

with 8 in figures

**FEDERAL RESERVE BANK
OF NEW YORK**

**Credit and Discount
Department**

**Circular No. 757
December 21, 1926**

**REDISCOUNT OF NOTES SECURED BY ADJUSTED SERVICE
CERTIFICATES**

To all Incorporated Banks in the Second Federal Reserve District:

Under the provisions of the World War Adjusted Compensation Act, adjusted service certificates shall be dated as of the 1st day of the month in which the applications for such certificates are filed, but in no case before January 1, 1925. Banks are authorized to make loans on the security of such adjusted service certificates, *but not before the expiration of two years after the date of the certificate.*

Only the veteran named in the certificate can lawfully obtain a loan on his adjusted service certificate and neither the beneficiary nor any other person than the veteran has any rights in this respect.

LOANS ON ADJUSTED SERVICE CERTIFICATES

Any national bank or any bank or trust company incorporated under the laws of any State, territory, possession or the District of Columbia, hereinafter referred to as any "bank", is authorized to loan to any veteran upon his promissory note secured by his adjusted service certificate, (with or without the consent of the beneficiary thereof) any amount not in excess of the loan value of the certificate at the date the loan is made. Each certificate contains on its face a table for determining the loan value of the certificate.

The United States Veterans' Bureau has prepared a form of note for use in this connection and is printing a supply of such forms for distribution to the banks. The regulations of the Bureau provide that the form of notes used in making loans secured by adjusted service certificates should substantially follow the form prepared by the Bureau. The official form provided by the Bureau should, therefore, be used whenever possible. When it is not possible to use this form the bank should use a form substantially the same as that provided by the Veterans' Bureau, a sample copy of which is enclosed herewith.

Any bank making a loan on an adjusted service certificate is required by the regulations of the United States Veterans' Bureau promptly to notify the Bureau of the name of the veteran, the A— number shown immediately after the name, the number of the certificate and the amount and date of the loan.

Any bank holding a note secured by an adjusted service certificate may sell the note to any bank authorized to make a loan to a veteran and deliver the certificate to such bank.

In case a note secured by an adjusted service certificate is sold, discounted or rediscounted, the bank making the transfer is required by law to notify the veteran promptly by mail at his last known post-office address.

No adjusted service certificate is negotiable or assignable, or may serve as security for a loan, except as provided in Section 502 of the World War Adjusted Compensation Act, which is printed on the face of each adjusted service certificate. *Any negotiation, assignment or loan not made in accordance with the provisions of Section 502 of the World War Adjusted Compensation Act is void.*

The law provides that the rate of interest which a bank may charge upon such loan shall not exceed by more than 2% per annum the rate charged at the date of the loan for the discount of 90-day commercial paper under Section 13 of the Federal Reserve Act by the Federal Reserve Bank of the district in which the lending bank is located, (*see footnote). The regulations of the United States Veterans' Bureau provide that, where a loan is made by a bank located in a territory or possession

***The Veterans' Bureau states that lending banks should not deduct interest in advance. Also that the form for demand for payment printed on the back of certificates should not be filled out by the borrower or by any bank, as this is for use of the beneficiary in case of death of veteran.**

not embraced in any Federal Reserve District, the rate of interest charged shall not exceed the legal rate in such territory or possession; provided, however, that the interest charged on loans made outside the continental limits of the United States by a branch of a bank whose head office is in a Federal Reserve District will be governed by the discount rate on 90-day commercial paper in effect at the Federal Reserve Bank of the district in which the parent bank is located. No charge, other than the interest allowed by law, may be made by the lending bank; since the act provides, under penalty, that such bank shall not charge or collect, or attempt to charge or collect, directly or indirectly, any fee or other compensation in respect of any loan made upon the security of an adjusted service certificate except the interest authorized by law. Any violation of this provision will make the loan void.

The Director of the United States Veterans' Bureau cannot lawfully make payment on any note secured by an adjusted service certificate, unless the note when presented to him is accompanied by an affidavit made by an officer of the bank which made the loan, before a Notary Public or other officer designated for the purpose by regulation of the Director of the Veterans' Bureau, stating that such bank has not charged or collected, or attempted to charge or collect directly or indirectly, any fee or other compensation in respect of *any loan* made upon the security of an adjusted service certificate by the bank to a veteran, except the interest authorized by law.

The Regulations of the United States Veterans' Bureau also require that such affidavit shall state:

- (1) That the person who obtained the loan evidenced by such note is known to be the veteran named in the adjusted service certificate securing such note;
- (2) That the lending bank has notified the United States Veterans' Bureau that it has made a loan to the veteran named in the certificate; and
- (3) That the bank has notified the veteran by mail at his last known post-office address of any sale, discount, or rediscount of such note.

The Regulations of the United States Veterans' Bureau also provide that in case the note was resold or rediscounted by any bank other than the lending bank, affidavit shall be made by a duly authorized officer of such bank that proper notice of such resale or rediscount was promptly mailed to the veteran at his last known address.

There is printed on the same piece of paper as the form of note prepared by the Veterans' Bureau two forms of affidavits covering the above requirements; and the Regulations of the Veterans' Bureau provide that the proper execution of the appropriate affidavit on such form will be considered as a compliance with the requirements of the Veterans' Bureau with respect to affidavits.

REDEMPTION OF CERTIFICATES BY THE DIRECTOR OF THE VETERANS' BUREAU

If the veteran does not pay the loan at its maturity, the bank holding the note and adjusted service certificate may at any time after the maturity of the loan, *but not before the expiration of six months after the loan was made*, present them to the Director of the Veterans' Bureau. The Director may in his discretion accept the certificate and note and pay the bank in full satisfaction of its claim, the amount of the unpaid principal due it, and the unpaid interest accrued at the rate fixed in the note, up to the date of the check issued to the bank.

The Regulations of the Veterans' Bureau state that it will be the policy of the Bureau to redeem all loans made in accordance with the law and regulations made pursuant thereto, when such loans are made in good faith to the veteran to whom the certificate was issued, except that where the note is held by a bank for a period in excess of six months after the date of maturity, the discretion authorized by law may be invoked and redemption refused.

If the veteran dies before the maturity of the loan, the amount of unpaid principal and unpaid interest accrued up to the date of his death immediately becomes due and payable. In such case, or if the veteran dies on the date the loan matures or within six months thereafter, the bank holding the note and the certificate shall, upon notice of the death of the veteran, present them to the Director of the Veterans' Bureau, who *shall* thereupon pay the bank in full satisfaction of its claim the amount of the unpaid principal and unpaid interest at the rate fixed in the note accrued up to the date of the check issued to the bank; except that if, prior to the payment, the bank is notified by the Director of the death of the veteran and fails to present the certificate and note to the Director within 15 days after such notice, interest shall be paid only up to the 15th day after such notice.

If the veteran has not died before the maturity of the *certificate* and has failed to pay his note to the bank holding the note and certificate, such bank at the maturity of the certificate must present the note and certificate to the Director of the Veterans' Bureau, who is thereupon required by law to pay to the bank in full satisfaction of its claim the amount of the unpaid principal and unpaid interest at the rate fixed in the note accrued up to the date of the maturity of the certificate.

REDISCOUNTS WITH FEDERAL RESERVE BANKS

Upon the indorsement of any bank, which shall be deemed a waiver of demand, notice and protest by such bank as to its own indorsement exclusively, and subject to regulations to be prescribed by the Federal Reserve Board, any such note secured by an adjusted service certificate and held by a bank is made eligible for discount or rediscount by the Federal Reserve Bank of the Federal Reserve District in which such bank is located, whether or not the bank offering the note for discount or rediscount is a member of the Federal Reserve System and whether or not it acquired the note in the first instance from the veteran or acquired it by transfer upon the indorsement of any other bank; provided that at the time of discount or rediscount such note has a maturity not in excess of nine months, exclusive of days of grace, and complies in all other respects with the provisions of the law, the regulations of the United States Veterans' Bureau, and the regulations of the Federal Reserve Board.

ELIGIBILITY FOR REDISCOUNT

In order to be eligible for rediscount at a Federal Reserve Bank, any such note must:

1. Arise out of a loan made by a bank to a veteran in full compliance with the provisions of the World War Adjusted Compensation Act and the regulations of the United States Veterans' Bureau;
2. Be secured by the adjusted service certificate issued to the maker, which certificate must accompany the note;
3. Be held by the offering bank in its own right at the time it is offered for rediscount;
4. Be negotiable in form and otherwise in the form approved by the United States Veterans' Bureau;
5. Have a maturity at the time of rediscount not in excess of nine months, exclusive of days of grace;
6. Evidence a loan the amount of which does not exceed the loan value of the adjusted service certificate for the year in which such loan was made;
7. Be payable with interest accruing after the date of the note at a rate stated in the face of the note, which rate shall not exceed by more than 2 per cent per annum the rate charged at the date of the loan for the discount of 90-day commercial paper by the Federal Reserve Bank of the Federal Reserve District in which the lending bank is located;
8. Bear the endorsement of the bank offering it for rediscount, which endorsement shall be deemed a waiver of demand, notice and protest by such bank as to its own endorsement exclusively;
9. Be accompanied by the evidence of eligibility required by the Regulations of the Federal Reserve Board and by such other evidence of eligibility as the Federal Reserve Bank may require;
10. Be accompanied by such affidavits and other evidence as would be required by the Veterans' Bureau in the event the Federal Reserve Bank should apply to the Veterans' Bureau for payment of the note; and
11. Comply in all other respects with the requirements of the law and of the regulations of the Federal Reserve Board.

