CIRCULAR No. 7  
(SECOND REVISION)  
OF THE  
RECONSTRUCTION  
FINANCE CORPORATION  

INFORMATION FOR PROSPECTIVE APPLICANTS FOR  
LOANS UNDER THE PROVISIONS OF SECTION 36,  
PART 4, OF THE EMERGENCY FARM MORTGAGE  
ACT OF 1933, AS AMENDED, RELATING TO  
AGRICULTURAL PROJECTS  

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INFORMATION FOR PROSPECTIVE APPLICANTS FOR LOANS UNDER THE PROVISIONS OF SECTION 36, PART 4, OF THE EMERGENCY FARM MORTGAGE ACT OF 1933, AS AMENDED, RELATING TO AGRICULTURAL PROJECTS

The Reconstruction Finance Corporation (hereinafter referred to as the Corporation) is authorized under section 36, part 4, of the Emergency Farm Mortgage Act of 1933, as amended, to make loans, not exceeding $125,000,000 in the aggregate, to or for the benefit of certain districts, political subdivisions, companies and associations (hereinafter referred to as applicants). For the information of applicants said section 36 (hereinafter referred to as the act), and section 5 of the Reconstruction Finance Corporation Act, referred to in said section 36, are reprinted on the last pages of this circular.

A. Eligible borrowers

1. Applicants must be in one of the following classifications:
   (a) Drainage districts, levee districts, levee and drainage districts, irrigation districts, and similar districts;
   (b) Political subdivisions of States;
   (c) Mutual nonprofit companies; or
   (d) Incorporated water users' associations.

2. The project of the applicant must be devoted chiefly to the improvement of lands for agricultural purposes.

3. The project of the applicant must be economically sound.

B. Purposes of loans

All loans must be for one of the following purposes:

1. To enable an applicant to reduce and refinance its outstanding indebtedness incurred in connection with its project.

2. To enable an applicant which has or proposes to purchase or otherwise acquire projects or portions thereof devoted chiefly to the improvement of lands for agricultural purposes, to purchase, acquire, construct or complete such a project or any part thereof or to purchase or acquire additional drainage, levee, or irrigation works, or property, rights, or appurtenances in connection therewith, and to repair, extend, or improve any such project or make such additions thereto as are consonant with or necessary or desirable for the proper functioning thereof or for the further assurance of the ability of the borrower to repay
its loan. Such loans shall not permit additional or new land to be brought into production outside of the present boundaries of any established or reorganized irrigation district.

C. Security for loans

1. All loans shall be fully and adequately secured.
2. Each loan shall be secured by bonds, notes, or other obligations, which are a lien on the real property within the project or on the assessments, taxes, or other income or charges imposed by the borrower pursuant to State law, or by such other collateral as may be acceptable to the Corporation.

D. Disbursement, interest rates and maturities

1. Disbursement.—All loans must be disbursed by the Corporation within such time as it may fix.
2. Interest rates.—The interest rate on loans made to enable applicants to reduce and refinance their outstanding indebtedness will be 4 percent. The interest rate on loans for other purposes will be such as may be fixed by the Corporation, from time to time, for loans of such character, or as may be fixed and determined by the Corporation in individual cases.
3. Maturities.—Loans shall be for such term as may be fixed in each case by the Corporation, and in no event shall exceed 40 years.

E. Terms and conditions of loans

1. Issuance of other securities.—The borrower shall agree not to issue during the term of the loan any other bonds so secured except with the consent of the Corporation.
2. Repayment.—The borrower shall agree, insofar as it may lawfully do so, that so long as any part of such loan shall remain unpaid the borrower will in each year apply to the repayment of such loan or to the purchase or redemption of the obligations issued to evidence such loan, an amount equal to the amount by which the assessments, taxes, and other charges collected by it exceed (a) the cost of operation and maintenance of the project, (b) the debt charges on its outstanding obligations, and (c) provision for such reasonable reserves as may be approved by the Corporation.
3. Reduction in taxes and charges.—In the case of a loan to reduce or refinance its outstanding indebtedness the borrower shall agree, to the satisfaction of the Corporation, to reduce, insofar as it lawfully may, the annual taxes, assessments, and other charges imposed by it for or on account of the project by an amount proportional to the reduction in the corresponding annual requirements for principal and interest of its outstanding indebtedness by reason of the operation of the act.
4. Charges, commissions, bonuses, fees, etc.—Payment of bonuses, fees, or commissions for the purpose of, or in connection with, obtaining loans is prohibited. The borrower, however, subject to the approval of the Corporation,
may be allowed to pay the actual reasonable costs incurred in the making of the
loan. Such charges may include reasonable compensation for services rendered
by attorneys, appraisers, accountants, etc., but not in any event for alleged
services in connection with the presentation of the application to the Corpora-
tion. Such charges must be fully disclosed. A fee based upon a percentage of
the loans will be objected to, as also will fees or charges made contingent upon
the obtaining of the loan. Applicants will be required to furnish satisfactory
proof in the application that no bonus, fee, or commission has been or will be
paid, and that no compensation, other than reasonable compensation for serv-
ices required in making the loan, fully disclosed and itemized, has been or will
be paid.

