

Public Law 85-748

AN ACT

August 25, 1958
[S. 3333]

To facilitate the insurance of loans under title I of the Bankhead-Jones Farm Tenant Act, as amended, and the Act of August 28, 1937, as amended (relating to the conservation of water resources), and for other purposes.

Bankhead-Jones
Farm Tenant Act,
amendment.
Farm loans, in-
surance.
50 Stat. 522.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, title I of the Bankhead-Jones Farm Tenant Act, as amended (7 U. S. C. 1000 and the following), is further amended as follows:

(a) The following new section 18 is added:

"SEC. 18. (a) The Secretary of Agriculture is authorized:

"(1) To make loans complying with the requirements of title I of this Act for the purpose of insuring and selling such loans to lenders other than the United States. Any security instrument taken in connection with such loan shall create a lien running to the United States, notwithstanding the fact that the note may be held by such lender or his assignee;

"(2) To insure and make commitments to insure such loans, which, when endorsed for insurance, shall be covered by the insurance provisions of this title;

"(3) To sell such loans at an annual charge, at a rate to be determined by the Secretary, of not less than 1 per centum of the unpaid principal obligation from time to time outstanding on the loan, such charge to be retained by the Secretary out of interest payments made by the borrower: *Provided*, That the total of the rate of such charge plus the rate of return to the holder of the note shall not exceed the interest rate specified in the note. Out of the charges so collected an amount not in excess of one-half of 1 per centum of such unpaid principal obligations shall be deposited in and become a part of the fund. The remainder of such charges collected shall be deposited in the Treasury to the credit of the Secretary and may be transferred annually to the administrative expense account of the Farmers Home Administration and become merged therewith. Each such loan shall be sold at the full amount of the unpaid balance thereof at the time of sale, but no loan shall be sold if such balance exceeds 90 per centum of the amount certified by the county committee to be the value of the farm, less any prior lien indebtedness at the time the loan was made or upon a determination of such fact by the Secretary at the time of sale;

"(4) To make loans out of moneys in the fund for the purpose of insuring and selling the same under this section: *Provided, however*, That no loan made under this item (4) shall be in excess of 90 per centum of the amount certified by the county committee to be the value of the farm less any prior lien indebtedness: *And provided further*, That no loan shall be made under this item (4) unless the Secretary has reasonable assurance that it can be sold without undue delay. The Secretary may, at his discretion, utilize the provisions of subsections 13 (b) and 13 (c) of this title to borrow from the Secretary of the Treasury an additional sum not in excess of \$5,000,000 for deposit in the fund for this purpose and said subsections are hereby extended to cover such borrowings for the purpose of making loans under this item (4) and under item (4) of subsection 11 (a) of the Act of August 28, 1937, as amended (relating to the conservation of water resources). The amount of the principal obligations on loans made under this item (4) and not disposed of under this section, plus the amount of the principal obligations on loans made out of moneys in the fund under said item (4) of subsection 11 (a) of the Act of August 28, 1937, as amended, and not disposed

of under such section 11, shall not exceed the aggregate sum of \$5,000,000 at any one time.

“(b) The interest rate shall be as provided in section 3 (b) (2) of this title and the borrower shall not be required to pay any additional charges for insurance of the loan, but the Secretary may require the payment of such appraisal and delinquency charges as he deems proper.

“(c) The amount of the principal obligations on loans made under item (a) (4) of this section shall be included in computing the aggregate amount of the principal obligations which may be insured in any one fiscal year, as provided in section 12 (b) of this title, at the time such loans are made. The amount of the principal obligations on any other loans made by the Secretary and insured under this section shall not be included in computing said aggregate amount.

“(d) Loans made from funds advanced by lenders other than the United States may be insured by the Secretary upon terms and conditions consistent with the provisions of this section. Loans made or insured under this section shall be subject to all the provisions of this title except as otherwise provided in this section.

“(e) Any loan heretofore or hereafter made or insured under this title may be converted to an insured loan under this section at the discretion of the Secretary, and any expenses in connection with such conversion may be paid out of funds available for administrative expenses.

“(f) The Secretary is further authorized to sell any loan heretofore or hereafter made or insured under this title without insurance thereof upon the written consent of the borrower, or without such consent when the borrower has failed to comply with his agreement to refinance the indebtedness at the request of the Secretary. Such loan shall be sold at the full amount of the unpaid balance thereof, and upon such sale the Secretary is authorized to assign the security instrument and evidence of debt in such manner that the United States shall have no further right or obligation with respect to the loan.”

(b) The third sentence of section 13 (b) is amended to read:

60 Stat. 1072.
7 USC 1005c.

“Such notes shall have such maturities as the Secretary may determine with the approval of the Secretary of the Treasury, and shall bear interest at a rate fixed by the Secretary of the Treasury, taking into consideration the current average market yields of outstanding marketable obligations of the United States having maturities comparable to the loans made or insured by the Secretary.”

(c) Section 15 (a) is amended to add the following sentence:

60 Stat. 1079.

“Section 5200 of the Revised Statutes (12 U. S. C. 84) is hereby amended to add a new paragraph bearing the next number after that of the last paragraph of the present section 5200 of the Revised Statutes and reading as follows: ‘Obligations insured by the Secretary of Agriculture pursuant to the Bankhead-Jones Farm Tenant Act, as amended, or the Act of August 28, 1937, as amended (relating to the conservation of water resources), shall be subject under this section to a limitation of 15 per centum of such capital and surplus in addition to such 10 per centum of such capital and surplus.’”