INELIGIBILITY AS COLLATERAL TO A BANK'S OWN NOTE

Neither a member bank nor a non-member bank may borrow from a Federal Reserve Bank on its own promissory note secured by notes of veterans in turn secured by adjusted service certificates; because neither the Federal Reserve Act nor the the World War Adjusted Compensation Act authorizes the Federal Reserve Banks to make such loans. That provision of Section 13 of the Federal Reserve Act which authorizes Federal Reserve Banks to make loans to member banks for periods not in excess of 15 days on the promissory notes of such member banks requires that such notes must be secured by paper eligible for rediscount or for purchase by Federal Reserve Banks *under the provisions of the Federal Reserve Act* or by bonds or notes of the United States. Section 502 of the World War Adjusted Compensation Act which authorizes Federal Reserve Banks to rediscount notes secured by adjusted service certificates is not made a part of the Federal Reserve Act.

METHOD AND TERMS OF REDISCOUNT

Prior to the rediscount of any paper a certified copy of a resolution passed by the board of directors of the offering bank with the Seal of the bank affixed, authorizing the proper officials to rediscount, must be filed with the Federal Reserve Bank. It will not be necessary for member banks which have filed such a resolution in connection with rediscounts to file any additional resolution in connection with notes secured by adjusted service certificates.

Before rediscounting any such notes for any non-member bank, this bank will require such non-member bank to furnish to it such information as this bank may consider necessary in order to satisfy itself as to the condition of such bank and the advisability of making rediscounts for it. Blank applications for rediscount will be supplied by this bank upon request.

All such notes offered for rediscount should be listed on the application form provided and the application signed by a duly authorized officer. Full information must be furnished as provided on the form.

Upon acceptance for rediscount by the Federal Reserve Bank the proceeds of such notes will be credited to the reserve account of the bank, in the case of a member bank, and, in the case of a non-member bank, the Federal Reserve Bank will remit by check or, upon request, will credit the account of a designated member bank located in this Federal Reserve District for the use and credit of the non-member.

The rate of discount deducted by this bank will be the same as that deducted by it in rediscounting 90 day notes issued for commercial purposes.

COLLECTION OF REDISCOUNTED NOTES AT MATURITY

In the case member banks, the usual procedure will be to forward for collection all notes secured by adjusted service certificates to the banks discounting such notes, several days in advance of their maturity. Such notes will be charged to the member bank's account when due without notice, it being assumed that on the maturity date the member bank will provide funds in excess of its required reserve to meet the notes.

In the case of non-member banks, notice of approaching maturity will be forwarded to the discounting banks approximately ten days in advance of the maturity of each note, and the discounting banks will be required to place funds in the hands of the Federal Reserve Bank to pay them, which funds must be available on the date of maturity of the notes.

FURTHER INFORMATION ENCLOSED

For your information there are enclosed the following:

1. The World War Adjusted Compensation Act. Sections 501, 502 and 504 deserve the special attention of banks which contemplate making loans on the security of adjusted service certificates.
2. The Act of July 3, 1926, amending the World War Adjusted Compensation Act. Section 4 (a) and Section 503 as amended by this Act deserve special attention.
3. The Regulations of the Veterans' Bureau with respect to loans on adjusted service certificates.
4. The Regulations of the Federal Reserve Board with respect to the rediscount of notes secured by adjusted service certificates.
5. A sample copy of the form of note and affidavits, approved by the United States Veterans' Bureau. A supply of these forms will be provided by the Veterans' Bureau and any incorporated bank may obtain a supply from the United States Veterans' Bureau, Washington, D. C., or from this bank, upon request.
6. A proposed form of resolution to be adopted by non-member banks authorizing the endorsement and rediscount of such notes.
7. Copy of form of application to this Federal Reserve Bank for rediscount of such notes. Additional copies of this form will be supplied by this bank, upon request.

Very truly yours,

BENJ. STRONG,

Governor.

[PUBLIC—No. 120—68TH CONGRESS.]

[H. R. 7959.]

An Act To provide adjusted compensation for veterans of the World War, and for other purposes.

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

TITLE I.—DEFINITIONS.

SECTION 1. This Act may be cited as the "World War Adjusted Compensation Act."

SEC. 2. As used in this Act—

(a) The term "veteran" includes any individual, a member of the military or naval forces of the United States at any time after April 5, 1917, and before November 12, 1918; but does not include (1) any individual at any time during such period or thereafter separated from such forces under other than honorable conditions, (2) any conscientious objector who performed no military duty whatever or refused to wear the uniform, or (3) any alien at any time during such period or thereafter discharged from the military or naval forces on account of his alienage;

(b) The term "oversea service" means service on shore in Europe or Asia, exclusive of China, Japan, and the Philippine Islands; and service afloat, not on receiving ships; including in either case the period from the date of embarkation for such service to the date of disembarkation on return from such service, both dates inclusive;

(c) The term "home service" means all service not oversea service;

(d) The term "adjusted service credit" means the amount of the credit computed under the provisions of Title II; and

(e) The term "person" includes a partnership, corporation, or association, as well as an individual.

TITLE II.—ADJUSTED SERVICE CREDIT.

SEC. 201. The amount of adjusted service credit shall be computed by allowing the following sums for each day of active service, in excess of sixty days, in the military or naval forces of the United States after April 5, 1917, and before July 1, 1919, as shown by the service or other record of the veteran: \$1.25 for each day of oversea service, and \$1 for each day of home service; but the amount of the credit of a veteran who performed no oversea service shall not exceed \$500, and the amount of the credit of a veteran who performed any oversea service shall not exceed \$625.

SEC. 202. In computing the adjusted service credit no allowance shall be made to—

(a) Any commissioned officer above the grade of captain in the Army or Marine Corps, lieutenant in the Navy, first lieutenant or

first lieutenant of engineers in the Coast Guard, or passed assistant surgeon in the Public Health Service, or having the pay and allowances, if not the rank, of any officer superior in rank to any of such grades—in each case for the period of service as such;

(b) Any individual holding a permanent or provisional commission or permanent or acting warrant in any branch of the military or naval forces, or (while holding such commission or warrant) serving under a temporary commission in a higher grade—in each case for the period of service under such commission or warrant or in such higher grade after the accrual of the right to pay thereunder. This subdivision shall not apply to any noncommissioned officer;

(c) Any civilian officer or employee of any branch of the military or naval forces, contract surgeon, cadet of the United States Military Academy, midshipman, cadet or cadet engineer of the Coast Guard, member of the Reserve Officers' Training Corps, member of the Students' Army Training Corps (except an enlisted man detailed thereto), Philippine Scout, member of the Philippine Guard, member of the Philippine Constabulary, member of the National Guard of Hawaii, member of the insular force of the Navy, member of the Samoan native guard and band of the Navy, or Indian Scout—in each case for the period of service as such;

(d) Any individual entering the military or naval forces after November 11, 1918—for any period after such entrance;

(e) Any commissioned or warrant officer performing home service not with troops and receiving commutation of quarters or of subsistence—for the period of such service;

(f) Any member of the Public Health Service—for any period during which he was not detailed for duty with the Army or the Navy;

(g) Any individual granted a farm or industrial furlough—for the period of such furlough;

(h) Any individual detailed for work on roads or other construction or repair work—for the period during which his pay was equalized to conform to the compensation paid to civilian employees in the same or like employment, pursuant to the provisions of section 9 of the Act entitled "An Act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1920, and for other purposes," approved February 28, 1919; or

(i) Any individual who was discharged or otherwise released from the draft—for the period of service terminating with such discharge or release.

SEC. 203. (a) The periods referred to in subdivision (e) of section 202 may be included in the case of any individual if and to the extent that the Secretary of War and the Secretary of the Navy jointly find that such service subjected such individual to exceptional hazard. A full statement of all action under this subdivision shall be included in the reports of the Secretary of War and the Secretary of the Navy required by section 307.

(b) In computing the credit to any veteran under this title effect shall be given to all subdivisions of section 202 which are applicable.

(c) If part of the service is oversea service and part is home service, the home service shall first be used in computing the sixty days' period referred to in section 201.

(d) For the purpose of computing the sixty days' period referred to in section 201, any period of service after April 5, 1917, and before July 1, 1919, in the military or naval forces in any capacity may be included, notwithstanding allowance of credit for such period, or a part thereof, is prohibited under the provisions of section 202, except that the periods referred to in subdivisions (b), (c), and (d) of that section shall not be included.

(e) For the purposes of section 201, in the case of members of the National Guard or of the National Guard Reserve called into service by the proclamation of the President dated July 3, 1917, the time of service between the date of call into the service as specified in such proclamation and August 5, 1917, both dates inclusive, shall be deemed to be active service in the military or naval forces of the United States.

TITLE III.—GENERAL PROVISIONS.

BENEFITS GRANTED VETERANS.

SEC. 301. Each veteran shall be entitled:

(1) To receive "adjusted service pay" as provided in Title IV, if the amount of his adjusted service credit is \$50 or less;

(2) To receive an "adjusted service certificate" as provided in Title V, if the amount of his adjusted service credit is more than \$50.

APPLICATION BY VETERAN.

SEC. 302. (a) A veteran may receive the benefits to which he is entitled by filing an application claiming the benefits of this Act with the Secretary of War, if he is serving in, or his last service was with, the military forces; or with the Secretary of the Navy, if he is serving in, or his last service was with, the naval forces.

(b) Such application shall be made on or before January 1, 1928, and if not made on or before such date shall be held void.