5. Compliance with wage and working conditions.—When loans are for the
purpose of making repairs, extensions, or improvements, or for the purpose of
purchasing or acquiring works, etc., and the employment of labor or purchase
of materials will be entailed, the applicant must agree to comply with all statu-
tory requirements and executive orders affecting wages or working conditions.
Each applicant must give the Corporation such proof of fulfillment of its agree-
ment as the Corporation may require.

6. Costs of examination.—Applicants shall agree to pay the expenses in-
curred in making such appraisals and field examinations and investigations as
the Corporation may require, and resolution authorizing preparation and sub-
mission of application must provide for reimbursement of the Corporation for
same. If the Corporation so requires, applicants must make a deposit, in an
amount to be determined in each case by the Corporation, to cover such costs.

7. Additional terms and conditions.—Such other terms and conditions as
the Corporation may determine.

F. Conditions precedent

1. Loans shall not be made until the Corporation has caused an appraisal
to be made of the property securing and/or underlying the outstanding bonds of
the applicant.

2. The Corporation must have determined that the project of the applicant
is economically sound.

3. Loans to reduce and refinance an applicant’s outstanding indebtedness
will not be disbursed until the Corporation is satisfied that an agreement has
been entered into between the applicant and holders of its outstanding bonds or
other obligations under which the applicant will be able to purchase or refund
such a large proportion of such bonds or other obligations as may be acceptable
to the Corporation at a price determined by the Corporation to be reasonable
after taking into consideration the average market price of such bonds over the
6 months’ period ending March 1, 1933, and under which a substantial reduction
will be brought about in the amount of the outstanding indebtedness of the
applicant.
G. Applications for loans

Applications should be made in writing to the Reconstruction Finance Corporation at its office, 1825 H Street NW., Washington, D. C.

No printed forms of applications will be provided but all applications shall present the information indicated below and shall follow in the order given and by apt reference thereto the system of numbering and lettering indicated.

Each copy of the application shall be written upon 8½ by 13 inch legal paper with exhibits folded to that size and with accompanying exhibits firmly bound together, preferably in a single binder.

Five complete signed copies of each application shall be filed.

Applications shall be signed by the president and secretary of the applicant and, if prepared under the direction of any attorney or engineer, such fact shall be stated and such application must be approved by each such person.

Exhibits shall bear the signature of the person who prepared them.

A resolution shall be adopted by the board of directors or other governing body of the applicant expressly agreeing to meet and comply with each separate condition listed in E, above, and authorizing and directing the proper officers of the applicant to supply the Corporation with all instruments or data requested by it in connection with the application and to execute and deliver the application and exhibits thereto in the exact form in which they are submitted. A certified copy of such resolution should be attached to the application as an exhibit.
All applications shall be verified in substantially the following form:

**STATE OF___________________________**

County of___________________________, ss.

___________________________ makes oath and says that he is the___________________________

(Name of affiant) (Office held by affiant)

of___________________________; that he has carefully examined each and all of

(Full legal title of applicant)

the statements contained in the foregoing application and in the exhibits and other data

attached thereto or submitted therewith; that such statements are true and correct to the

best of his knowledge and belief; that such application is made with the approval and at the

direction of the __________________________ of said applicant, as appears by a

(Governing body)

resolution duly adopted at a meeting thereof, a certified copy of which is attached to such

application, said meeting having been held at ________________ on the __________ day

of __________________, 193__; and that he is the person who has been authorized by such

resolution to execute such application.

___________________________

(Signature of affiant)

Subscribed and sworn to before me, a __________________ in and for the State and

(county above named, this________day of. __________________, 193__.

[seal]

My commission expires___________________________

**INFORMATION REQUIRED**

**SECTION I. INFORMATION REQUIRED FROM ALL APPLICANTS IRRESPECTIVE OF PURPOSE OF LOAN**

1. General information:
   
   (a) Full legal title of applicant. Care should be exercised to give the full and exact legal title.
   
   (b) Citation to laws under which organized.
   
   (c) Date of organization.
   
   (d) Names and addresses of each officer and director.
   
   (e) Name and address of the person with whom correspondence should be conducted.
   
   (f) Names and addresses of attorneys and engineers.

2. Amount of loan requested.

3. Full statement as to purpose of loan.
4. Brief description and history of the project, including with such other information as the applicant thinks necessary or desirable, the following:

(a) Map showing the project and location thereof.
(b) Topography, climate, transportation facilities, nature of soil, and extent of alkali.
(c) Total acres in applicant’s project, number of acres assessed or charged, number of cultivated acres, and number of irrigated acres.
(d) Number of farms in applicant’s project, size of each of the 10 largest farms with names and addresses of owners, size of average farm, and number of inhabitants in the project.
(e) Brief statement as to the general condition of landowners with approximate number of foreclosures of farm mortgages in each year beginning with 1931 to date of application.
(f) Average assessed valuation per acre of irrigated land, of cultivated or improved land, and unirrigated or unimproved land for ad valorem or general tax purposes, percentage of such valuation to fair and reasonable market value and the millage rate of taxation (including State, county, and school district taxes, but excluding any taxes or charges imposed by the applicant or by other improvement districts or projects of companies or associations) for each year beginning with 1928 in the form set forth in schedule A.

