

Public Law 91-150

AN ACT

To authorize the disposal of certain real property in the Chickamauga and Chattanooga National Military Park, Georgia, under the Federal Property and Administrative Services Act of 1949.

December 22, 1969
[H. R. 9163]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding section 3(d) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 472(d)), the Secretary of the Interior may designate as excess property subject to the retention by the Department of the Interior of a reversionary interest in perpetuity with respect to any portion of such property not utilized for educational purposes under that Act, lot 94 in the ninth district and fourth section of Catoosa County, Georgia, the same consisting of one hundred and sixty acres, more or less, in the Chickamauga battlefield section of the Chickamauga and Chattanooga National Military Park in the State of Georgia, and such lot shall be utilized or disposed of by the Administrator of General Services in accordance with the remaining provisions of such Act.

Chickamauga
and Chattanooga
National Military
Park, Ga.
Real property,
disposal.
72 Stat. 29.

Approved December 22, 1969.

Public Law 91-151

AN ACT

To lower interest rates and fight inflation; to help housing, small business, and employment; to increase the availability of mortgage credit; and for other purposes.

December 23, 1969
[S. 2577]

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

Interest rates
and mortgage
credit controls.
Extension.

TITLE I—AMENDMENTS TO EXISTING ACTS

SECTION 1. Section 7 of the Act of September 21, 1966 (Public Law 89-587; 80 Stat. 823) is amended to read:

“SEC. 7. Effective March 22, 1971:

“(1) So much of section 19(j) of the Federal Reserve Act (12 U.S.C. 371(b)) as precedes the third sentence thereof is amended to read as it would without the amendment made by section 2(c) of this Act.

“(2) The second and third sentences of section 18(g) of the Federal Deposit Insurance Act (12 U.S.C. 1828(g)) are amended to read as they would without the amendment made by section 3 of this Act.

“(3) The last three sentences of section 18(g) of the Federal

82 Stat. 856;
Ante, p. 115.
12 USC 461
note.

Repeal.

Deposit Insurance Act (12 U.S.C. 1828(g)) are repealed.

"(4) Section 5B of the Federal Home Loan Bank Act (12 U.S.C. 1425b) is repealed."

64 Stat. 893.

SEC. 2. (a) Section 18(g) of the Federal Deposit Insurance Act (12 U.S.C. 1828(g)) is amended by adding at the end thereof the following new sentences: "The authority conferred by this subsection shall also apply to noninsured banks in any State if (1) the total amount of time and savings deposits held in all such banks in the State, plus the total amount of deposits, shares, and withdrawable accounts held in all building and loan, savings and loan, and homestead associations (including cooperative banks) in the State which are not members of a Federal home loan bank, is more than 20 per centum of the total amount of such deposits, shares, and withdrawable accounts held in all banks, and building and loan, savings and loan, and homestead associations (including cooperative banks) in the State, and (2) there does not exist under the laws of such State a bank supervisory agency with authority comparable to that conferred by this subsection, including specifically the authority to regulate the rates of interest and dividends paid by such noninsured banks on time and savings deposits, or if such agency exists it has not issued regulations in the exercise of that authority. Such authority shall only be exercised by the Board of Directors with respect to such noninsured banks prior to July 31, 1970, to limit the rates of interest or dividends which such banks may pay on time and savings deposits to maximum rates not lower than 5½ per centum per annum. Whenever it shall appear to the Board of Directors that any noninsured bank or any affiliate thereof is engaged or has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of the provisions of this subsection or of any regulations thereunder, the Board of Directors may, in its discretion, bring an action in the United States district court for the judicial district in which the principal office of the noninsured bank or affiliate thereof is located to enjoin such acts or practices, to enforce compliance with this subsection or any regulations thereunder, or for a combination of the foregoing, and such courts shall have jurisdiction of such actions, and, upon a proper showing, an injunction, restraining order, or other appropriate order may be granted without bond."

Rate ceilings,
savings and
loan associations.
80 Stat. 824;
82 Stat. 856.
Supra.