(c) An application shall be made (1) personally by the veteran, or (2) in case physical or mental incapacity prevents the making of a personal application, then by such representative of the veteran and in such manner as the Secretary of War and the Secretary of the Navy shall jointly by regulation prescribe. An application made by a representative other than one authorized by any such regulation shall be held void.

(d) The Secretary of War and the Secretary of the Navy shall jointly make any regulations necessary to the efficient administration of the provisions of this section.

TRANSMITTAL OF APPLICATION.

SEC. 303. (a) As soon as practicable after the receipt of a valid application the Secretary of War or the Secretary of the Navy, as the case may be, shall transmit to the Director of the United States

Veterans' Bureau (hereinafter in this Act referred to as the "Director") the application and a certificate setting forth—

- (1) That the applicant is a veteran;
- (2) His name and address;
- (3) The date and place of his birth; and
- (4) The amount of his adjusted service credit together with the facts of record in his department upon which such above conclusions are based.

(b) Upon receipt of such certificate the Director shall proceed to extend to the veteran the benefits provided for in Title IV or V.

PUBLICITY.

SEC. 304. (a) The Director shall, as soon as practicable after the enactment of this Act, prepare and publish a pamphlet or pamphlets containing a digest and explanation of the provisions of this Act; and shall from time to time thereafter prepare and publish such additional or supplementary information as may be found necessary.

(b) The publications provided for in subdivision (a) shall be distributed in such manner as the Director may determine to be most effective to inform veterans and their dependents of their rights under this Act.

STATISTICS.

SEC. 305. Immediately upon the enactment of this Act the Secretary of War and the Secretary of the Navy shall ascertain the individuals who are veterans as defined in section 2, and, as to each veteran, the number of days of oversea service and of home service, as defined in section 2, for which he is entitled to receive adjusted service credit, and their findings shall not be subject to review by the General Accounting Office, and payments made by disbursing officers of the United States Veterans' Bureau made in accordance with such findings shall be passed to their credit.

ADMINISTRATIVE REGULATIONS.

SEC. 306. Any officer charged with any function under this Act shall make such regulations, not inconsistent with this Act, as may be necessary to the efficient administration of such function.

REPORTS.

SEC. 307. Any officer charged with the administration of any part of this Act shall make a full report to Congress on the first Monday of December of each year as to his administration thereof.

EXEMPTION FROM ATTACHMENT AND TAXATION.

SEC. 308. No sum payable under this Act to a veteran or his dependents, or to his estate, or to any beneficiary named under Title V, no adjusted service certificate, and no proceeds of any loan made on such certificate, shall be subject to attachment, levy, or seizure under any legal or equitable process, or to National or State taxation.

UNLAWFUL FEES.

SEC. 309. Any person who charges or collects, or attempts to charge or collect, either directly or indirectly, any fee or other compensation for assisting in any manner a veteran or his dependents in obtaining any of the benefits, privileges, or loans to which he is entitled under the provisions of this Act shall, upon conviction thereof, be subject to a fine of not more than \$500, or imprisonment for not more than one year, or both.

TITLE IV.—ADJUSTED SERVICE PAY.

SEC. 401. There shall be paid to each veteran by the Director (as soon as practicable after receipt of an application in accordance with the provisions of section 302, but not before March 1, 1925), in addition to any other amounts due such veteran in pursuance of law, the amount of his adjusted service credit, if, and only if, such credit is not more than \$50.

SEC. 402. No right to adjusted service pay under the provisions of this title shall be assignable or serve as security for any loan. Any assignment or loan made in violation of the provisions of this section shall be held void. Except as provided in Title VI, the Director shall not pay the amount of adjusted service pay to any person other than the veteran or such representative of the veteran as he shall by regulation prescribe.

TITLE V.—ADJUSTED SERVICE CERTIFICATES.

SEC. 501. The Director, upon certification from the Secretary of War or the Secretary of the Navy, as provided in section 303, is hereby directed to issue without cost to the veteran designated therein a non-participating adjusted service certificate (hereinafter in this title referred to as a "certificate") of a face value equal to the amount in dollars of 20-year endowment insurance that the amount of his adjusted service credit increased by 25 per centum would purchase, at his age on his birthday nearest the date of the certificate, if applied as a net single premium, calculated in accordance with accepted actuarial principles and based upon the American Experience Table of Mortality and interest at 4 per centum per annum, compounded annually. The certificate shall be dated, and all rights conferred under the provisions of this title shall take effect, as of the 1st day of the month in which the application is filed, but in no case before January 1, 1925. The veteran shall name the beneficiary of the certificate and may from time to time, with the approval of the Director, change such beneficiary. The amount of the face value of the certificate (except as provided in subdivisions (c), (d), (e), and (f) of section 502) shall be payable out of the fund created by section 505 (1) to the veteran twenty years after the date of the certificate, or (2) upon the death of the veteran prior to the expiration of such twenty-year period, to the beneficiary named; except that if such beneficiary dies before the veteran and no new beneficiary is named, or if the beneficiary in the first instance has not yet been named, the amount of the face value of the certificate shall be paid to the estate of the veteran. If the veteran dies after making application

under section 302, but before January 1, 1925, then the amount of the face value of the certificate shall be paid in the same manner as if his death had occurred after January 1, 1925.

LOAN PRIVILEGES.

SEC. 502. (a) A loan may be made to a veteran upon his adjusted service certificate only in accordance with the provisions of this section.

(b) Any national bank, or any bank or trust company incorporated under the laws of any State, Territory, possession, or the District of Columbia (hereinafter in this section called "bank"), is authorized, after the expiration of two years after the date of the certificate, to loan to any veteran upon his promissory note secured by his adjusted service certificate (with or without the consent of the beneficiary thereof) any amount not in excess of the loan basis (as defined in subdivision (g) of this section) of the certificate. The rate of interest charged upon the loan by the bank shall not exceed, by more than 2 per centum per annum, the rate charged at the date of the loan for the discount of 90-day commercial paper under section 13 of the Federal Reserve Act by the Federal reserve bank for the Federal reserve district in which the bank is located. Any bank holding a note for a loan under this section secured by a certificate (whether the bank originally making the loan or a bank to which the note and certificate have been transferred) may sell the note to, or discount or rediscount it, with, any bank authorized to make a loan to a veteran under this section and transfer the certificate to such bank. Upon the indorsement of any bank, which shall be deemed a waiver of demand, notice, and protest by such bank as to its own indorsement exclusively, and subject to regulations to be prescribed by the Federal Reserve Board, any such note secured by a certificate and held by a bank shall be eligible for discount or rediscount by the Federal reserve bank for the Federal reserve district in which the bank is located. Such note shall be eligible for discount or rediscount whether or not the bank offering the note for discount or rediscount is a member of the Federal Reserve System and whether or not it acquired the note in the first instance from the veteran or acquired it by transfer upon the indorsement of any other bank. Such note shall not be eligible for discount or rediscount unless it has at the time of discount or rediscount a maturity not in excess of nine months exclusive of days of grace. The rate of interest charged by the Federal reserve bank shall be the same as that charged by it for the discount or rediscount of 90-day notes drawn for commercial purposes. The Federal Reserve Board is authorized to permit, or on the affirmative vote of at least five members of the Federal Reserve Board to require, a Federal reserve bank to rediscount, for any other Federal reserve bank, notes secured by a certificate. The rate of interest for such rediscounts shall be fixed by the Federal Reserve Board. In case the note is sold, discounted, or rediscounted the bank making the transfer shall promptly notify the veteran by mail at his last known post-office address.

(c) If the veteran does not pay the principal and interest of the loan upon its maturity, the bank holding the note and certificate

may, at any time after maturity of the loan but not before the expiration of six months after the loan was made, present them to the Director. The Director may, in his discretion, accept the certificate and note, cancel the note (but not the certificate), and pay the bank, in full satisfaction of its claim, the amount of the unpaid principal due it, and the unpaid interest accrued, at the rate fixed in the note, up to the date of the check issued to the bank. The Director shall restore to the veteran, at any time prior to its maturity, any certificate so accepted, upon receipt from him of an amount equal to the sum of (1) the amount paid by the United States to the bank in cancellation of his note, plus (2) interest on such amount from the time of such payment to the date of such receipt, at 6 per centum per annum, compounded annually.

(d) If the veteran fails to redeem his certificate from the Director before its maturity, or before the death of the veteran, the Director shall deduct from the face value of the certificate (as determined in section 501) an amount equal to the sum of (1) the amount paid by the United States to the bank on account of the note of the veteran, plus (2) interest on such amount from the time of such payment to the date of maturity of the certificate or of the death of the veteran, at the rate of 6 per centum per annum, compounded annually, and shall pay the remainder in accordance with the provisions of section 501.

(e) If the veteran dies before the maturity of the loan, the amount of the unpaid principal and the unpaid interest accrued up to the date of his death shall be immediately due and payable. In such case, or if the veteran dies on the day the loan matures or within six months thereafter, the bank holding the note and certificate shall, upon notice of the death, present them to the Director, who shall thereupon cancel the note (but not the certificate) and pay to the bank, in full satisfaction of its claim, the amount of the unpaid principal and unpaid interest, at the rate fixed in the note, accrued up to the date of the check issued to the bank; except that if, prior to the payment, the bank is notified of the death by the Director and fails to present the certificate and note to the Director within fifteen days after the notice, such interest shall be only up to the fifteenth day after such notice. The Director shall deduct the amount so paid from the face value (as determined under section 501) of the certificate and pay the remainder in accordance with the provisions of section 501.