5. The following data is required respecting overlapping districts or overlapping projects of companies or associations (if none, so state):

(a) Indicate on map the overlapped area.
(b) State total number of acres in overlapped area, separately listing irrigated, cultivated, and unirrigated or unimproved areas.
(c) Average tax per acre for district purposes of each overlapping district in overlapped area, for each year beginning with 1928.
(d) Total area of each overlapping district or project, separately listing irrigated, cultivated, and unirrigated or unimproved areas.
(e) Amount and interest rate of bonds outstanding of each overlapping district or project.
(f) First and last maturity date of bonds outstanding of each overlapping district or project.
(g) If the bonds or coupons of overlapping districts or projects are in default, give dates and amounts thereof in each overlapping district or project.

6. Full statement as to any litigation pending or threatened involving the applicant.

7. Full statement as to the physical condition of the project of the applicant with special reference to dams, canals, dikes, levees, pumping plants, etc. State in each instance the size of dams and number of miles of levees, dikes, canals, and ditches. If applicant is a drainage district give statement with
reference to growth in and silting of ditches as well as when the same were last cleaned and present need for cleaning. State whether silting basins are needed or provided.

8. Statement as to gross crop values per acre each year, beginning with the year 1928, itemized as to each cash crop.

9. Statement as to the source and basis of applicant's revenues however derived.

10. Statement as to the apportionment of revenues to particular funds and as to the purposes for which same may be used.

11. Statement as to the present outstanding indebtedness of the applicant including the following:
   (a) Total amount.
   (b) Description and history of each issue.
   (c) Furnish, if available, the opinion or counterpart of opinion as to the validity of such obligations given by bond or other counsel in connection with the issue and sale thereof.
   (d) Give citations to laws under which the present indebtedness was incurred, including court decisions with reference to the same.
   (e) Statement as to each issue of bonds or secured obligations issued by the applicant since date of organization in the specimen form set forth in schedule B.
   (f) Statement of acreage assessed or charged for service, amounts of annual assessments and other charges and collections thereof for each of the years during which the present indebtedness has been outstanding, in accordance with the form set forth in schedule C.
   (g) Statement of the number of acres within or served by the applicant now owned by the State or county giving separately dates and acreage acquired by tax sale and acreage otherwise acquired.

12. General statement as to the nature of and security for the obligations which the applicant will offer to evidence the loan.

13. The following financial statements:
   (a) Balance sheet or statement of assets and liabilities, as of the latest date available, together with similar statements as of December 31 (or close of applicant's fiscal year), for each year beginning with 1928. In those instances where public accountants have audited the accounts, such statements shall be certified by such public accountants. In the other instances and for the latest balance sheet such statement shall be certified to by the applicant's chief fiscal officer.
   (b) Income and disbursement accounts showing, in reasonable detail, items of income and expense for each year beginning with 1928, certified by the chief fiscal officer or, in those instances of public audits, by the public accountant. Expenditures for betterments and for maintenance and operation shall be separated so
that the total amount expended for each class of expenditures will be clearly shown.

(c) Description of any assets or liabilities or items of income and expense not properly described in the statements requested under (a) and (b) above, or which are unusual, or which, for any reason, require special attention.

14. If applicant is an irrigation district, mutual nonprofit company, or incorporated water users' association, or drainage district within or served by same the following additional information is required:

(a) Description of the water rights including amount of water actually delivered (maximum, minimum, and average), source, priorities, capacity of storage reservoirs, water required per acre per year, and full information as to permits, decrees, etc.

(b) If water for irrigation is provided by pumping give average lift and cost per acre-foot of pumping, including rate for electric current used and, if furnished under contract, supply copy thereof. If pumping is from wells give capacity of wells and average draw-down at end of season. Also state what the effect has been on the depth of the water table in the basin as a result of pumping operations since inception thereof.

(c) Give average annual cost per irrigated acre for each year, beginning with 1929, for maintenance and operation and for water tolls, and the total thereof.

(d) State what drainage work has been done and what is now needed.

(e) If applicant is a drainage district served by an irrigation project, state whether the water rights are appurtenant to the land and, if so, how accomplished.

(f) State if payment of water tolls may be required in advance and whether delivery of water can be withheld if water tolls, assessments, or taxes are past due and unpaid or delinquent. Cite applicable laws.

15. If applicant is a district or political subdivision of a State the following information is also required.¹

(a) Citations to all statutes and constitutional provisions (including court decisions having a bearing upon the constitutionality or interpretation of statutes) with reference to the obligations offered to evidence the loan. In case of any recent statutes or court decisions not yet included in authorized publications, complete copies thereof should be supplied and attached as exhibits to the application.

¹ When a loan is authorized to a district or political subdivision of a State having benefits assessed against the lands therein (commonly called "benefit districts"), disbursements will not be made until the applicant has furnished the Corporation with certain information in tabular form as called for in schedules D and E hereof, taken from the assessment roll of the applicant or from some other tax roll or source where such information may be found. As such information doubtless will generally come from the same sources as will much of the other information called for in this circular, the attention of applicant districts is hereby directed to this requirement so they may furnish this information as a part of their applications if they so desire.
(b) State limitations, if any, imposed by law as to the term and interest rate of obligations to be issued.

