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LEGISLATIVE PROGRAM FOR FARM CREDIT ADMINISTRATION

Extend until February 1, 1940 the time for making Land Bank Commissioner loans; remove present limitation (\$600,000,000) on amount of bonds of Federal Farm Mortgage Corporation that may be used for such loans; authorize them to be made for the purpose of farms and the construction of farm buildings; and permit them to be made (at borrower's option) in consolidated farm loan bonds.

Require each quarterly interest-reimbursement payment made by the Treasury to a Federal land bank after 1934 to be reduced by the amount of savings in interest payable by such bank effected through the refinancing of bonds after June 30, 1934.

Authorize borrowings and similar credit transactions between Federal intermediate credit banks and banks for cooperatives.

Broaden market for Federal intermediate credit bank debentures by making them legal investments and security for public funds, and by authorizing issue of consolidated debentures.

Authorize flexibility in interest and discount rates of Federal intermediate credit banks, subject to Farm Credit Administration approval.

Permit loans to be made to eligible farmers' cooperative associations for all classes of physical facilities, such loans to be limited in each case to 60 per cent of the value of the security.

Permit lower interest rates and relaxation of capital stock subscription requirements in the making of commodity loans by banks for cooperatives.

Broaden classes of eligible cooperatives to include those furnishing farm business services (e.g., fire insurance).

Permit the banks for cooperatives and production credit corporations to participate, with the Federal land banks and Federal intermediate credit banks, in the payment of salaries to joint employees (e.g., General Agents) at rates exceeding \$10,000 per annum.

Extend for two years the period during which the Land Bank Commissioner can make loans to assist in the orderly liquidation of joint stock land banks and to secure the postponement of foreclosure of their mortgages for certain classes of defaults.

By a separate measure, permit foreclosure, under certain limitations, of Federal land bank mortgages where Puerto Rican Hurricane Relief Commission holds junior liens.

In addition to the above, there are several desirable minor amendments which are primarily of an administrative or regulatory character (e.g., control over the declaration of dividends by national farm loan associations; authority for executive departments and governmental agencies to furnish Federal intermediate credit banks, on request of the Governor, confidential information concerning institutions with which they deal; and authority for a bank for cooperatives to permit an association to retain its stock in such bank after repayment of its loan).