(b) Section 5B of the Federal Home Loan Bank Act (12 U.S.C. 1425b) is amended to read as follows:

"SEC. 5B. (a) The Board may from time to time, after consulting with the Board of Governors of the Federal Reserve System and the Board of Directors of the Federal Deposit Insurance Corporation, prescribe rules governing the payment and advertisement of interest or dividends on deposits, shares, or withdrawable accounts, including limitations on the rates of interest or dividends on deposits, shares, or withdrawable accounts that may be paid by members, other than those the deposits of which are insured in accordance with the provisions of the Federal Deposit Insurance Act, by institutions which are insured

64 Stat. 873.
12 USC 1811
note.

institutions as defined in section 401(a) of the National Housing Act, and by nonmember building and loan, savings and loan, and homestead associations, and cooperative banks. The Board may prescribe different rate limitations for different classes of deposits, shares, or withdrawable accounts, for deposits, shares, or withdrawable accounts of different amounts or with different maturities or subject to different conditions regarding withdrawal or repayment, according to the nature or location of such members, institutions, or nonmembers or their depositors, shareholders or withdrawable account holders, or according to such other reasonable bases as the Board may deem desirable in the public interest. The authority conferred by this subsection shall apply to nonmember building and loan, savings and loan, and homestead associations, and cooperative banks in any State if (1) the total amount of deposits, shares, and withdrawable accounts held in all such nonmember associations and banks in the State, plus the total amount of time and savings deposits held in all banks in the State which are not insured by the Federal Deposit Insurance Corporation, is more than 20 per centum of the total amount of such deposits, shares, and withdrawable accounts held in all banks, and building and loan, savings and loan, and homestead associations (including cooperative banks) in the State, and (2) there does not exist under the laws of such State a bank supervisory agency with authority comparable to that conferred by the first two sentences of this subsection, including specifically the authority to regulate the rates of interest and dividends paid by any such association or bank on deposits, shares, or withdrawable accounts, or if such agency exists it has not issued regulations in the exercise of that authority. Such authority shall only be exercised by the Board with respect to such nonmember associations and banks prior to July 31, 1970, to limit the rates of interest or dividends which such associations or banks may pay on deposits, shares, or withdrawable accounts to maximum rates not lower than $5\frac{1}{2}$ per centum per annum.

48 Stat. 1255;
80 Stat. 1055.
12 USC 1724.

“(b) In addition to any other penalty provided by this or any other law, any institution subject to this section which violates a rule promulgated pursuant to this section shall be subject to such civil penalties, which shall not exceed \$100 for each violation, as may be prescribed by said Board by rule and such rule may provide with respect to any or all such violations that each day on which the violation continues shall constitute a separate violation. The Board may recover any such civil penalty for its own use, through action or otherwise, including recovery thereof in any other action or proceeding under this section. The Board may, at any time before collection of any such penalty, whether before or after the bringing of an action or other legal proceeding, the obtaining of any judgment or other recovery, or the issuance or levy of any execution or other legal process therefor, and with or without consideration, compromise, remit, or mitigate in whole or in part any such penalty or any such recovery.

Penalty.

"(c) Whenever it shall appear to the Board that any nonmember institution is engaged or has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of the provisions of this section or of any regulations thereunder, the Board may, in its discretion, bring an action in the United States district court for the judicial district in which the principal office of the institution is located to enjoin such acts or practices, to enforce compliance with this section or any regulations thereunder, or for a combination of the foregoing, and such courts shall have jurisdiction of such actions, and, upon a proper showing, an injunction, restraining order, or other appropriate order may be granted without bond.

Expenses.

"(d) All expenses of the Board under this section shall be considered as nonadministrative expenses."