(c) Statement as to nature of revenues from which such obligations are payable. If payable out of ad valorem or general taxes, give a statement of the property taxable and the limitations, if any, as to tax rate. If payable from assessments or taxes other than ad valorem or general taxes, give a complete statement of the benefits or values and the limitations on the assessments or taxes that can be levied. State whether or not such taxes are prepayable and whether the rate is fixed or variable.

(d) State whether payment of taxes and assessments may be made by bonds, coupons, warrants or the like, citing authority therefor.

(e) Statement as to the acreage of irrigated, cultivated and uncultivated or unimproved lands and assessed value thereof to which the applicant has taken title under tax or assessment sale in each year beginning with 1928 and the acreage of each class still held by the applicant.

(f) State whether a sale for delinquent State, county, or school district taxes cancels delinquent assessments imposed by the district or political subdivision with citation to statutes or court decisions governing the matter.

(g) Statement as to the nature of the obligations offered to evidence the loan, whether general or special with the nature of the recourse against lands for nonpayment of taxes or assessments, time within which proceedings for sale of lands for nonpayment of taxes and assessments can be commenced and completed, together with the period of redemption.

(h) Give a reference to any statutes affecting the delinquency of taxes or assessments or providing for a moratorium thereon. Supply copies of recent legislation, if any.

(i) Statement of any other revenues and properties which the applicant can offer as security.

16. If applicant is a mutual nonprofit company or incorporated water users' association, the following additional information is required:

(a) Exhibits required:

(1) Articles of incorporation.
(2) Bylaws.
(3) Water regulations (rules and regulations respecting delivery and distribution of water).
(4) Copy of stock certificate.
(5) Copy of bond or other evidence of outstanding indebtedness.
(6) Copy of bond indenture or other instrument securing outstanding indebtedness, if any.
(b) Give a general summary of the plan of operation, including the method of apportioning and delivering water and fixing and collecting charges.

(c) Statement as to the classification and incidents of stock of the company or association, including:

1. Schedule of stock of each class authorized, issued and outstanding (common, preferred, par value, no par value, treasury).
2. Statement whether the stock is appurtenant to lands and, if so, how accomplished.
3. Statement as to how the stock is held (by individuals or collectively by company).
4. Statement as to the relationship of water rights and deliveries to stock of each class and method of apportioning water to the stock and to various parcels of land.
5. State whether apportionments of water to stock are for fixed amounts or for a proportion of the whole.
6. State whether the ratio of stock to acreage is uniform or varies. If uniform state what the ratio is of shares to each acre. If the ratio varies state what the extent and basis of variations are.
7. State whether the stock is classified so as to segregate rights to different priorities or sources, or as to direct flow or reservoir water, or in relation to service from different canals. If so classified explain the classification.
8. Statement as to what rights, if any, exist to transfer rights to receive water to other lands.
9. If stock is floating stock state what its market value is and what limitations, if any, are imposed upon its transfer.
10. State whether the right exists to rent stock or rights incident thereto. If so, state what rentals are secured.
11. State whether the company holds any treasury stock. If so, state the source of ownership and what the liability is therefore for assessments and what conditions and limitations exist on its resale.
12. State whether water is supplied to others than stockholders. If so, state upon what basis delivery is made and what obligation exists to continue such delivery.

(d) Statement as to stock assessments of the applicant, including the following:

1. State what the relationship of levies is to different classes of stock.
2. Statement as to time and method of making levies.
(3) State relation of levies to each acre of land and each acre-foot of water supplied.

(4) Full statement as to the right to sell stock in the event of delinquency with a statement as to any stock or other properties to which the applicant has taken title for assessments or charges in each year beginning with 1928 and the amount thereof still held by the applicant.

(5) Full statement as to the applicant's right to refuse delivery of water in the event of delinquency, and a statement as to the acreage on which water has been shut off because of the nonpayment of water charges for each year beginning with 1928 and the amount of such acreage on which water is shut off at the time of the application.

(e) Statement as to applicant's revenues, including the following:
   (1) Stock assessments.
   (2) Water tolls or sales to stockholders in excess of amounts to which they are entitled by reason of stock ownership.
   (3) Sales to others than stockholders.
   (4) Other sources, detailing each such source.

(f) Statement as to the property and works of the applicant, including a general description thereof, title by which the same is held, appraisals and valuations:
   (1) Water rights.
   (2) Canals and distribution ditches.
   (3) Reservoirs and dams.
   (4) Pumping facilities.
   (5) Easements and rights-of-way.
   (6) Franchises.
   (7) Other works and structures.
   (8) Other real and personal property.

(g) Statement as to water supply and distribution thereof, including the following:
   (1) Place of delivery of water, whether delivered to each landowner or only to various units or to laterals.
   (2) Statement as to water presently or prospectively available to stockholders and landowners from other sources and comparative costs.