7 USC 1000 et
seq.
16 USC 590r-
590x-3.

SEC. 2. The Act entitled “An Act to promote conservation in the arid and semiarid areas of the United States by aiding in the development of facilities for water storage and utilization, and for other purposes”, approved August 28, 1937, as amended (16 U. S. C. 590r-590x-3), is further amended by inserting at the end of said Act the following new section:

50 Stat. 869; 68
Stat. 734.

“SEC. 11. (a) The Secretary of Agriculture is authorized:

“(1) To make loans complying with the requirements of this Act for the purpose of insuring and selling such loans to lenders other

than the United States. Any security instrument taken in connection with such loan shall create a lien running to the United States, notwithstanding the fact that the note may be held by such lender or his assignee;

"(2) To insure and make commitments to insure such loans, which, when endorsed for insurance, shall be covered by the insurance provisions of this Act;

"(3) To sell such loans at an annual charge, at a rate to be determined by the Secretary, of not less than 1 per centum of the unpaid principal obligation from time to time outstanding on the loan, such charge to be retained by the Secretary out of interest payments made by the borrower: *Provided*, That the total of the rate of such charge plus the rate of return to the holder of the note shall not exceed the interest rate specified in the note. Out of the charges so collected an amount not in excess of one-half of 1 per centum of such unpaid principal obligations shall be deposited in and become a part of the fund. The remainder of such charges collected shall be deposited in the Treasury to the credit of the Secretary and may be transferred annually to the administrative expense account of the Farmers Home Administration and become merged therewith. Each such loan shall be sold at the full amount of the unpaid balance thereof at the time of sale, but no loan, except loans to associations (including corporations not operated for profit and public or quasi-public agencies), shall be sold if such balance exceeds 90 per centum of the value of the security less any prior lien indebtedness at the time the loan was made or upon a determination of such fact by the Secretary at the time of sale;

"(4) To make loans out of moneys in the fund, including funds borrowed from the Secretary of the Treasury under item (4) of subsection 18 (a) of the Bankhead-Jones Farm Tenant Act, as amended, within the aggregate limits therein provided, for the purpose of insuring and selling such loans under this section: *Provided, however*, That no loan made under this item (4) shall be in excess of 90 per centum of the value of the security less any prior lien indebtedness, but such limitation shall not apply to loans to associations, including corporations not operated for profit and public or quasi-public agencies: *And provided further*, That no loan shall be made under this item (4) unless the Secretary has reasonable assurance that it can be sold without undue delay.

"(b) The borrower shall not be required to pay any additional charges for insurance of the loan, but the Secretary may require the payment of such appraisal and delinquency charges as he deems proper. The proceeds of such appraisal or delinquency charges shall be deposited in the Treasury for use for administrative expense as provided in item (a) (3) of this section.

"(c) The amount of the principal obligations on loans made under item (a) (4) of this section shall be included in computing the aggregate amount of the principal obligations which may be insured in any one fiscal year, as provided in section 10 (e) of this Act, at the time such loans are made. The amount of the principal obligations on any other loans made by the Secretary and insured under this section shall not be included in computing said aggregate amount.

"(d) Loans made from funds advanced by lenders other than the United States may be insured by the Secretary upon terms and conditions consistent with the provisions of this section, but no such loan, except loans to associations (including corporations not operated for profit and public or quasi-public agencies), shall be in excess of 90 per centum of the value of the security less any prior lien indebtedness. Loans made or insured under this section shall be subject to all the provisions of this Act except as otherwise provided in this section.

“(e) Any loan heretofore or hereafter made or insured under this Act may be converted to an insured loan under this section at the discretion of the Secretary, and any expenses in connection with such conversion may be paid out of funds available for administrative expenses.

“(f) The Secretary is further authorized to sell any loan heretofore or hereafter made or insured under this Act without insurance thereof upon the written consent of the borrower, or without such consent when the borrower has failed to comply with his agreement to refinance the indebtedness at the request of the Secretary. Such loan shall be sold at the full amount of the unpaid balance thereof, and upon such sale the Secretary is authorized to assign the security instrument and evidence of debt in such manner that the United States shall have no further right or obligation with respect to the loan.”

Approved August 25, 1958.

Public Law 85-749

AN ACT

To amend section 7 of the Administrative Expenses Act of 1946, as amended, to provide for the payment of travel and transportation cost for persons selected for appointment to certain positions in the continental United States and Alaska, and for other purposes.

August 25, 1958
[H. R. 11133]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 7 of the Administrative Expenses Act of 1946 (60 Stat. 808, as amended, 5 U. S. C. 73b-3) is further amended by inserting “(a)” after the section number and by adding at the end thereof new subsections as follows:

Scientific and
technical posi-
tions.

“(b) Appropriations for the departments shall be available in accordance with regulations prescribed by the President, for expenses of travel of persons appointed to positions in the natural and mathematical sciences, engineering, and architectural fields, and to related technical positions in the continental United States and Alaska for which there is determined by the Civil Service Commission to be a manpower shortage in those skills which are critical to the national security effort, and for expenses of transportation of their immediate families and their household goods and personal effects and for advances of funds to the extent authorized by section 1 (a) and (b) of this Act, from their places of actual residence at time of selection to their first duty station. Such travel expenses may include per diem and mileage allowance for persons selected for appointment as provided for civilian officers and employees by the Travel Expense Act of 1949, as amended. Travel and transportation expenses may be allowed whether the person selected for appointment has been appointed or not at the time of such travel. However, the travel and transportation expenses authorized by this subsection shall not be allowed unless the person selected for appointment shall agree in writing to remain in the Government service for twelve months following his appointment unless separated for reasons beyond his control and acceptable to the department or agency concerned. In case of violation of such agreement, any moneys expended by the United States on account of such travel and transportation shall be recoverable from the individual concerned as a debt due the United States.

Travel and
transportation ex-
penses.

63 Stat. 166.
5 USC 835 note.