

CIRCULAR No. 19

OF THE

RECONSTRUCTION  
FINANCE CORPORATION

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INFORMATION REGARDING  
LOANS FOR FLOOD RELIEF



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## INFORMATION REGARDING LOANS FOR FLOOD RELIEF

The Reconstruction Finance Corporation is authorized, pursuant to the provision of Public No. 160, 73rd Congress, approved April 13, 1934, as amended July 24, 1935, to make loans through such existing agency or agencies as it may designate, to nonprofit corporations with or without capital stock, organized for the purpose of financing the acquisition of home or building sites in replacement of sites formerly occupied by buildings where such sites are declared by public authority to be unsafe by reason of flood or danger of flood, and for the purpose of financing the repair or construction of buildings or structures, or water, irrigation, gas, electric, sewer, drainage, flood control, communication, or transportation systems, damaged or destroyed by flood in the years 1933, 1934, 1935, and 1936, and deemed by the Reconstruction Finance Corporation to be economically useful or necessary.

### ELIGIBLE APPLICANTS

Any person, corporation, partnership, municipality, or political subdivision of states or of their public agencies, including public-school boards, and public-school districts, and water, irrigation, sewer, drainage, and flood-control districts, owning property of the type described in the preceding paragraph, damaged or destroyed by flood in the years 1933, 1934, 1935, and 1936, is eligible for a loan under this Circular.

### PURPOSES

Loans will be made for the purpose of financing the acquisition of home or building sites in replacement of sites formerly occupied by buildings where such sites are declared by public authority to be unsafe by reason of flood or danger of flood, and for the purpose of financing the repair or construction of buildings or structures, or water, irrigation, gas, electric, sewer, drainage, flood control, communication, or transportation systems, damaged or destroyed by flood in the years 1933, 1934, 1935, and 1936, and deemed by the Reconstruction Finance Corporation to be economically useful or necessary.

### AMOUNT

Loans will be limited to an amount reasonably required to accomplish the purposes for which they may be authorized.

### SECURITY

The aforesaid Act authorizing the Corporation to make these loans requires that they shall be collateralized—

(a) In case of loans for the acquisition, repair, or reconstruction of private property, by the obligations of the owner of such property, secured by a paramount lien except as to taxes and special assessments on the property to be acquired, repaired, or reconstructed, or on other property of the borrowers;

(b) In case of loans for the repair or reconstruction of privately owned water, gas, electric, communication, or transportation systems, by the obligations of the owners of such water, gas, electric, communication, or transportation systems, secured by a lien thereon; and

(c) In case of loans for the repair or reconstruction of property of municipalities or political subdivisions of states or of their public agencies, including public-school boards, and public-school districts, and water, irrigation, sewer, drainage, and flood-control districts, by an obligation of such municipality, political subdivision, public agency, board, or district, payable from any source, including taxation or tax-anticipation warrants.

The Act provides that—

In any case in which any such loan is made, in whole or in part, for the acquisition of land in replacement of land privately owned and declared by public authority to be unsafe by reason of flood, danger of flood, or earthquake, such unsafe property shall be conveyed by the owner thereof, without cost, to the county, municipality, or district in which such property is situated.

### TERM OF LOAN

The collateral obligations shall have maturities not exceeding ten years in case of loans made under subparagraph (a) of the preceding section, and not exceeding twenty years in case of loans under subparagraphs (b) and (c) of the preceding section.

### INTEREST

The interest rate will be  $4\frac{1}{4}\%$  per annum.

### GENERAL

A nonprofit corporation will be organized for each area affected through which the loans will be made provided sufficient applications are filed to justify the creation of such a corporation. The Reconstruction Finance Corporation has designated its loan agency in the district in which the damaged property is located as the agency which will handle the loans to the nonprofit corporation in that district. All applicants for loans will apply to the nonprofit corporation in their district which will establish an agency in the flood area immediately after its organization, where application forms and information will be available.

Until such a nonprofit corporation is organized in a particular area, applicants for loans should address all communications to the loan agency of the Reconstruction Finance Corporation serving the territory involved. Loan Agencies of the Reconstruction Finance Corporation are located in the following cities:

(The territory served by each Loan Agency is indicated on the map on page 3 of this Circular.)

Atlanta, Ga.  
Birmingham, Ala.  
Boston, Mass.  
Charlotte, N. C.  
Chicago, Ill.  
Cleveland, Ohio  
Dallas, Tex.  
Denver, Colo.  
Detroit, Mich.  
El Paso, Tex.  
Helena, Mont.

Houston, Tex.  
Jacksonville, Fla.  
Kansas City, Mo.  
Little Rock, Ark.  
Los Angeles, Calif.  
Louisville, Ky.  
Minneapolis, Minn.  
Nashville, Tenn.  
New Orleans, La.  
New York, N. Y.  
Oklahoma City, Okla.

Omaha, Nebr.  
Philadelphia, Pa.  
Portland, Oreg.  
Richmond, Va.  
Salt Lake City, Utah  
San Antonio, Tex.  
San Francisco, Calif.  
Seattle, Wash.  
Spokane, Wash.  
St. Louis, Mo.

# RECONSTRUCTION FINANCE CORPORATION LOAN AGENCY DISTRICTS