(h) Statement as to requirements for approval of stock or bond transactions under Blue Sky laws, including the following:
   (1) Necessity therefor, with citation to appropriate statutes and decisions.
   (2) Applications previously made and action thereunder.
   (3) Applications made or contemplated in connection with the proposed loan.
SECTION II. ADDITIONAL INFORMATION REQUIRED WHEN LOAN IS FOR THE PURPOSE OF REDUCING AND REFINANCING OUTSTANDING INDEBTEDNESS

1. Statement as to the present outstanding indebtedness, including the following:

(a) Statement as to total amount of various classes of obligations to be refunded and purposes for which such indebtedness was incurred. If the refunding program includes the refunding of warrants, judgments, unsecured notes, or open indebtedness, a list of the items thereof in the form of an exhibit shall be furnished, including, in the case of warrants, the date of issue, date of registration, name of holder, nature of claim, and fund on which same is drawn. Similarly, full particulars as to judgments, unsecured notes, and open indebtedness shall be given, including the basis of the judgment, note, or account. If there is indebtedness which the applicant does not propose to refund, the amount and character thereof should be stated and the reasons for not including such indebtedness should be given.

(b) State whether or not a bondholders’ committee or other agency or concern has been formed for the protection of or contacting holders of outstanding obligations and, if so, give name and address of such committee or other agency or concern and state the amount of obligations which have been deposited with same.

(c) If no such bondholders’ committee or other agency has been formed state whether the applicant has available a list of bondholders or other security holders, as well as efforts, if any, which have been made to secure such a list.

(d) State what assurances, if any, the applicant has that its refinancing program will be acceptable to the holders of its outstanding indebtedness.

(e) Quotations or sale prices applying to obligations of the applicant, local or otherwise, during each year, beginning with 1928, and for each month, beginning September 1, 1932. State source of quotations and sale prices.

SECTION III. ADDITIONAL INFORMATION REQUIRED WHEN LOAN IS FOR THE PURPOSE OF MAKING REPAIRS, NECESSARY EXTENSIONS OR IMPROVEMENTS

When the information required under prior sections of this circular has been previously furnished it will not be necessary to repeat the same. Reference should, however, be made to the same and any changes therein set forth. Applications for loans for the purpose both of reducing and refinancing outstanding indebtedness and of making repairs, necessary extensions, or improve-
ments should include the information required in sections I, II, and III of this circular.

1. Engineering information:
   (a) Purpose of and necessity for proposed work.
   (b) General description of work and manner in which it is to be performed.
   (c) Map indicating where work is to be done.
   (d) Engineer's estimate of cost of proposed repairs and necessary extensions or improvements. This information should be itemized giving quantities and estimated prices for each item. Cover unusual conditions to be encountered. State whether the expenses incurred will be recurring and, if so, how frequently.

2. Financial information: When application is made for a loan for repairs and necessary extensions or improvements, subsequent to the authorization of a loan for the purpose of refunding or refinancing outstanding indebtedness, the following information as to the financial condition of the applicant shall be given:
   (a) A general description of any changes in the financial condition of the applicant subsequent to the granting of the loan for the purpose of refunding or refinancing its outstanding indebtedness.
   (b) Balance sheet, or statement of assets and liabilities as of the latest date available, certified to by the applicant's chief fiscal officer.
   (c) Income and disbursement accounts showing, with reasonable detail, items of income and expense for the period elapsing between the application for a loan to refund and refinance applicant's outstanding indebtedness and the application for a loan for repairs and necessary extensions and improvements to be certified to by the applicant's chief fiscal officer. Expenditures for betterments and maintenance and operation shall be segregated.

3. General information:
   (a) Statement as to the additional land which the proposed work will bring into cultivation.
   (b) Statement as to the additional land which the proposed work will make available for cultivation.
   (c) Estimate, with supporting data, as to the additional cost per acre (on both cultivated and unimproved acreage) resulting from the performance of the repairs, extensions, or improvements.
   (d) Effect of the proposed work upon maintenance and operation charges and the relationship of increase of charges to the increased ability of lands to repay.
SECTION IV. ADDITIONAL INFORMATION REQUIRED WHEN LOAN IS FOR THE PURPOSE OF PURCHASING OR ACQUIRING ADDITIONAL PROPERTY AND WORKS

1. If it is proposed to purchase or acquire existing property or works, there shall be included, in addition to other information considered desirable, the following:
   (a) Purpose of and necessity for the proposed purchase or acquisition.
   (b) Itemized and detailed description of property or works to be acquired; with plans, maps, and plats in appropriate cases.
   (c) Statement of expenditures that will be required, with itemized and detailed appraisals and full supporting data respecting valuations.
   (d) Full information respecting present owners of property, and condition of titles.

2. If acquisition of additional property or works will entail new construction, a complete engineer’s report shall be furnished which shall include, in addition to other information considered desirable, the following:
   (a) Purpose of and necessity for proposed work.
   (b) Maps and plats showing location of structures.
   (c) Detailed plans of structure.
   (d) Detailed estimate of cost.
   (e) Statement of any unusual conditions to be encountered such as foundation for dams, side-hill work, rock work, and necessity for lining canals.