(f) If the veteran has not died before the maturity of the certificate, and has failed to pay his note to the bank or the Federal reserve bank holding the note and certificate, such bank shall, at the maturity of the certificate, present the note and certificate to the Director, who shall thereupon cancel the note (but not the certificate) and pay to the bank, in full satisfaction of its claim, the amount of the unpaid principal and unpaid interest, at the rate fixed in the note, accrued up to the date of the maturity of the certificate. The Director shall deduct the amount so paid from the face value (as determined in section 501) of the certificate and pay the remainder in accordance with the provisions of section 501.

(g) The loan basis of any certificate at any time shall, for the purpose of this section, be an amount which is not in excess of 90 per centum of the reserve value of the certificate on the last day of

the current certificate year. The reserve value of a certificate on the last day of any certificate year shall be the full reserve required on such certificate, based on an annual level net premium for twenty years and calculated in accordance with the American Experience Table of Mortality and interest at 4 per centum per annum, compounded annually.

(h) No payment upon any note shall be made under this section by the Director to any bank, unless the note when presented to him is accompanied by an affidavit made by an officer of the bank which made the loan, before a notary public or other officer designated for the purpose by regulation of the Director, and stating that such bank has not charged or collected, or attempted to charge or collect, directly or indirectly, any fee or other compensation (except interest as authorized by this section) in respect of any loan made under this section by the bank to a veteran. Any bank which, or director, officer, or employee thereof who, does so charge, collect, or attempt to charge or collect any such fee or compensation, shall be liable to the veteran for a penalty of \$100, to be recovered in a civil suit brought by the veteran. The Director shall upon request of any bank or veteran furnish a blank form for such affidavit.

SEC. 503. No certificate issued or right conferred under the provisions of this title shall, except as provided in section 502, be negotiable or assignable or serve as security for a loan. Any negotiation, assignment, or loan made in violation of any provision of this section shall be held void.

SEC. 504. Any certificate issued under the provisions of this title shall have printed upon its face the conditions and terms upon which it is issued and to which it is subject, including loan values under section 502.

ADJUSTED SERVICE CERTIFICATE FUND.

SEC. 505. There is hereby created a fund in the Treasury of the United States to be known as "The Adjusted Service Certificate Fund", hereinafter in this title called "fund". There is hereby authorized to be appropriated for each calendar year (beginning with the calendar year 1925 and ending with the calendar year 1946) an amount sufficient as an annual premium to provide for the payment of the face value of each adjusted service certificate in twenty years from its date or on the prior death of the veteran, such amount to be determined in accordance with accepted actuarial principles and based upon the American Experience Table of Mortality and interest at 4 per centum per annum, compounded annually. The amounts so appropriated shall be set aside in the fund on the first day of the calendar year for which appropriated. The appropriation for the calendar year 1925 shall not be in excess of \$100,000,000.

SEC. 506. The Secretary of the Treasury is authorized to invest and reinvest the moneys in the fund, or any part thereof, in interest-bearing obligations of the United States and to sell such obligations of the United States for the purposes of the fund. The interest on and the proceeds from the sale of any such obligations shall become a part of the fund.

SEC. 507. All amounts in the fund shall be available for payment, by the Director, of adjusted service certificates upon their maturity or the prior death of the veteran, and for payments under section 502 to banks on account of notes of veterans.

TITLE VI.—PAYMENTS TO VETERAN'S DEPENDENTS.

ORDER OF PREFERENCE.

SEC. 601. (a) If the veteran has died before making application under section 302, or, if entitled to receive adjusted service pay, has died after making application but before he has received payment under Title IV, then the amount of his adjusted service credit shall (as soon as practicable after receipt of an application in accordance with the provisions of section 604, but not before March 1, 1925) be paid to his dependents, in the following order of preference:

- (1) To the widow or widower if unmarried;
- (2) If no unmarried widow or widower, then to the children, share and share alike;
- (3) If no unmarried widow or widower, or children, then to the mother;
- (4) If no unmarried widow or widower, children, or mother, then to the father.

(b) For the purposes of this section payments made under paragraph (2) of subdivision (g) of section 301 of the War Risk Insurance Act shall not be considered payments made by the United States on account of the death of the veteran.

DEPENDENCY.

SEC. 602. (a) No payment shall be made to any individual under this title unless at the time of the death of the veteran such individual was dependent.

(b) For the purposes of this section:

- (1) A child of the veteran shall be presumed to have been dependent upon him at the time of his death if at such time such child was under 18 years of age;
- (2) The widow or widower shall be presumed to have been dependent upon the veteran upon showing by them, respectively, the marital cohabitation; the father and mother, respectively, shall submit under oath a statement of the dependency, to be filed with the application.

PAYMENT IN INSTALLMENTS.

SEC. 603. The payments authorized by section 601 shall be made in ten equal quarterly installments, unless the total amount of the payment is less than \$50, in which case it shall be paid on the first installment date. No payments under the provisions of this title shall be made to the heirs or legal representatives of any dependents entitled thereto who die before receiving all the installment payments, but the remainder of such payments shall be made to the dependent or dependents in the next order of preference under section 601. All payments under this title shall be made by the Director.

APPLICATION BY DEPENDENT.

SEC. 604. (a) A dependent may receive the benefits to which he is entitled under this title by filing an application therefor with the Secretary of War, if the last service of the veteran was with the military forces, or with the Secretary of the Navy, if his last service was with the naval forces.

(b) Applications for such benefits, whether vested or contingent, shall be made by the dependents of the veteran on or before January 1, 1928; except that in case of the death of the veteran during the six months immediately preceding such date the application shall be made at any time within six months after the death of the veteran. Payments under this title shall be made only to dependents who have made application in accordance with the provisions of this subdivision.

(c) An application shall be made (1) personally by the dependent, or (2) in case physical or mental incapacity prevents the making of a personal application, then by such representative of the dependent and in such manner as the Secretary of War and the Secretary of the Navy shall jointly by regulation prescribe. An application made by a representative other than one authorized by any such regulation shall be held void.

(d) The Secretary of War and the Secretary of the Navy shall jointly make any regulations necessary to the efficient administration of the provisions of this section.

TRANSMITTAL OF APPLICATION.

SEC. 605. (a) As soon as practicable after the receipt of a valid application the Secretary of War or the Secretary of the Navy, as the case may be, shall transmit to the Director the application and a certificate setting forth—

- (1) The name and address of the applicant;
- (2) That the individual upon whom the applicant bases his claim to payment was a veteran;
- (3) The name of such veteran and the date and place of his birth; and
- (4) The amount of the adjusted service credit of the veteran, together with the facts of record in the department upon which such above conclusions are based.

(b) Upon receipt of such certificate the Director shall proceed to extend to the applicant the benefits provided in this title if the Director finds that the applicant is the dependent entitled thereto.

ASSIGNMENTS.

SEC. 606. No right to payment under the provisions of this title shall be assignable or serve as security for any loan. Any assignment or loan made in violation of the provisions of this section shall be held void. The Director shall not make any payments under this title to any person other than the dependent or such representative of the dependent as the Director shall by regulation prescribe.

DEFINITIONS.

SEC. 607. As used in this Act—

(a) The term "dependent" means a widow, widower, child, father, or mother;

(b) The term "child" includes (1) a legitimate child; (2) a child legally adopted; (3) a stepchild, if a member of the veteran's household; (4) an illegitimate child, but, as to the father only, if acknowledged in writing signed by him, or if he has been judicially ordered or decreed to contribute to such child's support, or has been judicially decreed to be the putative father of such child; and

(c) The terms "father" and "mother" include stepfathers and stepmothers, fathers and mothers through adoption, and persons who have, for a period of not less than one year, stood in loco parentis to the veteran at any time prior to the beginning of his service.

TITLE VII.—MISCELLANEOUS PROVISIONS.

SEC. 701. The officers having charge of the administration of any of the provisions of this Act are authorized to appoint such officers, employees, and agents in the District of Columbia and elsewhere, and to make such expenditures for rent, furniture, office equipment, printing, binding, telegrams, telephone, law books, books of reference, stationery, motor-propelled vehicles or trucks used for official purposes, traveling expenses and per diem in lieu of subsistence at not exceeding \$4 for officers, agents, and other employees, for the purchase of reports and materials for publications, and for other contingent and miscellaneous expenses, as may be necessary efficiently to execute the purposes of this Act and as may be provided for by the Congress from time to time. All such appointments shall be made subject to the civil service laws. In all appointments under this section preference shall, so far as practicable, be given to veterans.

For the administration of the provisions of this Act, the President may except from the operation of section 4c of the Act entitled "An Act for making further and more effectual provision for the national defense, and for other purposes," approved June 3, 1916, as amended, or of any Act amendatory thereof or supplemental thereto, not more than seven officers of the Army.

SEC. 702. Whoever knowingly makes any false or fraudulent statement of a material fact in any application, certificate, or document made under the provisions of Title III, IV, V, or VI, or of any regulation made under any such title, shall, upon conviction thereof, be fined not more than \$1,000, or imprisoned not more than five years, or both.

SEC. 703. The Secretary of War, the Secretary of the Navy, and the Director shall severally submit in the manner provided by law estimates of the amounts necessary to be expended in carrying out such provisions of this Act as each is charged with administering, and there is hereby authorized to be appropriated amounts sufficient

to defray such expenditures. The Director shall also submit estimates for appropriations for the fund created by section 505.

F H GILLET

Speaker of the House of Representatives.

ALBERT B. CUMMINS

President pro tempore of the Senate.

IN THE HOUSE OF REPRESENTATIVES, U. S.,

May 17, 1924.

