amended: *Provided, however*, That—

“(A) no mortgage shall be offered to the Association for purchase by, or if it covers property held by, Federal, State, or municipal instrumentalities;

“(B) no mortgage may be purchased for an amount exceeding the unpaid principal balance thereof, plus accrued interest, at the time of purchase;

“(C) no mortgage shall be offered to the Association for purchase if the original principal obligation of the loan exceeds or exceeded \$10,000 for each family residence or dwelling unit covered by the mortgage or other lien securing the loan;

“(D) no mortgage shall be offered to the Association for purchase unless offered by the original mortgagee prior to any other sale thereof;

“(E) no mortgage shall be offered to the Association for purchase by any one mortgagee (1) unless such mortgage is secured by property used, or designed to be used, for residential purposes and (2) if the unpaid principal balance thereof, when added to the aggregate amount paid for all mortgages purchased by the Association from such mortgagee pursuant to authority contained herein, exceeds 25 per centum of the original principal amount of all mortgages made by such mortgagee which, except for this subparagraph (E), meet the requirements of this section.

“(F) no mortgage shall be purchased by the Association unless the mortgagee certifies that the housing with respect to which the mortgage was made meets the construction standards prescribed for insurance of mortgages on the same class of housing under the National Housing Act, as amended.

“(2) to borrow money for any of the foregoing purposes through the issuance of notes or other such obligations as hereinafter provided.

“(b) The Federal National Mortgage Association, a subsidiary of the Reconstruction Finance Corporation and established pursuant to the provisions of this title as in effect prior to June 1, 1948, shall be the Association referred to in subsection (a) of this section. The Board of Directors of the Association shall consist of not less than five persons to be appointed by the Chairman of the Board of Directors of the Reconstruction Finance Corporation, or the Acting Chairman in the case of a vacancy in the office of Chairman, from the Directors, officers, or employees of such Corporation and the officers shall be appointed by the Board of Directors from the Directors, officers, or employees of the Reconstruction Finance Corporation.

Purchase, etc., of mortgages; conditions.
Post, p. 1275.
48 Stat. 1248; 55 Stat.
56.
12 U. S. C. §§ 1709,
1738; Supp. I, § 1738.
Ante, p. 101; *post*,
pp. 1272, 1273, 1268.
58 Stat. 292, 293.
38 U. S. C. §§ 694a,
694b, 694e (a).

Post, p. 1275.

Borrowing of money.

Board of directors.

Powers of Association.

“(c) The Association created under this section shall have succession from the date of its organization unless it is dissolved by order of the Administrator as hereinafter provided, or by Act of Congress, and shall have power—

- “(1) to adopt and use a corporate seal;
- “(2) to make contracts;
- “(3) to sue and be sued; complain and defend, in any court of law or equity, State or Federal;
- “(4) to conduct its business in any State of the United States, or in the District of Columbia, Alaska, Hawaii, Puerto Rico, or the Virgin Islands, and to have one or more offices in such State, or in the District of Columbia, Alaska, Hawaii, or Puerto Rico, one of which offices shall be designated at the time of organization as its principal office;
- “(5) to do all things as are necessary or incidental to the proper management of its affairs and the proper conduct of its business.

Capital stock.

“(d) The Association may have a capital stock of not to exceed \$20,000,000 and paid-in surplus of \$1,000,000, subscribed by the Reconstruction Finance Corporation.

“(e) The Association, for the purpose of all actions by or against it, real, personal, or mixed, and all suits in equity, shall be deemed a citizen of the place in which its principal office is located.

Restriction on use of term.

“(f) No individual, association, partnership, or corporation, except the Association organized under this section, shall hereafter use the words ‘Federal National Mortgage Association’ or any combination of such words, as the name or a part thereof under which he or it shall do business. Every individual, partnership, association, or corporation violating this prohibition shall be guilty of a misdemeanor and shall be punished by a fine of not exceeding \$100 or imprisonment not exceeding thirty days, or both, for each day during which such violation is committed or repeated. The provisions of section 5243 of the Revised Statutes shall not apply to the Association created under this title.

12 U. S. C. § 583.

48 Stat. 1247; 55 Stat. 55.
12 U. S. C. §§ 1707-1715c, 1736-1742; Supp. I, §§ 1737, 1738.
Ante, p. 101; *post*, pp. 1209, 1268-1275.

“OBLIGATIONS

“SEC. 302. The Association is authorized to issue and have outstanding at any time notes or other obligations in an aggregate amount not to exceed (1) forty times the amount of its capital and surplus, and in no event to exceed (2) the current unpaid principal of mortgages held by it and insured under the provisions of titles II and VI of this Act and guaranteed under section 501, 502, or 505 (a) of the Servicemen’s Readjustment Act of 1944, as amended, plus the amount of its cash on hand and on deposit and the amortized value of its investments in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by, the United States.

“INVESTMENT OF FUNDS

“SEC. 303. Moneys of the Association not invested in mortgages or in operating facilities shall be kept in cash on hand or on deposit, or invested in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by, the United States; except that the Association shall keep and maintain such reserves as it may deem necessary.

“TAXATION PROVISIONS

“SEC. 304. The Association, including its franchise, capital, reserves, surplus, mortgage loans, income, and stock shall be exempt from all taxation now or hereafter imposed by the United States, by any Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority, except that any real property of the

Association shall be subject to State, Territorial, county, municipal, or local taxation to the same extent according to its value as other real property is taxed.

“MANAGEMENT OF ACQUIRED PROPERTIES”

“SEC. 305. The Association shall have power to deal with, rent, renovate, modernize, or sell for cash, with a view to assuring a maximum financial return to the Association, any property acquired by it as a result of foreclosure proceedings or otherwise.