SCHEDULE A

Ad valorem tax record
(State, county, and school district taxes)

<table>
<thead>
<tr>
<th>Year 1929</th>
<th>Year 1930</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cultivated or improved land</td>
<td>Irrigated land</td>
</tr>
<tr>
<td>------------</td>
<td>------------</td>
</tr>
<tr>
<td>Year</td>
<td>------------</td>
</tr>
<tr>
<td>Assessed valuation per acre</td>
<td>------------</td>
</tr>
<tr>
<td>Tax per $100 assessed valuation</td>
<td>------------</td>
</tr>
<tr>
<td>Percent defaults</td>
<td>------------</td>
</tr>
<tr>
<td>Acres sold for taxes</td>
<td>------------</td>
</tr>
</tbody>
</table>

(Continue schedule to include present year.)
Designation of Issue (first bond issue, etc.)
Use of proceeds — construction of, refunding, etc.
Bonds dated October 1, 1918.
Amount of issue, $80,000.
Interest rate, 6 percent.
Net price received per $100 face value, 98.5.
Assessed benefits, total, $200,000.
Assessed benefits, per acre, highest $30, lowest $10, average $20.
Acres assessed for benefits, 10,000.
Acres on which benefits have been paid in full, 2,000.
Acres now subject to assessment for bond service, 8,000.
Amount of unused benefits, total $173,000; on cultivated land, $102,000.
Underwriters, bankers, and brokers handling issue (insert name) ..

<table>
<thead>
<tr>
<th>Date of maturity</th>
<th>Payments due</th>
<th>Paid</th>
<th>Unpaid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonds</td>
<td>Coupons</td>
<td>Bonds</td>
<td>Coupons</td>
</tr>
<tr>
<td>Oct. 1, 1921</td>
<td>$2,400</td>
<td>$2,400</td>
<td></td>
</tr>
<tr>
<td>Apr. 1, 1922</td>
<td>2,400</td>
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<td></td>
</tr>
<tr>
<td>Oct. 1, 1923</td>
<td>3,000</td>
<td>2,400</td>
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</tr>
<tr>
<td>Apr. 1, 1924</td>
<td>4,000</td>
<td>2,310</td>
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<tr>
<td>Oct. 1, 1925</td>
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<td>Oct. 1, 1927</td>
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<td>5,000</td>
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<td>Apr. 1, 1943</td>
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<td>8,000</td>
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<td>Apr. 1, 1945</td>
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</tr>
<tr>
<td>Apr. 1, 1946</td>
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<td>Apr. 1, 1947</td>
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<td>8,000</td>
</tr>
<tr>
<td>Apr. 1, 1948</td>
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<td>240</td>
<td>8,000</td>
</tr>
<tr>
<td>Apr. 1, 1949</td>
<td>8,000</td>
<td>240</td>
<td>8,000</td>
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<tr>
<td>Apr. 1, 1950</td>
<td>8,000</td>
<td>240</td>
<td>8,000</td>
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</tbody>
</table>

Total | $80,000 | 38,000 | 39,930 | 42,000 | 8,000 |

Defaulted bonds | $34,000
Unmatured bonds | 8,000
Outstanding bonds | 42,000
Defaulted coupons | $2,810
Date of this statement | $3,810

Note.—Above is a specimen to illustrate the information desired and manner of stating same.
**Schedule C**

*Schedule of annual assessments, taxes, and other charges against lands within district*

<table>
<thead>
<tr>
<th>Year</th>
<th>Total charges for bond service</th>
<th>Total charges for maintenance-operation</th>
<th>Total of all other charges</th>
<th>Number of acres assessed for bond service</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Charged</td>
<td>Collected</td>
<td>Charged</td>
<td>Collected</td>
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<tr>
<td>1928</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>1929</td>
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<td></td>
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<tr>
<td>1930</td>
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<td>1931</td>
<td></td>
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<tr>
<td>1932</td>
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<tr>
<td>1933</td>
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</tr>
<tr>
<td>1934</td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

Collections through payment of taxes by bonds, coupons, or warrants should be segregated from each collections for each year.

Nature of charges should be explained.

**Schedule D**

R.F.C. docket no. ref. 

Date

---

*(Name of district)*

*(Post office address)*

Assessment roll

---

Page 1

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Leave this column blank)</td>
<td>Index no.</td>
<td>Name of owner</td>
<td>No. section</td>
<td>Township</td>
<td>Range</td>
<td>Description by sections, parts of sections or metes and bounds of each tract of land</td>
<td>Acres</td>
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<td></td>
</tr>
</tbody>
</table>

**Schedule D Instructions**—On the first page insert the name and address of the district and other information called for in the blanks provided for that purpose. All privately owned lands should be listed first, showing totals of each column thereof, then follow with a list of all district-owned lands showing the totals of each column thereof. Leave column 1 blank. In column 2 insert in numerical order a serial number for each separate tract or parcel of land as shown on the assessment roll although several tracts or parcels may be assessed in the name of one owner. (These same serial numbers will be used in making up schedule E.) In column 3 insert the names of landowners. If the territory in the district is sectioned then give the section, township, and range of each tract in columns 4, 5, and 6, if not sectioned leave these columns blank. In column 7 give an accurate description of each separate tract or parcel of land. In column 8 show the acreage in each separate tract. If more than one sheet is required use the same spacings and numbers for the columns on the second and subsequent sheets, but the other headings need not be used. Totals should be carried forward from each sheet to the next sheet. See note on p. 8 of circular.
Schedule E