The House having proceeded, in pursuance of the Constitution, to reconsider the bill (H. R. 7959) entitled "An Act to provide adjusted compensation for the veterans of the World War, and for other purposes," returned to the House by the President of the United States, with his objections thereto, with the message of the President returning the bill; and

RESOLVED, That the bill do pass, two-thirds of the House of Representatives agreeing to pass the same.

Attest:

WM. TYLER PAGE

Clerk.

I certify that this Act originated in the House of Representatives.

WM. TYLER PAGE,

Clerk.

IN THE SENATE OF THE UNITED STATES,

May 19, 1924.

The Senate having proceeded to reconsider the bill (H. R. 7959) entitled "An Act to provide adjusted compensation for the veterans of the World War, and for other purposes," returned by the President of the United States to the House of Representatives, in which it originated, with his objections, and passed by the House on a reconsideration of the same, it was

RESOLVED, That the bill pass, two-thirds of the Senators present having voted in the affirmative.

Attest:

GEORGE A. SANDERSON

Secretary.

An Act To amend the World War Adjusted Compensation Act.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 302 of the World War Adjusted Compensation Act is amended, to take effect as of May 19, 1924, to read as follows:

"SEC. 302. (a) A veteran may receive the benefits to which he is entitled by application claiming the benefits of this Act, filed with the Secretary of War, if he is serving in, or his last service was with, the military forces; or filed with the Secretary of the Navy, if he is serving in, or his last service was with, the naval forces.

"(b) Such application shall be made and filed on or before January 1, 1928, (1) personally by the veteran, or (2) in case physical or mental incapacity prevents the making or filing of a personal application, then by such representative of the veteran and in such manner as may be by regulations prescribed. An application made by a person other than the representative authorized by any such regulation, or not filed on or before January 1, 1928, shall be held void. If the veteran dies after the application is made and before it is filed it may be filed by any person: *Provided, however,* That if the veteran died between May 19, 1924, and July 1, 1924, without making the application, leaving a widow surviving him, the application may be made by the widow and shall be valid with the same force and effect in every respect as if the application had been made by the veteran.

"(c) If the veteran dies after the application is made, it shall be valid if the Secretary of War or the Secretary of the Navy, as the case may be, finds that it bears the bona fide signature of the applicant, discloses an intention to claim the benefits of this Act on behalf of the veteran, and is filed on or before January 1, 1928, whether or not the veteran is alive at the time it is filed. If the veteran dies and payments are made to his dependents under Title VI, and thereafter a valid application is filed under this section, then if the adjusted service credit of the veteran is more than \$50, payment shall be made in accordance with Title V, less any amounts already paid under Title VI.

"(d) The Secretary of War and the Secretary of the Navy shall jointly make any regulations necessary to the efficient administration of the provisions of this section."

SEC. 2. Section 303 of such Act is amended to read as follows:

"SEC. 303 (a) As soon as practicable after the receipt of a valid application the Secretary of War or the Secretary of the Navy, as the case may be, shall transmit to the Director of the United States Veterans' Bureau (hereinafter in this Act referred to as the Director) the application and a certificate setting forth—

"(1) That a valid application has been received;

"(2) That the applicant is a veteran;

"(3) His name and address;

"(4) The date and place of his birth; and

"(5) The amount of his adjusted service credit."

"(b) Upon receipt of such certificate the Director shall proceed to extend to the veteran the benefits provided for in Title IV or V."

SEC. 3. (a) Section 308 of such Act is amended, to take effect as of May 19, 1924, to read as follows:

"SEC. 308. No sum payable under this Act to a veteran or his dependents, or to his estate, or to any beneficiary named under Title V, no adjusted service certificate, and no proceeds of any loan made on such certificate shall be subject to attachment, levy, or seizure under any legal or equitable process, or to National or State taxation, and no deductions on account of any indebtedness of the veteran to the United States shall be made from the adjusted service credit or from any amounts due under this Act."

(b) As used in this section the term "original credit" means the amount of the adjusted service credit computed under the World War Adjusted Compensation Act before its amendment by this Act, less amounts deducted on account of any indebtedness of the veteran to the United States; and the term "new credit" means the amount of the adjusted service credit computed under such Act as amended by this Act, without such deduction.

(c) If the veteran is alive at the time of the enactment of this Act and the benefits of the World War Adjusted Compensation Act have been extended to him, then any excess of the new credit over the original credit shall be considered as if it were a separate adjusted service credit and the benefits of such Act shall be extended in respect thereof according to the terms of such Act as amended by this Act.

(d) If the veteran has died before the enactment of this Act and before making application under section 302 of the World War Adjusted Compensation Act, then if any part of the original credit has been paid to the dependents of the veteran, any remaining part shall be paid as provided in Title VI of such Act as amended by this Act, and any excess of the new credit over the original credit shall be paid in cash in a lump sum to the dependents as provided in Title VI of such Act as amended by this Act.

(e) If the veteran has died before the enactment of this Act after having made application, then—

(1) If the original credit was not over \$50 and the new credit is not over \$50 payment shall be made as provided in subdivision (d).

(2) If the original credit was not over \$50 and the new credit is over \$50 then the face value of an adjusted service certificate computed on the basis of the new credit shall be paid to the beneficiary named, or, if the beneficiary died before the veteran and no new beneficiary was named or if no beneficiary was named in the application, then to the estate of the veteran. If in any such case any payments have already been made to the veteran or his dependents, the amount of such payments shall be deducted from the face value of the adjusted service certificate.

(3) If the original credit was over \$50 then the face value of an adjusted service certificate computed on the basis of the excess of the new credit over the original credit shall be paid as provided in paragraph (2) of this subdivision.

(f) Wherever under this Act or the World War Adjusted Compensation Act it is provided that payment shall be made by the Director of the United States Veterans' Bureau to the estate of any decedent, such payment, if not over \$500, may, under regulations prescribed by the Director, be made to the persons found by him to be entitled thereto, without the necessity of compliance with the requirements of law in respect of the administration of such estate.

SEC. 4. (a) Any person who charges or collects, or attempts to charge or collect, either directly or indirectly, any fee or other compensation for assisting in any manner a veteran, his dependents or other beneficiary under this Act, in obtaining any of the benefits, privileges or loans to which he is entitled under the provisions of this Act, shall, upon conviction thereof, be subject to a fine of not more than \$500, or imprisonment for not more than one year, or both.

(b) Such Act is amended by adding after section 309 a new section to read as follows:

"FINALITY OF DECISIONS"

"SEC. 310. The decisions of the Secretary of War, the Secretary of the Navy, and the Director, on all matters within their respective jurisdictions under the provisions of this Act (except the duties vested in them by Title VII) shall be final and conclusive."

SEC. 5. Section 503 of such Act is amended to read as follows:

"SEC. 503. No certificate issued or right conferred under the provisions of this title shall, except as provided in section 502, be negotiable or assignable or serve as security for a loan. Any negotiation, assignment, or loan made in violation of any provision of this section shall be held void. If any person is named as beneficiary by the veteran as a consideration for the making of a loan to the veteran by such person or any other person, such naming shall be void. Any person who accepts an assignment of a certificate or receives a certificate as security for a loan contrary to the provisions of this title, or who makes a loan to a veteran in consideration of the naming by the veteran of such person or any other person as beneficiary, shall be guilty of a misdemeanor and shall upon conviction thereof be fined not more than \$500 or imprisoned not more than one year, or both."

SEC. 6. Section 601 of such Act is amended to read as follows:

"SEC. 601. If the veteran has died before making application under section 302, or, if entitled to receive adjusted service pay, has died after making application but before he has received payment under Title IV, then the amount of his adjusted service credit shall (as soon as practicable after receipt of an application in accordance with the provisions of section 604, but not before March 1, 1925) be paid to his dependents, in the following order of preference:

- "(1) To the widow;
- "(2) If no widow entitled to payment, then to the children, share and share alike;
- "(3) If no widow or children entitled to payment, then to the mother;
- "(4) If no widow, children, or mother, entitled to payment, then to the father."

SEC. 7. Section 602 of such Act is amended to read as follows:

"SEC. 602. (a) No payment under section 601 shall be made to a widow if she has remarried before making application, or if at the time of the death of the veteran was living apart from him by reason of her own willful act; nor unless dependent at the time of the death of the veteran or at any time thereafter and before January 2, 1928. The widow shall be presumed to have been dependent at the time of the death of the veteran upon a showing of the martial cohabitation.

"(b) Payment under section 601 shall be made to a child if (1) under 18 years of age at the time of the death of the veteran, or (2) at any time thereafter and before January 2, 1928, incapable of self-support by reason of mental or physical defect.

"(c) No payment under section 601 shall be made to a mother or father unless dependent at the time of the death of the veteran or at any time thereafter and before January 2, 1928. If at the time of the death of the veteran or at any time thereafter and before January 2, 1928, the mother is unmarried or over 60 years of age, or the father is over 60 years of age, such mother or father, respectively, shall be presumed to be dependent."

SEC. 8. Section 605 of such Act is amended to read as follows:

"SEC. 605. (a) As soon as practicable after the receipt of a valid application the Secretary of War or the Secretary of the Navy, as the case may be, shall transmit to the Director the application and a certificate setting forth—

"(1) That a valid application has been received;

"(2) The name and address of the applicant;

"(3) That the individual upon whom the applicant bases his claim to payment was a veteran;

"(4) The name of such veteran and the date and place of his birth; and

"(5) The amount of the adjusted service credit of the veteran.

