

(j) The title preceding section 249 is amended to read as follows:
 "RECORD OF ADMISSION FOR PERMANENT RESIDENCE IN THE CASE OF CERTAIN ALIENS WHO ENTERED THE UNITED STATES PRIOR TO JULY 1, 1924, OR JUNE 30, 1948".

66 Stat. 163.

SEC. 23. (a) The table of contents (Title II—Immigration, chapter 1) of the Immigration and Nationality Act, is amended to read as follows:

"CHAPTER 1—SELECTION SYSTEM

- "Sec. 201. Numerical limitations.
- "Sec. 202. Numerical limitation to any single foreign state.
- "Sec. 203. Allocation of immigrant visas.
- "Sec. 204. Procedure for granting immigrant status.
- "Sec. 205. Revocation of approval of petitions.
- "Sec. 206. Unused immigrant visas."

(b) The table of contents (Title II—Immigration, chapter 3) of the Immigration and Nationality Act, is amended by changing the designation of section 224 to read as follows:

"Sec. 224. Immediate relative and special immigrant visas."

(c) The table of contents (Title II—Immigration, chapter 5) of the Immigration and Nationality Act is amended by changing the designation of section 249 to read as follows:

"Sec. 249. Record of admission for permanent residence in the case of certain aliens who entered the United States prior to July 1, 1924, or June 30, 1948."

Repeal.
 75 Stat. 650.
 8 USC 1101.

SEC. 24. Paragraph (6) of section 101(b) is repealed.
 Approved October 3, 1965, 3:25 p.m.

Public Law 89-237

AN ACT

October 4, 1965
 [H. R. 4152]

To amend the Federal Farm Loan Act and the Farm Credit Act of 1933 to provide means for expediting the retirement of Government capital in the Federal intermediate credit banks, including an increase in the debt permitted such banks in relation to their capital and provision for the production credit associations to acquire additional capital stock therein, to provide for allocating certain earnings of such banks and associations to their users, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Federal Farm Loan Act, as amended, is hereby amended—

(a) by inserting immediately before the semicolon at the end of paragraph (1) of section 202(a) thereof (12 U.S.C. 1031(1)) the following: "or without collateral to the extent authorized under rules and regulations prescribed by the Farm Credit Administration";

(b) by striking out "Provided" and all that follows it in section 203(a) thereof (12 U.S.C. 1041) and substituting therefor the following: "Provided, That the aggregate amount of the outstanding debentures and similar obligations issued by the Federal intermediate credit banks shall not exceed twelve times the surplus and paid-in capital of all such banks.";

(c) in section 205(a) thereof (12 U.S.C. 1061(a))—

(i) by substituting "one-eighth" for "one-sixth" in the ninth sentence of paragraph (1); and

(ii) by inserting the following as two separate paragraphs between the eleventh and twelfth sentences of paragraph (2):

"Each Federal intermediate credit bank, with the approval of the Farm Credit Administration, may determine the amount of

Federal Farm
 Loan Act and
 Farm Credit Act
 of 1933, amend-
 ments.
 70 Stat. 663.

49 Stat. 315.

70 Stat. 660.

additional class B stock in the bank to be subscribed for by the production credit associations in the farm credit district served by the bank in order to provide capital to meet the credit needs of the bank. The amount so determined shall be allotted among the production credit associations in the district upon such basis that, as nearly as may be practicable, the sum of the class B stock already owned and the additional amount to be subscribed for by each association will be in the same proportion to the total amount of class B stock already owned and to be subscribed for by all of the associations in the district that the average indebtedness (loans and discounts) of each association to the bank during the immediately preceding three fiscal years is of the average of such indebtedness of all production credit associations to the bank during such three-year period. Each production credit association shall subscribe for class B stock in the bank in the amount so allotted to it. Such subscriptions shall be subject to call and payment therefor shall be made at such times and in such amounts as may be determined by the bank.