(Name of district)

(Post-office address)

Information taken from assessment roll of above district

<table>
<thead>
<tr>
<th>Index number</th>
<th>Acres</th>
<th>Original assessed benefits</th>
<th>Outstanding and un-collected benefits</th>
<th>Delinquent district taxes</th>
<th>Delinquent State and county taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Schedule E instructions.—If more than 1 sheet is required to give the information called for, use the same spacings and numbering for the columns on the second and subsequent sheets, but the other headings need not be used. The totals should be carried forward from each sheet to the next sheet. All privately owned lands should be listed first, showing the totals of each column thereof. It will not be necessary to have the several tracts of lands surveyed in order to determine the exact acreage of cultivated lands and uncultivated lands as called for in columns 3, 4, 8, 9, 10, 11, 14, and 15 of this schedule. The acreage given must be substantially correct and when estimated that fact and the source of information from which such estimates are made should be fully stated or explained.

When schedules D and E have been completed, the correctness of the information set out therein must be not only verified by the affidavit of officer or officers of the district who sign and verify the application, but the correctness of the information must also be certified to by the State or county official having custody of the assessment roll of the district or other tax rolls from which such information was taken.

See note on p. 6 of circular.
STATUTORY PROVISIONS

The following section of the Emergency Farm Mortgage Act of 1933, approved May 12, 1933, as amended by section 19, Independent Offices Appropriation Act, 1934, approved June 16, 1933 (Public, No. 78, 73d Cong.); section 11, Act approved June 19, 1934 (Public, No. 417, 73d Cong.); joint resolution approved June 27, 1934 (Public, No. 53, 73d Cong.); amendment approved June 22, 1936 (Public, No. 752, 74th Cong.), is reprinted for the information of applicants:

SEC. 36. The Reconstruction Finance Corporation is authorized and empowered to make loans as hereinafter provided, in an aggregate amount not exceeding $125,000,000, including commitments and disbursements heretofore made to or for the benefit of drainage districts, levee districts, levee and drainage districts, irrigation districts, and similar districts, mutual nonprofit companies and incorporated water-users' associations duly organized under the laws of any State or Territory, and to or for the benefit of political subdivisions of States and Territories, which have or propose to purchase or otherwise acquire projects or portions thereof devoted chiefly to the improvement of lands for agricultural purposes. Such loans shall be made for the purpose of enabling any such district, political subdivision, company, or association (hereafter referred to as the "borrower") to reduce and refinance its outstanding indebtedness incurred in connection with any such project; or, whether or not it has any such indebtedness, to purchase, acquire, construct or complete such a project or any part thereof, or to purchase or acquire additional drainage, levee, or irrigation works, or property, rights, or appurtenances in connection therewith, and to repair, extend or improve any such project or make such additions thereto as are consonant with or necessary or desirable for the proper functioning thereof or for the further assurance of the ability of the borrower to repay its loan: Provided, That the terms of this Act shall not permit additional or new land to be brought into production outside of the present boundaries of any established or reorganized irrigation district. Such loans shall be subject to the same terms and conditions as loans made under section 5 of the Reconstruction Finance Corporation Act, as amended; except that (1) the term of any such loan shall not exceed forty years; (2) each such loan shall be secured by bonds, notes, or other obligations which are a lien on the real property within the project or on the assessments, taxes, or other charges imposed by the borrower pursuant to State law, or by such other collateral as may be acceptable to the Corporation; (3) the borrower shall agree not to issue during the term of the loan any other bonds so secured except with the consent of the Corporation; (4) the borrower shall agree, insofar as it may lawfully do so, that so long as any part of such loan shall remain unpaid the borrower will in each year apply to the repayment of such loan or to the purchase or redemption of the obligations issued to evidence such loan, an amount equal to the amount by which the assessments, taxes, and other charges collected by it exceed (a) the cost of operation and maintenance of the project, (b) the debt charges on its outstanding obligations and (c) provisions for such reasonable reserves as may be approved by the Corporation; and (5) in the case of a loan to reduce or refinance its outstanding indebtedness, the borrower shall agree, to the satisfaction of the Corporation, to reduce, insofar as it lawfully may, the annual taxes, assessments, and other charges imposed by it for or on account of the project by an amount proportional to the reduction in the corresponding annual requirements for principal and interest of its outstanding indebtedness by reason of the operation of this section. No loan shall be made under this section until the Reconstruction Finance Corporation (A) has caused an appraisal to be made of the property securing and/or underlying the outstanding bonds of the applicant, (B) has determined that the project of the applicant is economically sound, and (C) in the case of a loan to reduce or refinance the outstanding indebtedness of an applicant, has been satisfied that an agreement has been entered into between the applicant and holders of its outstanding bonds or other obligations under which the applicant...
will be able to purchase or refund all or a major portion of such bonds or other obligations at a price determined by the Corporation to be reasonable after taking into consideration the average market price of such bonds over the six months' period ending March 1, 1933, and under which a substantial reduction will be brought about in the amount of the outstanding indebtedness of the applicant.