64 Stat. 258.
12 USC 1431.

SEC. 3. Section 11(i) of the Federal Home Loan Bank Act (12 U.S.C. 1431(i)) is amended—

(1) by striking out "\$1,000,000,000" and inserting in lieu thereof "\$4,000,000,000";

(2) by striking out the last sentence thereof and inserting in lieu thereof the following: "Each purchase of obligations by the Secretary of the Treasury under this subsection shall be upon terms and conditions as shall be determined by the Secretary of the Treasury and shall bear such rate of interest as may be determined by the Secretary of the Treasury taking into consideration the current average market yield for the month preceding the month of such purchase on outstanding marketable obligations of the United States."; and

(3) by adding at the end thereof a new paragraph as follows:

"The authority provided in this subsection shall be used by the Secretary of the Treasury, when alternative means cannot effectively be employed, to permit members of the Home Loan Bank System to continue to supply reasonable amounts of funds to the mortgage market whenever the ability to supply such funds is substantially impaired during periods of monetary stringency and rapidly rising interest rates and any funds so borrowed shall be repaid by the Home Loan Bank Board at the earliest practicable date."

80 Stat. 823.

SEC. 4. (a) Section 19(a) of the Federal Reserve Act (12 U.S.C. 461) is amended by inserting after the word "interest," the following: "to determine what types of obligations, whether issued directly by a member bank or indirectly by an affiliate of a member bank or by other means, shall be deemed a deposit,".

64 Stat. 893.

(b) (1) The fourth sentence of section 18(g) of the Federal Deposit Insurance Act (12 U.S.C. 1828(g)) is amended to read as follows: "The Board of Directors is authorized for the purposes of this subsection to define the terms 'time deposits' and 'savings deposits', to determine what shall be deemed a payment of interest, and to prescribe such regulations as it may deem necessary to effectuate the purposes of this subsection and to prevent evasions thereof."

(2) Section 18(g) of such Act is further amended by inserting after the fifth sentence the following: "The provisions of this subsection and of regulations issued thereunder shall also apply, in the discretion of the Board of Directors, to obligations other than deposits that are undertaken by insured nonmember banks or their affiliates for the purpose of obtaining funds to be used in the banking business. As used in this subsection, the term 'affiliate' has the same meaning as when used in section 2(b) of the Banking Act of 1933, as amended (12 U.S.C. 221a(b)), except that the term 'member bank', as used in such section 2(b), shall be deemed to refer to an insured nonmember bank."

48 Stat. 162;
80 Stat. 242.

(c) The first sentence of section 18(g) of the Federal Deposit Insurance Act (12 U.S.C. 1828(g)) is amended by inserting "or dividends" after "interest".

64 Stat. 893.

SEC. 5. Section 19(b) of the Federal Reserve Act (12 U.S.C. 461) is amended by adding at the end thereof a new sentence as follows: "The Board may, however, prescribe any reserve ratio, not more than 22 per centum, with respect to any indebtedness of a member bank that arises out of a transaction in the ordinary course of its banking business with respect to either funds received or credit extended by such bank to a bank organized under the law of a foreign country or a dependency or insular possession of the United States."

80 Stat. 823.

SEC. 6. (a) Effective as of the close of December 31, 1969, section 404 of the National Housing Act is amended

Effective
date.
48 Stat. 1258;
75 Stat. 483.
12 USC 1727.

(1) by striking out "plus any creditor obligations of such institution" in subsection (b)(1), and the amendment made by this subdivision (1) shall be applicable also to any then unexpired portion of any then current premium year under subsection (b)(1).

(2) by striking out "and creditor obligations" in subsection (b)(2).

(3) by striking out "and its creditor obligations" in subsection (c).

(4) by striking out "and creditor obligations" each place it appears in subsection (g). The condition in the first sentence of that subsection shall be deemed to be met as of the close of December 31, 1969. The words "such year" in that sentence shall be deemed to include also the year beginning January 1, 1970.

(b) The Federal Savings and Loan Insurance Corporation is authorized by regulation or otherwise

(1) to make such provisions as it may deem advisable with respect to the order in which and the extent to which the components of a pro rata share of its secondary reserve shall be applied or be deemed to have been applied in the case of a reduction of such share through a use under the second sentence of section 404(e) of the National Housing Act or the first sentence of section 404(g), a transfer of part of such share under the third sentence of section 404(e), or otherwise.

(2) to take such action, including without limitation such adjustments and refunds and such deferrals of premium payments and other payments, as it may determine to be necessary or appropriate for or in connection with the implementation of this section or other legislation amending or supplementing said section 404.