"(b) Upon receipt of such certificate the Director shall proceed to extend to the applicant the benefits provided in this title if the Director finds that the applicant is the dependent entitled thereto."

SEC. 9. Section 607 of such Act is amended by striking out "and" at the end of subdivision (b), by striking out the period at the end of subdivision (c) and inserting a semicolon and the word "and", and by adding after subdivision (c) a new subdivision to read as follows:

"(d) The term 'widow' includes widower."

SEC. 10. Title VI of such Act is amended by adding at the end thereof a new section to read as follows:

"SEC. 608. If the veteran died while in the service and before July 1, 1919, and if an adjusted service credit has been or is, after this section takes effect, certified to the Director, then the sum of \$60 shall be paid in a lump sum to the dependents of such veteran in the same manner as is provided in sections 601 and 602 of this Act."

SEC. 11. This Act shall not invalidate any payments made or applications received under the World War Adjusted Compensation Act before the enactment of this Act. Payments under awards heretofore or hereafter made shall be made to the dependent entitled thereto regardless of change in status, unless another dependent

establishes to the satisfaction of the Director a priority of preference under such Act as amended by this Act. Upon the establishment of such preference the remaining installments shall be paid to such dependent, but in no case shall the total payments under Title VI of such Act (except section 608) exceed the adjusted service credit of the veteran.

SEC. 12. Title VII of such Act is amended by adding at the end thereof a new section to read as follows:

"SEC. 704. Whoever falsely makes, forges, counterfeits, or alters, or causes or procures to be made, forged, counterfeited, or altered, or willingly aids or assists in falsely making, forging, counterfeiting, or altering an adjusted service certificate issued under authority of this Act, or whoever passes, utters, publishes, or sells, or attempts to pass, utter, publish, or sell, any such false, forged, counterfeited, or altered certificate, with intent to defraud the United States or any person, or whoever has in possession any such falsely made, forged, counterfeited, or altered certificate, with intent to unlawfully use the same, shall be punished by a fine of not more than \$5,000 and imprisonment not more than fifteen years. The Secretary of the Treasury is hereby authorized to direct and use the Secret Service Division of the Treasury Department to detect, arrest, and deliver into the custody of the United States marshal having jurisdiction any person or persons violating any of the provisions of this section."

SEC. 13. Title VII of such Act is further amended by adding at the end thereof a new section to take effect as of May 19, 1924, and to read as follows:

"SEC. 705. Whenever it appears to the Director, by evidence clear and satisfactory to him, that any adjusted service certificate has, without bad faith upon the part of the person entitled to payment thereon, been lost, destroyed, wholly or in part, or so defaced as to impair its value to the rightful holder, and such adjusted service certificate is identified by number and description, the Director shall under such regulations and with such restrictions as to time and retention for security or otherwise as he may prescribe, issue a duplicate thereof of like value in all respects to the original certificate and so marked as to show the original number of the certificate lost, destroyed, or defaced, and the date thereof. The lawful holder of such certificate who makes application for a duplicate shall surrender the original, if existing, or so much thereof as may remain and shall file in the United States Veterans' Bureau a bond in a penal sum of the face value of such lost, destroyed, or defaced certificate, with two good and sufficient securities, residents of the United States, to be approved by the Director, with condition to indemnify and save harmless the United States from any claim upon such lost, destroyed, or defaced certificate."

Approved, July 3, 1926.

REGULATION NO. 163.

Subject: Loans on Adjusted Service Certificates under Section 502 of the World War Adjusted Compensation Act.

1. **CERTIFICATES.** - Adjusted service certificates are dated as of the first day of the month in which the applications were filed, but no certificates are dated prior to January 1, 1925. Loans on the security of such certificates may not be made before the expiration of two years after the date of the certificate. The fact that a certificate is stamped "duplicate" does not destroy its value as security for a loan.
2. **TO WHOM LOAN MAY BE MADE.** - Only the veteran named in the certificate can lawfully obtain a loan on his adjusted service certificate and neither the beneficiary nor any other person than the veteran has any rights in this respect. The person to whom the loan is made must be known to the lending bank to be the veteran named in the certificate securing such note. The consent of the beneficiary is not required, the Act providing that a loan on the security of the certificate may be made "with or without the consent of the beneficiary thereof."
3. **BY WHOM LOANS MAY BE MADE.** - Any national bank or any bank or trust company incorporated under the laws of any State, territory, possession or the District of Columbia, hereinafter referred to as any "bank", is authorized to loan to any veteran upon his promissory note secured by his adjusted service certificate, any amount not in excess of the loan value of the certificate at the date the loan is made. Each certificate contains on its face a table for determining the loan value of the certificate. Upon the making of such loan, the lending bank shall promptly notify the Bureau of the name of the veteran, the A-number shown immediately after the name, the number of the certificate, the amount and date of loan; however, this requirement may be waived by the Director.
4. **FORM OF NOTE.** - The form of note used in making loans secured by adjusted service certificates should substantially follow Form #6615.
5. **INTEREST CHARGES.** - The rate of interest which a bank may charge upon such a loan shall not exceed by more than 2% per annum, the rate charged at the date of the loan for the discount of 90-day commercial paper under Section 13 of the Federal Reserve Act by the Federal Reserve Bank of the district in which the lending bank is located. Where a loan is made by a bank located in a territory or possession not embraced in any Federal reserve district, the rate of interest charged shall not exceed the legal rate in such territory or possession; provided, however, that the interest charged on loans made outside the continental

limits of the United States by a branch of a bank whose head office is in a Federal reserve district will be governed by the discount rate on 90-day commercial paper in effect at the Federal Reserve Bank of the district in which the parent bank is located. No charge, other than the interest charge provided herein, may be made by the lending bank, the Act providing, under penalty, that such bank shall not charge or collect, or attempt to charge or collect directly or indirectly, any fee or other compensation in respect of any loan made upon the security of an adjusted service certificate except the interest authorized by law. Any violation of this provision will make the loan void.

6. SALE OR DISCOUNT OF NOTE BY HOLDING BANK. - Any bank holding a note secured by an adjusted service certificate may sell the note to any bank authorized to make a loan to a veteran and deliver the certificate to such bank. In case a note secured by an adjusted service certificate is sold or transferred, the bank selling, discounting or rediscounting the note is required by law to notify the veteran promptly by mail at his last known post office address. No adjusted service certificate is negotiable or assignable, or may serve as security for a loan, except as provided in Section 502 of the World War Adjusted Compensation Act, which is printed on the face of each certificate. Any negotiation, assignment or loan made in violation of Section 502 of the World War Adjusted Compensation Act is void. In case of sale, discount or rediscount by the bank which made the loan, the note should be accompanied by the affidavit required by paragraph 8 of these regulations.

7. REDISCOUNTS WITH FEDERAL RESERVE BANKS. - Upon the indorsement of any bank, which shall be deemed a waiver of demand, notice and protest by such bank as to its own indorsement exclusively, and subject to regulations to be prescribed by the Federal Reserve Board, any such note secured by an adjusted service certificate and held by a bank is made eligible for discount or rediscount by the Federal reserve bank of the Federal reserve district in which such bank is located, whether or not the bank offering the note for discount or rediscount is a member of the Federal Reserve System and whether or not it acquired the note in the first instance from the veteran or acquired it by transfer upon the indorsement of any other bank; provided that at the time of discount or rediscount such note has a maturity not in excess of nine months, exclusive of days of grace, and complies in all other respects with the provisions of the law, the regulations of the Federal Reserve Board and this regulation.

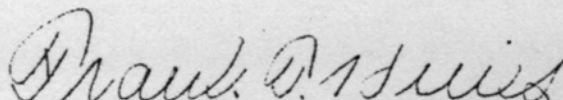
8. REDEMPTION BY BUREAU. (a) If the veteran does not pay the loan at its maturity, the bank holding the note and certificate may at any time after the maturity of the loan, but not before the expiration of six months after the loan was made, present them to the Director of the Bureau. The Director may in his discretion accept the certificate and note and pay the bank in full satisfaction of its claim, the amount of the unpaid principal due it, and the unpaid interest at the rate fixed in the note, up to the date of the check issued to the bank.

(b) It will be the policy of the Bureau to redeem all loans made in accordance with the law and regulations made pursuant thereto, when such loans are made in good faith to the veteran to

whom the certificate was issued, except that where the note is held by a bank for a period in excess of six months after the date of maturity, the discretion authorized by law may be invoked and redemption refused.

(c) If the veteran dies before the maturity of the loan, the amount of the unpaid principal and the unpaid interest accrued up to the date of his death shall be immediately due and payable. In such case, or if the veteran dies on the day the loan matures or within six months thereafter, the bank holding the note and certificate shall, upon notice of the death, present them to the Director, who shall pay to the bank, in full satisfaction of its claim, the amount of the unpaid principal and unpaid interest, at the rate fixed in the note, accrued up to the date of the check issued to the bank; except that if, prior to the payment, the bank is notified of the death by the Director and fails to present the certificate and note to the Director within fifteen days after the notice, such interest shall be only up to the fifteenth day after such notice.