“LIQUIDATION”

“SEC. 306. The Administrator shall have power to terminate the existence of the Association and order its liquidation and the winding up of its affairs whenever the Administrator determines, in his judgment, that the need therefor no longer exists. The Association shall make a report of its activities to the Administrator in January and July of each year for the preceding six months' period, which report shall be transmitted to the Congress, together with the Administrator's recommendations thereon.”

Report to Congress.

SEC. 2. Nothing in the amendment made by the first section of this Act shall limit the authority of the Federal National Mortgage Association to service or sell any mortgage purchased prior to the date of the enactment of this Act, or to purchase, service, or sell any mortgage with respect to which a commitment to purchase was made prior to the date of the enactment of this Act.

SEC. 3. Section 4 (c) of the Reconstruction Finance Corporation Act, as amended, is hereby amended by striking out “\$1,500,000,000” and inserting in lieu thereof “\$2,000,000,000”.

Ante, p. 264.

SEC. 4. Section 4 of the Reconstruction Finance Corporation Act, as amended, is hereby amended by adding at the end thereof a new subsection reading as follows:

Ante, p. 263.

“(h) The Corporation may subscribe for the nonassessable stock of the Federal National Mortgage Association: *Provided*, That the total face amount of stock so subscribed for and held by the Corporation shall not exceed at any one time \$20,000,000.”

Nonassessable stock.

SEC. 5. The Servicemen's Readjustment Act of 1944, as amended, is hereby amended by inserting immediately after section 510 thereof the following new section:

58 Stat. 284; 59 Stat. 631.
38 U. S. C. §§ 693-697g; Supp. I, § 693 *et seq.*
Ante, pp. 160, 161, 472; *post*, p. 1275.

“INCONTESTABILITY”

“SEC. 511. Any evidence of guaranty or insurance issued by the Administrator shall be conclusive evidence of the eligibility of the loan for guaranty or insurance under the provisions of this title and of the amount of such guaranty or insurance, except that nothing in this section shall preclude the Administrator from establishing, as against the original lender, defenses based on fraud or material misrepresentation, and except that the Administrator shall not, by reason of anything contained in this section, be barred from establishing, by regulations in force at the date of such issuance or disbursement, whichever is the earlier, partial defenses to the amount payable on the guaranty or insurance.”

SEC. 6. Section 207 (c) (2) of the National Housing Act, as amended, is hereby amended as follows:

53 Stat. 807.
12 U. S. C. § 1713 (c)
(2).
Post, p. 1273.

(1) By striking out the semicolon and the word “and” at the end of paragraph numbered (2), inserting in lieu thereof a colon, and adding the following new proviso: “*And provided further*, That, notwithstanding any of the provisions of this paragraph (2), a mortgage with respect to a project of a nonprofit cooperative ownership housing

Nonprofit cooperative ownership project.

corporation (whose membership consists primarily of veterans of World War II) the permanent occupancy of the dwellings of which is restricted to members of such corporation, or a project constructed by a nonprofit corporation (whose membership consists primarily of veterans of World War II) organized for the purpose of construction of homes for members of the corporation, at prices, costs, or charges comparable to the prices, costs, or charges proposed to be charged such members, may involve a principal obligation in an amount not exceeding 95 per centum of the amount which the Administrator estimates will be the value of the project when the proposed improvements are completed; and".

Approved July 1, 1948.

[CHAPTER 785]

AN ACT

To assist by grants-in-aid the Republic of the Philippines in providing medical care and treatment for certain veterans.

July 1, 1948
[S. 2861]
[Public Law 865]
Republic of the
Philippines.
Grants-in-aid for
medical care.

"Veterans."

Times and amounts
of grants.

Rules and regula-
tions.

Appropriations au-
thorized.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in order to assist the Republic of the Philippines in providing medical care and treatment for veterans, as defined in section 2 of this Act, who are in need of hospitalization for disabilities, determined by the Veterans' Administration under laws which it administers to be connected with the service described in such section, the President is authorized, subject to the provisions of this Act, to furnish aid in the form of grants to the Republic of the Philippines (a) for the construction and equipping of hospitals in the Philippines to be used exclusively for such medical care and treatment and (b) for expenses incident to such medical care and treatment in either the hospitals so constructed and equipped or other hospitals in the Philippines.

SEC. 2. For the purposes of section 1 of this Act, the term "veterans" means persons who served in the organized military forces of the Government of the Commonwealth of the Philippines while such forces were in the service of the armed forces of the United States pursuant to the military order of the President of the United States, dated July 26, 1941, including among such military forces organized guerrilla forces under commanders appointed, designated, or subsequently recognized by the Commander in Chief, Southwest Pacific Area, or other competent authority in the Army of the United States, and who were discharged or released from such service under conditions other than dishonorable.

SEC. 3. Any grant for the construction and equipping of a hospital may be made prior to or following its completion: *Provided*, That the total of such grants shall not exceed \$22,500,000.

SEC. 4. Grants for expenses incident to hospitalization may be made for a period not to exceed five years to reimburse the Republic of the Philippines for moneys expended for such hospitalization: *Provided*, That the total of such grants shall not exceed \$3,285,000 for any fiscal year.

SEC. 5. The President may from time to time prescribe such rules and regulations and impose such conditions on the receipt of financial aid as may be necessary to carry out the provisions of this Act; and he may delegate in whole or in part the authority conferred upon him by this Act to any officer or officers of the United States.

SEC. 6. There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this Act.

Approved July 1, 1948.