SEC. 7. (a) The following provisions of the Federal Deposit Insurance Act are amended by changing "\$15,000", each place it appears therein, to read "\$20,000":

64 Stat. 873.
12 USC 1811
note.
80 Stat. 1055.

(1) The first sentence of section 3(m) (12 U.S.C. 1813(m)).

(2) The first sentence of section 7(i) (12 U.S.C. 1817(i)).

(3) The last sentence of section 11(a) (12 U.S.C. 1821(a)).

(4) The fifth sentence of section 11(i) (12 U.S.C. 1821(i)).

(b) The amendments made by this section are not applicable to any claim arising out of the closing of a bank prior to the date of enactment of this Act.

SEC. 8. (a) The following provisions of title IV of the National Housing Act are amended by changing "\$15,000", each place it appears therein, to read "\$20,000":

(1) Section 401(b) (12 U.S.C. 1724(b)).

(2) Section 405(a) (12 U.S.C. 1728(a)).

48 Stat. 1255;
81 Stat. 611.
12 USC 1724-
1730e.
80 Stat. 1055.

(b) The amendments made by this section are not applicable to any claim arising out of a default, as defined in section 401(d) of the National Housing Act, where the appointment of a conservator, receiver, or other legal custodian as set forth in that section becomes effective prior to the date of enactment of this Act.

SEC. 9. (a) Section 708(b) of the Defense Production Act of 1950 (50 U.S.C. 2158(b)) is amended by striking out everything after "United States", the first time it appears, and inserting a period in lieu thereof.

(b) Section 708(f) of that Act (50 U.S.C. 2158(f)) is repealed.

TITLE II—AUTHORITY FOR CREDIT CONTROL

Sec. 201. Short title

This title may be cited as the Credit Control Act.

Sec. 202. Definitions and rules of construction

(a) The definitions and rules of construction set forth in this section apply to the provisions of this title.

(b) The term "Board" refers to the Board of Governors of the Federal Reserve System.

(c) The term "organization" means a corporation, government or governmental subdivision or agency, trust, estate, partnership, cooperative, or association.

(d) The term "person" means a natural person or an organization.

(e) The term "credit" means the right granted by a creditor to a debtor to defer payment of debt or to incur debt and defer its payment.

(f) The term "creditor" refers to any person who extends, or arranges for the extension of, credit, whether in connection with a loan, a sale of property or services, or otherwise.

(g) The term "credit sale" refers to any sale with respect to which credit is extended or arranged by the seller. The term includes any rental-purchase contract and any contract or arrangement for the bailing or leasing of property when used as a financing device.

(h) The terms "extension of credit" and "credit transaction" include loans, credit sales, the supplying of funds through the underwriting, distribution, or acquisition of securities, the making or assisting in the making of a direct placement, or otherwise participating in the offering, distribution, or acquisition of securities.

(i) The term "borrower" includes any person to whom credit is extended.

(j) The term "loan" includes any type of credit, including credit extended in connection with a credit sale.

(k) The term "State" refers to any State, the Commonwealth of Puerto Rico, the District of Columbia, and any territory or possession of the United States.

(l) Any reference to any requirement imposed under this title of any provision thereof includes reference to the regulations of the Board under this title or the provision thereof in question.

Sec. 203. Regulations

The Board shall prescribe regulations to carry out the purposes of this title. These regulations may contain such classifications, differentiations, or other provisions, and may provide for such adjustments and exceptions for any class of transactions, as in the judgment of the Board are necessary or proper to effectuate the purposes of this title, to prevent circumvention or evasion thereof, or to facilitate compliance therewith.

48 Stat. 1256.
12 USC 1724.

64 Stat. 818;
69 Stat. 581.
50 USC app.
2158.

Repeal.
66 Stat. 305.
50 USC app.
2158.

Sec. 204. Determination of interest charge

Except as otherwise provided by the Board, the amount of the interest charge in connection with any credit transaction shall be determined under the regulations of the Board as the sum of all charges payable directly or indirectly to the person by whom the credit is extended in consideration of the extension of credit.