(d) In order to be eligible for redemption by the Bureau, the note and certificate must be accompanied by an affidavit of a duly authorized officer (the capacity in which the officer serves must be shown) of the lending bank showing that the said bank has not charged or collected, or attempted to charge or collect, directly or indirectly, any fee or other compensation in respect of the loan, or any other loan made by the bank under the provisions of Section 502 of the World War Adjusted Compensation Act, except the rate of interest specified in the section of the Act cited; that the person who obtained the loan is known to the lending bank to be the person named in the Adjusted Service Certificate; and that notice required by paragraph (3) of this regulation was promptly given. In case the note was sold or discounted by the lending bank, there should be incorporated in the affidavit a statement that the veteran was notified promptly of the transfer by mail to his last known address. In case the note was resold or rediscounted by any other bank, affidavit shall be made by a duly authorized officer of such bank that proper notice of such resale or rediscount was promptly mailed to the veteran at his last known address. The proper execution of the appropriate affidavit on Form #8615 will be considered as a compliance with the requirements of this sub-paragraph. The affidavit must be executed before a judge of the United States court, United States commissioner, United States district attorney, United States marshal, collector of internal revenue, collector of customs, United States postmaster, clerk of court of record under the seal of the court, an executive officer of an incorporated bank or trust company, under his official designation and the seal of the bank or trust company, or a notary public under his seal, or a diplomatic or consular officer of the United States, under his official seal.


FRANK T. HINES,
Director.

FEDERAL RESERVE BOARD

REGULATION M, SERIES OF 1926

REDISCOUNT OF NOTES SECURED BY ADJUSTED SERVICE CERTIFICATES

SECTION I. STATUTORY PROVISIONS

Under the terms of the World War Adjusted Compensation Act as amended, loans may lawfully be made to veterans upon their adjusted service certificates only in accordance with the provisions of section 502 thereof.

Any national bank, or any bank or trust company incorporated under the laws of any State, Territory, possession, or the District of Columbia is authorized, after the expiration of two years after the date of the certificate, to loan to any veteran upon his promissory note secured by his adjusted service certificate any amount not in excess of the loan value of the certificate, which is stated on the face of the certificate. The law provides that the rate of interest charged upon the loan by the lending bank shall not exceed by more than 2 per cent per annum the rate charged at the date of the loan for the discount of 90-day commercial paper by the Federal reserve bank of the Federal reserve district in which the lending bank is located.

Upon the indorsement of any bank, which shall be deemed a waiver of demand, notice and protest by such bank as to its own indorsement exclusively, and subject to regulations to be prescribed by the Federal Reserve Board, any such note secured by an adjusted service certificate and held by a bank is made eligible for rediscount with the Federal reserve bank of the Federal reserve district in which such bank is located, whether or not the bank offering the note for rediscount is a member of the Federal reserve system and whether or not it acquired the note in the first instance from the veteran or acquired it by transfer upon the indorsement of any other bank; provided that at the time of rediscount such note has a maturity not in excess of nine months, exclusive of days of grace, and complies in all other respects with the provisions of the law, the regulations of the United States Veterans' Bureau, and the regulations of the Federal Reserve Board.

SECTION II. DEFINITIONS

Within the meaning of this regulation—

(a) The term "the act" shall mean the World War Adjusted Compensation Act as amended;

(b) The term "director" shall mean the Director of the United States Veterans' Bureau;

(c) The term "certificate" shall mean an adjusted service certificate issued under the provisions of section 501 of the World War Adjusted Compensation Act as amended;

(d) The term "veteran" shall mean any person to whom an adjusted service certificate has been issued by the director under the provisions of the World War Adjusted Compensation Act as amended;

(e) The term "bank" shall mean any national bank or any bank or trust company incorporated under the laws of any State, Territory, possession, or the District of Columbia;

(f) The term "note" shall mean a promissory note, negotiable in form, secured by an adjusted service certificate, and evidencing a loan made by a bank on the security of such certificate in full compliance with the provisions of the World War Adjusted Compensation Act as amended and the regulations of the United States Veterans' Bureau.

SECTION III. ELIGIBILITY

In order to be eligible for rediscount at a Federal reserve bank, any such note must—

(a) Arise out of a loan made by a bank to a veteran in full compliance with the provisions of the act and of any regulation which the director may prescribe;

(b) Be secured by the certificate issued to the maker, which certificate must accompany the note;

(c) Be held by the offering bank in its own right at the time it is offered for rediscount;

(d) Be negotiable in form and otherwise in the form approved by the director;

(e) Have a maturity at the time of rediscount not in excess of nine months, exclusive of days of grace;

(f) Evidence a loan the amount of which does not exceed the loan value of the certificate for the year in which such loan was made;

(g) Be payable with interest accruing after the date of the note at a rate stated in the face of the note, which rate must not exceed by more than 2 per cent per annum the rate charged at the date of the loan for the discount of 90-day commercial paper by the Federal reserve bank of the Federal reserve district in which the lending bank is located;

(h) Bear the indorsement of the bank offering it for rediscount, which indorsement shall be deemed a waiver of demand, notice, and protest by such bank as to its own indorsement exclusively;

(i) Be accompanied by the evidence of eligibility required by this regulation and such other evidence of eligibility as may be required by the Federal reserve bank to which it is offered for rediscount; and

(j) Comply in all other respects with the requirements of the law and of this regulation.

SECTION IV. EVIDENCE OF ELIGIBILITY

(a) **General.**—The Federal reserve bank to which a note is offered for rediscount must be satisfied either by reference to the note itself or otherwise that the loan evidenced by the note or any sale, discount, or rediscount thereof complies in all respects with the provisions of section 502 of the act and that the note is eligible for rediscount by a Federal reserve bank under the terms of the law and the provisions of this regulation.

(b) **Affidavit of lending bank.**—Any note offered to a Federal reserve bank for rediscount must be accompanied by the affidavit required by section 502 (h) of the act and the regulations of the director, in form approved by the director, made by an officer of the bank which made the loan, before a notary public or other officer designated for the purpose by regulation of the director, stating that—

(1) Such bank has not charged or collected, or attempted to charge or collect, directly or indirectly, any fee or other compensation in respect of any loan, made by such bank to any veteran under section 502 of the act, except the interest authorized by such section;

(2) The person who obtained the loan evidenced by such note is known to be the veteran named in the certificate securing such note;

(3) Such bank has notified the director that it has made a loan to the veteran named in the certificate, as required by the regulations of the director; and

(4) Such bank has notified the veteran by mail at his last known post-office address of any sale, discount, or rediscount of such note by such bank, as required by section 502(b) of the act.

(c) **Affidavit of other banks.**—If such note is offered for rediscount by a bank other than the bank which made the loan thereon, it must also be accompanied by an affidavit of an officer of the offering bank and an affidavit of an officer of each other bank which has sold, discounted, or rediscounted such note, which affidavit shall be in form approved by the director and shall state that the bank of which the affiant is an officer has promptly notified the veteran by mail at his last known post-office address of the sale, discount, or rediscount of such note by such bank, as required by section 502(b) of the act.

SECTION V. APPLICATION FOR REDISCOUNT

Every application for the rediscount of such notes shall be made on a form approved by the Federal reserve bank to which such note is offered and shall contain a certificate of the offering bank to the effect that, to the best of its knowledge and belief, such note arose out of a loan made in full compliance with the provisions of the act and the regulations of the director and is eligible for rediscount under the provisions of section 502 of the act and of this regulation.

SECTION VI. PROPER BANK FOR REDISCOUNT

No such note shall be rediscounted by any Federal reserve bank for any bank not located in its own Federal reserve district, except that such notes may be rediscounted by any Federal reserve bank for any other Federal reserve bank.

SECTION VII. RATE OF REDISCOUNT

The rate of interest charged by any Federal reserve bank on any such note rediscounted by it shall be the same as that charged by it for the rediscount of 90-day notes drawn for a commercial purpose, except that when such notes are rediscounted for another Federal reserve bank the rate shall be that fixed by the Federal Reserve Board.

SECTION VIII. REDISCOUNTS FOR NONMEMBER BANKS

No Federal reserve bank shall rediscount such notes for any non-member bank until such bank has furnished to the Federal reserve bank such information as it may request in order to satisfy itself as to the condition of such bank and the advisability of making the rediscount for it.

DECEMBER 9, 1926.

NOTE AND AFFIDAVITS

\$ _____ (Place) _____ (Date)
_____ after date, I promise to pay to the order of _____
_____ of _____ (Name of bank or trust company)
_____ (City or town and State) _____ Dollars

for value received, with interest after date at _____ per cent until paid. This note is payable at the bank named above.
As collateral security for the prompt payment of this note I have delivered to and do hereby pledge with the holder of this note my adjusted service certificate No. _____, dated _____, further identified by

No. A _____ This note may be sold, discounted, or rediscounted and the certificate pledged herewith may be transferred in accordance with the provisions of the World War Adjusted Compensation Act, as amended. If the principal and interest of this note are not paid at its maturity any bank holding this note and certificate may, at any time after maturity of the loan, but not before the expiration of six months after the loan was made, present this note and certificate to the Director of the United States Veterans Bureau in order to secure payment of this loan, as provided in the World War Adjusted Compensation Act.

(Signature of veteran)

(Please print or typewrite name and address of veteran here)

{ Name of veteran _____
Street address or route number _____
City or town and State _____

STATE OF _____ }
COUNTY OF _____ } ss:

I, _____ (Name of officer), being duly sworn, depose and say that I am _____ (Title of office)
of _____ (Bank or trust company) of _____ (City or town and State)

which is a bank incorporated under the laws of _____; that the person who obtained the loan evidenced by the above note is known to be the veteran named in the adjusted service certificate referred to therein; that the said bank or trust company has not charged or collected or attempted to charge or collect, directly or indirectly, any fee or other compensation (except interest as authorized by Section 502 of the World War Adjusted Compensation Act as amended) in respect of any loan made under this section by the bank to a veteran; that the United States Veterans Bureau was promptly notified of the making of the original loan as required by paragraph 3 of Regulation No. 163 of the United States Veterans Bureau; that in any negotiation of this note by sale, discount, or rediscount subsequent to the original loan, proper legal notice was given to the veteran as required by Section 502 (b) of the act, and that this affidavit is made pursuant to authority given by the Board of Directors.