"Whenever the relative amounts of class B stock in a Federal intermediate credit bank owned by the production credit associations differ substantially from the proportion indicated in the preceding paragraph, and additional subscriptions to class B stock through which such proportion could be reestablished are not contemplated, the Federal intermediate credit bank, with the approval of the Farm Credit Administration, may direct either separately or in combination such transfers, retirements, and reissuance of outstanding class B stock among the associations as will reestablish the aforesaid proportion as nearly as may be practicable. Outstanding class B stock which is transferred or retired for this purpose shall be the oldest stock held by the association and the bank shall pay the association therefor at the fair book value thereof not exceeding par and collect therefor from any production credit association to which such stock is transferred or reissued."; and

(d) in section 206 thereof (12 U.S.C. 1072)—

(i) by striking out "equal to 25 per centum of the outstanding capital stock and participation certificates of the bank" from clause (3) of the first sentence of subsection (a);

(ii) by striking out the second sentence of subsection (a) and inserting in lieu thereof as a separate paragraph the following:

"Amounts applied to reserve account as provided in (3) above, either heretofore or hereafter, shall be allocated on the same patronage basis and have the same tax treatment as is provided in subsection (b) of this section for patronage refunds. Such allocations of reserve account shall be subject to a first lien as additional collateral for any indebtedness of the holders thereof to the bank and in any case where such indebtedness is in default may be retired and canceled for application on such indebtedness, and, in case of liquidation or dissolution of a holder thereof, such reserve account allocations may be retired, all as is provided for capital stock and participation certificates in section 205 of this Act. At the end of any fiscal year that the reserve account of any bank exceeds 25 per centum of its outstanding capital stock and participation certificates, such excess may be distributed, oldest allocations first, in class B stock and participation certificates issued as of the date of the allocations and, whenever the bank has no class A stock outstanding, also in money."; and

(iii) by inserting immediately before the last sentence of subsection (c) the following new sentence: "Any of the reserve estab-

70 Stat. 662.

lished pursuant to subsection (a) of this section shall be paid to the production credit associations and other financing institutions to which such reserve is allocated on the books of the bank.”.

SEC. 2. The Farm Credit Act of 1933, as amended, is amended—

69 Stat. 663.

(a) by adding the following at the end of subsection (b) of section 22 thereof (12 U.S.C. 1131f(b)) : “When so specified in the approval by the Federal intermediate credit bank, such dividends may be paid even though the amount in the surplus account provided for in subsection (a) is less than the minimum prescribed by the bank. If the bylaws of a production credit association so provide, (1) any remaining net earnings at the end of a fiscal year may be distributed on a patronage basis in class A stock of the association and, when the United States does not hold class A stock in the association, also in money, and (2) any part of the earnings for the fiscal year in excess of operating expenses held in the surplus account may be allocated to borrowers on a patronage basis. With the approval of the Federal intermediate credit bank, amounts so allocated may be distributed, oldest allocations first, in class A stock of the association issued as of the date of the allocation and, when the United States does not hold class A stock in the association, also in money. As used in the second preceding sentence ‘on a patronage basis’ means in the proportion that the amount of interest earned on the loans of each borrower bears to the total interest earned on the loans of all borrowers during the fiscal year.”; and

(b) by adding the following as a separate paragraph at the end of section 23 thereof (12 U.S.C. 1131g) :

“As a further means of providing capital, a production credit association may, upon such terms and conditions as may be provided in its bylaws, require borrowers to invest in an equity reserve in the association. Amounts so invested by each borrower shall be subject to a lien for the indebtedness of the borrower to the association, application on such indebtedness in event of default by the borrower, charges for losses of the association which are in excess of other loss reserves and surplus, and any portion of the amounts so invested which have not been so used and no longer are required for the purposes of the association may be returned to the borrower by revolving or retirement, all as may be provided in said bylaws.”

Approved October 4, 1965.