Sec. 205. Authority for institution of credit controls

(a) Whenever the President determines that such action is necessary or appropriate for the purpose of preventing or controlling inflation generated by the extension of credit in an excessive volume, the President may authorize the Board to regulate and control any or all extensions of credit.

(b) The Board may, in administering this Act, utilize the services of the Federal Reserve banks and any other agencies, Federal or State, which are available and appropriate.

Sec. 206. Extent of control

The Board, upon being authorized by the President under section 205 and for such period of time as he may determine, may by regulation

(1) require transactions or persons or classes of either to be registered or licensed.

(2) prescribe appropriate limitations, terms, and conditions for any such registration or license.

(3) provide for suspension of any such registration or license for violation of any provision thereof or of any regulation, rule, or order prescribed under this Act.

(4) prescribe appropriate requirements as to the keeping of records and as to the form, contents, or substantive provisions of contracts, liens, or any relevant documents.

(5) prohibit solicitations by creditors which would encourage evasion or avoidance of the requirements of any regulation, license, or registration under this Act.

(6) prescribe the maximum amount of credit which may be extended on, or in connection with, any loan, purchase, or other extension of credit.

(7) prescribe the maximum rate of interest, maximum maturity, minimum periodic payment, maximum period between payments, and any other specification or limitation of the terms and conditions of any extension of credit.

(8) prescribe the methods of determining purchase prices or market values or other bases for computing permissible extensions of credit or required downpayment.

(9) prescribe special or different terms, conditions, or exemptions with respect to new or used goods, minimum original cash payments, temporary credits which are merely incidental to cash purchases, payment or deposits usable to liquidate credits, and other adjustments or special situations.

(10) prescribe maximum ratios, applicable to any class of either creditors or borrowers or both, of loans of one or more types or of all types

(A) to deposits of one or more types or of all types.

(B) to assets of one or more types or of all types.

(11) prohibit or limit any extensions of credit under any circumstances the Board deems appropriate.

Sec. 207. Reports

Reports concerning the kinds, amounts, and characteristics of any extensions of credit subject to this title, or concerning circumstances related to such extensions of credit, shall be filed on such forms, under oath or otherwise, at such times and from time to time, and by such persons, as the Board may prescribe by regulation or order as necessary or appropriate for enabling the Board to perform its functions under this title. The Board may require any person to furnish, under oath or otherwise, complete information relative to any transaction within the scope of this title including the production of any books of account, contracts, letters, or other papers, in connection therewith in the custody or control of such person.

Sec. 208. Injunctions

Whenever it appears to the Board that any person has engaged, is engaged, or is about to engage in any acts or practices constituting a violation of any regulation under this title, it may in its discretion bring an action, in the proper district court of the United States or the proper United States court of any territory or other place subject to the jurisdiction of the United States, to enjoin such acts or practices, and upon a proper showing a permanent or temporary injunction or restraining order shall be granted without bond. Upon application of the Board, any such court may also issue mandatory injunctions commanding any person to comply with any regulation of the Board under this title.

Sec. 209. Civil penalties

(a) For each willful violation of any regulation under this title, the Board may assess upon any person to which the regulation applies, and upon any partner, director, officer, or employee thereof who willfully participates in the violation, a civil penalty not exceeding \$1,000.

(b) In the event of the failure of any person to pay any penalty assessed under this section, a civil action for the recovery thereof may, in the discretion of the Board, be brought in the name of the United States.

Sec. 210. Criminal penalty

Whoever willfully violates any regulation under this title shall be fined not more than \$1,000 or imprisoned not more than one year, or both.

TITLE III—SMALL BUSINESS ADMINISTRATION ACTIVITY

SEC. 301. The Small Business Administration shall promptly increase the level of its financing functions utilizing the business loan and investment fund established under section 4(c) (1) (B) of the Small Business Act (15 U.S.C. 633(c) (1) (B)) by \$70,000,000 above the level prevailing at the time of enactment of this Act. The Small Business Administration shall submit to Congress a monthly report of its implementation of this section.

Approved December 23, 1969.