Subscribed and sworn to before me this _____ day of _____ (Signature of officer)

(Notary public, or other officer designated by the United States Veterans Bureau)
(See regulation No. 163, U. S. V. B.)

STATE OF _____ }
COUNTY OF _____ } ss:

I, _____ (Name of officer), thereunto duly authorized, being sworn, depose and say that I am _____ (Title of office) of the _____ (Name of bank or trust company) of _____ (City or town and State) and that the veteran who obtained the loan evidenced by the above note, which was transferred to this bank by _____ (Name of bank or trust company) has been notified by the _____ (Name of bank or trust company) that the said note is being retransferred to the _____ (Name of bank or trust company) for sale, discount, or rediscount.

(Signature of officer)

Subscribed and sworn to before me this _____ day of _____

(Notary public, or other officer designated by the United States Veterans Bureau)
(See regulation No. 163, U. S. V. B.)

**Authority for Rediscounting Notes Secured by Adjusted Service Certificates
With the Federal Reserve Bank of New York**

WHEREAS, it is desired that the officers of this bank should from time to time be able to rediscount on its behalf veterans' notes secured by adjusted service certificates, Now, therefore, be it

RESOLVED:

1st. That the President, Vice-President and Cashier are, and each or either of them is, hereby authorized to rediscount with the Federal Reserve Bank of New York, any such notes now or hereafter held by this bank, upon such terms and at such time or times as to him or them may seem desirable.

2nd. That the foregoing powers shall continue and remain in force until express notice of their revocation has been duly given to said Federal Reserve Bank of New York.

I do hereby certify that the foregoing is a true extract from the minutes of a meeting of the Board of Directors of the a quorum being present, held at the day of 19 .

In witness whereof, I have hereunto set my hand and affixed the official seal of the said Bank this day of 19.....

SEAL

with circulars
December 20, 1926.

SUMMARY OF IMPORTANT POINTS REGARDING DISCOUNT AND REDISCOUNT
OF VETERANS' NOTES SECURED BY ADJUSTED SERVICE CERTIFICATES

Circular together with copy of adjusted Compensation Act, Compensation Act Amendment, Regulations of the Veterans' Bureau, Federal Reserve Board's Regulation M, forms of promissory note and affidavits, resolution, and rediscount application to be forwarded to every incorporated, member or nonmember, bank in this district. Federal reserve banks will print only circular letter, authorization to rediscount, and application for rediscount. Additional notes and affidavits for use of lending banks may be obtained from Veterans' Bureau or Federal reserve bank. (If not possible to use this form, banks may print own in substantially same form.)

Loaning Powers. Banks are authorized to loan: not before expiration of two years after date of certificate; (certificates may be dated from January 1, 1925 to January 1, 1928) only to veteran named in certificate (not beneficiary); on promissory note secured by certificate, and not exceeding total amount of loan value for current year.

Authorization to Sell or Rediscount. Bank holding can sell to, discount, or rediscount with any bank authorized to loan to veterans under Section 502, and can deliver certificate to such bank, but must notify veteran of such transfer. Certificates not otherwise negotiable or assignable.

Interest Rate. Not to exceed by more than 2% Federal reserve bank rate for 90-day commercial paper; no other compensation or fee permitted; rate must be stated in face of note. Lending banks should not deduct interest in advance.

Affidavits. Lending bank should notify Veterans' Bureau promptly giving name of veteran, the A number, number of certificate, amount and date of loan. Bank discounting must make affidavit by authorized officer before a notary or other officer designated by Director regarding non-collection of fee, that he personally knows veteran, and has notified veteran of rediscount or transfer. Transferee bank if rediscounting must make affidavit that notice of resale was promptly made to veteran. First affidavit on note is for use of lending bank in transferring, or for collection at maturity (in event of non-payment) from Director. Second affidavit is for use of bank to which note was transferred by lending bank when transferee bank retransfers.

Notes not Paid at Maturity. Present to Director not before six months after date of loan in order to receive principal and interest to date of check, provided bank does not hold note for period exceeding six months after maturity. Veteran may redeem certificate by paying Director amount of unpaid principal and interest paid bank plus six per cent interest compounded annually on such amount from date of payment to bank to date of such redemption.

Veteran's death - loan due immediately; should be presented to Director within 15 days, no interest thereafter.

Rediscount with Federal Reserve Bank - rediscount only (not advance); application, note and affidavit on specified forms; by member or nonmember; whether or not acquired in first instance from veteran or by transfer from any other bank; not over nine months maturity. Federal reserve bank rate same as for 90-day commercial paper.

Eligibility - Must comply with section 502; loan to veteran only; secured by adjusted service certificate issued to maker of note; to be held by offering bank in own right; to be negotiable in form; not over nine months maturity; loan not to exceed loan value for current year; interest not over 2% of Federal reserve bank rate on 90-day commercial paper and rate to be stated in face of note; endorsement of offering bank; show evidence of eligibility as to regulations of Federal Reserve Board, etc.; accompanied by required affidavits and otherwise comply with law and regulations of Federal Reserve Board.

Ineligibility - Fifteen day advance on bank's own promissory note not authorized; section 13 authorizing fifteen day advances requires notes to be secured by paper eligible for rediscount under provisions of Federal Reserve Act, section 502 authorizing rediscount veterans notes not made part of Federal Reserve Act.

Terms of Rediscount - Certified resolution of Board of Directors authorizing rediscount to be on file with Federal reserve bank; nonmember unable to rediscount until it has furnished satisfactory information regarding its condition; proceeds of rediscount by check to nonmember or, upon request, by credit to member bank in this district for account of nonmember.

Collection of Notes by Federal Reserve Bank - Member bank: Forward notes to discounting bank in advance of maturity with understanding to be charged to reserve account at maturity without due notice.
Nonmember: Notice of maturity to be sent approximately ten days in advance, discounting bank to provide Federal reserve bank with available funds at maturity.

Form for Demand Payment - Printed on back of certificates, should not be filled out by borrower or bank. This is for use of beneficiary only in case of death of veteran.

Security for Circulation - Federal Reserve Board has ruled that veterans notes will not be eligible to secure circulation of Federal reserve notes.

Officers Designated to Witness Affidavits - The affidavit must be executed before a Judge of the United States Court, United States Commissioner, United States District Attorney, United States Marshal, Collector of Internal Revenue, Collector of Customs, United States Postmaster, Clerk of Court of Record under the seal of the Court, an executive of an incorporated bank or trust company under his official designation and the seal of the bank or trust company, or a notary public under his seal, or consular officer of the United States under his official seal.

MISCELLANEOUS DATA

Certificates may be dated from January 1, 1925 to January 1, 1928, and will mature twenty years thereafter. It is estimated 1,000,000 certificates will be eligible as security for loans January 1, 1927 and 2,500,000 by June 30, 1927.

Total number of applications made to December 1, 1926, understood to approximate 2,800,000; total number eligible estimated at 3,500,000, with estimated total paid up value of \$3,000,000,000; Treasury to appropriate each calendar year beginning 1925 and ending 1946, funds to provide payments in full at face value in twenty years or on prior

death of veteran, appropriation for 1925 to be not in excess of \$100,000,000. Total maximum loan value for 1927, approximately \$252,000,000; maximum 1927 loan value to individual, for home service estimate \$105.50, for overseas service estimate \$131.85.

On basis of a certain certificate having a maturity value of \$494 covering home service from May 10, 1918 to January 31, 1919, inclusive, totaling 267 days (less 60 days cash bonus) at \$1 per day total credit would be \$267, therefore if \$267 plus 25% (or \$66.75) equaling \$333.75 would purchase a maturity value of \$494, the total maximum home credit of \$500 plus 25% equaling \$625 would purchase approximately \$1,200 maturity value, and the total maximum overseas credit of \$625 plus 25% equaling \$781.25 would purchase a maturity value of approximately \$1,500. The law provides computation of service credit to be for each day (in excess of 60 days against cash bonus payment) in force between April 5, 1917 and July 1, 1919, on the basis of \$1 per day for home service with total maximum credit of \$500 and/or \$1.25 per day for overseas service with total maximum credit of \$625.

Resolutions are not sent to member banks as resolution already filed with Federal reserve bank by them is sufficient. Under the ruling of the Attorney General of each state the superintendent of these state banking departments have notified us that savings banks under their jurisdiction may or may not make loans to veterans in this respect as indicated below:

New York StateNew JerseyConnecticut

No

Yes

No

TABLE OF LOAN VALUES ON THIS CERTIFICATE

<u>YEARS</u>	<u>LOAN</u> <u>FASIS</u> <u>PER \$1.00</u>	<u>YEARS</u>	<u>LOAN</u> <u>FASIS</u> <u>PER \$1.00</u>	<u>YEARS</u>	<u>LOAN</u> <u>FASIS</u> <u>PER \$1.00</u>	<u>YEARS</u>	<u>LOAN</u> <u>FASIS</u> <u>PER \$1.00</u>	<u>YEARS</u>	<u>LOAN</u> <u>FASIS</u> <u>PER \$1.00</u>
2	.08790	5	.18855	8	.30397	11	.43656	14	.58937
3	.11994	6	.22528	9	.34613	12	.48507	15	.64538
4	.15347	7	.26372	10	.39028	13	.53595	16	.70425
17	.76617								
18	.83133								
19	.90000								