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CIRCULAR No. 21
OF THE
**RECONSTRUCTION
FINANCE CORPORATION**

INFORMATION REGARDING CATASTROPHE
RELIEF LOANS
INCLUDING FLOODS, EARTHQUAKES,
TORNADOES, ETC.



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INFORMATION REGARDING CATASTROPHE RELIEF LOANS

The Reconstruction Finance Corporation, pursuant to the provisions of Public, No. 160, 73d Congress, approved April 13, 1934, as amended, is authorized, through such existing agency or agencies as it may designate, to make loans to corporations, partnerships, or individuals, 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 for the purpose of financing the repair, construction, reconstruction, or rehabilitation of structures or buildings, including such equipment, appliances, fixtures, machinery, and appurtenances as shall be deemed necessary or appropriate by the Reconstruction Finance Corporation, and for the purpose of financing the repair, construction, reconstruction, or rehabilitation of water, irrigation, gas, electric, sewer, drainage, flood-control, communication, or transportation systems, highways, and bridges damaged or destroyed by earthquake, conflagration, tornado, cyclone, hurricane, flood, or other catastrophe in the years 1935 or 1936, and for the purpose of financing the acquisition of structures, buildings, or property, real and personal, in replacement of structures, buildings, groins, jetties, bulkheads, or property, real and personal, destroyed or rendered unfit for use by reason of the catastrophe, when such repair, construction, reconstruction, rehabilitation, or acquisition is deemed by the Reconstruction Finance Corporation to be useful or necessary, said loans to be so secured as reasonably to assure repayment thereof.

ELIGIBILITY

The Reconstruction Finance Corporation will consider applications for loans presented by individuals, partnerships, or corporations, or by municipalities, or political subdivisions of states or their public agencies, including public-school boards, and public-school districts, and water, irrigation, sewer, drainage, and flood-control districts, for the purpose of financing the repair, construction, reconstruction, rehabilitation, or acquisition of structures, buildings, or property, as referred to in the preceding paragraph, damaged or destroyed by catastrophe in the years 1935 and 1936. The Reconstruction Finance Corporation will determine from the facts and circumstances in each particular case when rehabilitation is "useful and necessary", and under what circumstances the loan is "so secured as reasonably to assure repayment thereof."

AMOUNT

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

SECURITY

The Act authorizing Reconstruction Finance Corporation to make these loans requires that they shall be collateralized:

- (a) In the case of loans for the acquisition, repair, construction, reconstruction, or rehabilitation of private real property, by the obligations of the owner of such property, secured by a lien thereon;
- (b) In case of loans for the repair, construction, reconstruction, or rehabilitation 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, construction, reconstruction, or rehabilitation 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.

In the case of loans in connection with personal property, the specific requirement in regard to collateral will be determined in each case as presented. The Act requires that all such loans shall be so secured as reasonably to assure repayment thereof.

TERM OF LOAN

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

In the case of loans made in connection with personal property, the collateral obligations shall mature at such time or times as the Reconstruction Finance Corporation may determine, and where not otherwise prescribed in the Act, not later than January 31, 1945.

INTEREST

The interest rate will be 5% per annum.

GENERAL

In order to expedite the repair, construction, reconstruction, and rehabilitation provided for in the Act and effectively carry out its emergency-relief purposes, the Reconstruction Finance Corporation has designated its Loan Agency in the district in which the damaged or destroyed property is located as the agency which will handle the loans in that district. All applicants for loans should immediately apply to the Agency of the Reconstruction Finance Corporation in their district, where application forms and information will be available.

Loan Agencies of the Reconstruction Finance Corporation are located in the following cities:

Atlanta, Ga.	Louisville, Ky.
Birmingham, Ala.	Minneapolis, Minn.
Boston, Mass.	Nashville, Tenn.
Charlotte, N. C.	New Orleans, La.
Chicago, Ill.	New York, N. Y.
Cleveland, Ohio	Oklahoma City, Okla.
Dallas, Tex.	Omaha, Nebr.
Denver, Colo.	Philadelphia, Pa.
Detroit, Mich.	Portland, Oreg.
El Paso, Tex.	Richmond, Va.
Helena, Mont.	Salt Lake City, Utah
Houston, Tex.	San Antonio, Tex.
Jacksonville, Fla.	San Francisco, Calif.
Kansas City, Mo.	Seattle, Wash.
Little Rock, Ark.	Spokane, Wash.
Los Angeles, Calif.	St. Louis, Mo.

(The territory served by each Loan Agency is indicated on the map on page 5 of this Circular.)

The following sections of Public, No. 160, Seventy-third Congress, as amended, are applicable to loans referred to in this circular:

AN ACT Relating to the authority of the Reconstruction Finance Corporation to make rehabilitation loans for the repair of damages caused by floods or other catastrophes, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act authorizing the Reconstruction Finance Corporation to make loans to nonprofit corporations for the repair of damages caused by floods or other catastrophes, and for other purposes", approved April 13, 1934, as amended, is amended to read as follows:

"That the Reconstruction Finance Corporation is authorized and empowered, through such existing agency or agencies as it may designate, to make loans to corporations, partnerships, or individuals, 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 for the purpose of financing the repair, construction, reconstruction, or rehabilitation of structures or buildings, including such equipment, appliances, fixtures, machinery, and appurtenances as shall be deemed necessary or appropriate by the Reconstruction Finance Corporation, and for the purpose of financing the repair, construction, reconstruction, or rehabilitation of water, irrigation, gas, electric, sewer, drainage, flood-control, communication, or transportation systems, highways, and bridges damaged or destroyed by earthquake, conflagration, tornado, cyclone, hurricane, flood, or other catastrophe in the years 1935 or 1936, and for the purpose of financing the acquisition of structures, buildings, or property, real and personal, in replacement of structures, buildings, groins, jetties, bulkheads, or property, real and personal, destroyed or rendered unfit for use by reason of the catastrophe, when such repair, construction, reconstruction, rehabilitation, or acquisition is deemed by the Reconstruction Finance Corporation to be useful or necessary, said loans to be so secured as reasonably to assure repayment thereof.

"Obligations accepted hereunder shall be collateralized—

"(a) In the case of loans for the acquisition, repair, construction, reconstruction, or rehabilitation of private real property, by the obligations of the owner of such property, secured by a lien thereon;

"(b) In case of loans for the repair, construction, reconstruction, or rehabilitation 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, construction, reconstruction, or rehabilitation 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 collateral obligations shall have maturities not exceeding ten years in case of loans made under paragraph (a) of this Act and not exceeding twenty years in case of loans under paragraphs (b) and (c) of this Act.

"The Corporation shall prescribe such regulations as will most effectively expedite the repair, construction, reconstruction, and rehabilitation provided for by this Act and effectively carry out the emergency-relief purposes of this Act.

* * * * *

"The aggregate of loans made under this Act shall not exceed \$50,000,000."

SEC. 2. The title of the said Act is amended to read as follows: "An Act authorizing the Reconstruction Finance Corporation to make loans for the repair of damages caused by floods or other catastrophes, and for other purposes."

RECONSTRUCTION FINANCE CORPORATION LOAN AGENCY DISTRICTS