When application therefor shall have been made by any such district, political subdivision, company, or association any loan authorized by this section may be made either to such district, political subdivision, company, or association or to the holders or representatives of the holders of their existing indebtedness, and such loans may be made upon promissory notes collateralized by the obligations of such district, political subdivision, company, or association or through the purchase of securities issued or to be issued by such district, political subdivision, company, or association.

The following section of the Reconstruction Finance Corporation Act being the section referred to in section 36 of the Emergency Farm Mortgage Act, as amended, is also reprinted for the information of applicants:

Sec. 5. To aid in financing agriculture, commerce, and industry, including facilitating the exportation of agricultural and other products, the corporation is authorized and empowered to make loans, upon such terms and conditions not inconsistent with this Act as it may determine, to any bank, savings bank, trust company, building and loan association, insurance company, mortgage-loan company, credit union, Federal land bank, joint-stock land bank, Federal intermediate credit bank, agricultural credit corporation, livestock credit corporations, organized under the laws of any State or of the United States, including loans secured by the assets of any bank, savings bank, or building and loan association that is closed, or in process of liquidation to aid in the reorganization or liquidation of such banks or building and loan associations, upon application of the receiver or liquidating agent of such bank or building and loan association, and any receiver of any national bank is hereby authorized to contract for such loans and to pledge any assets of the bank for securing the same.

All loans made under the foregoing provisions shall be fully and adequately secured. The corporation, under such conditions as it shall prescribe, may take over or provide for the administration and liquidation of any collateral accepted by it as security for such loans. Such loans may be made directly upon promissory notes or by way of discount or rediscount of obligations tendered for the purpose, or otherwise in such form and in such amount and at such interest or discount rates as the corporation may approve: Provided, That no loans or advances shall be made upon foreign securities or foreign acceptances as collateral or for the purpose of assisting in the carrying or liquidation of such foreign securities and foreign acceptances. In no case shall the aggregate amount of advances made under this section to any one corporation and its subsidiary or affiliated organizations exceed at any one time 2½ per centum of (1) the authorized capital stock of the Reconstruction Finance Corporation plus (2) the aggregate amount of bonds of the corporation authorized to be outstanding when the capital stock is fully subscribed: Provided, That such limitation shall not apply to advances to receivers or other liquidating agents of closed banks when made for the purpose of liquidation or reorganization.

Each such loan may be made for a period not exceeding three years, and the corporation may from time to time extend the time of payment of any such loan, through renewal, substitution of new obligations, or otherwise, but the time for such payment shall not be extended beyond five years from the date upon which such loan was made originally. The corporation may make loans under this section at any time prior to the expiration of one year from the date of the enactment hereof; and the President may from time to time postpone such date of expiration for such additional period or periods as he may deem necessary, not to exceed two years from the date of the enactment hereof. Within the foregoing limitations of this section, the Corporation, notwithstanding any limitation of law as to maturity, with the approval of the Interstate Commerce Commission, including approval of the price to be paid,
may, to aid in the financing, reorganization, consolidation, maintenance, or construction thereof, purchase for itself, or for account of a railroad obligated thereon, the obligations of railroads engaged in interstate commerce, including equipment trust certificates, or guarantee the payment of the principal of, and/or interest on, such obligations, including, equipment trust certificates, or, when, in the opinion of the Corporation, funds are not available on reasonable terms through private channels, make loans, upon full and adequate security, to such railroads or to receivers or trustees thereof for the purposes aforesaid: Provided, That in the case of loans to or the purchase or guarantee of obligations, including equipment trust certificates, of railroads not in receivership or trusteeship, the Interstate Commerce Commission shall, in connection with its approval thereof, also certify that such railroad, on the basis of present and prospective earnings, may reasonably be expected to meet its fixed charges, without a reduction thereof through judicial reorganization, except that such certificate shall not be required in case of such loans made for the maintenance of, or purchase of equipment for, such railroads: And provided further, That for the purpose of determining the general funds of the Corporation available for further loans or commitments, such guaranties shall, to the extent of the principal amount of the obligations guaranteed, be interpreted as loans or commitments for loans: Provided further, That the total amount of loans and commitments to railroads, receivers, and trustees, and purchases and guaranties of obligations of railroads, under this paragraph, as amended, shall not exceed at any one time $350,000,000, in addition to loans and commitments made prior to the date of enactment of this Act and renewals of loans and commitments so made: Provided, That no fee or commission shall be paid by any applicant for a loan under the provisions hereof in connection with any such application or any loan made or to be made hereunder, and the agreement to pay or payment of any such fee or commission shall be unlawful. Any such railroad may obligate itself in such form as shall be prescribed and otherwise comply with the requirements of the Interstate Commerce Commission and the corporation with respect to the deposit or assignment of security hereunder, without the authorization or approval of any authority, State or Federal, and without compliance with any requirement, State or Federal, as to notification, other than such as may be imposed by the Interstate Commerce Commission and the corporation under the provisions of this section.

The Reconstruction Finance Corporation is further authorized and empowered to make loans if adequately secured to any State insurance fund established or created by the laws of any State for the purpose of paying or insuring payment of compensation to injured workmen and those disabled as a result of disease contracted in the course of their employment, or to their dependents. As used in this paragraph, the term "State" includes the several States and Alaska, Hawaii, and Puerto Rico.

The Reconstruction Finance Corporation is further authorized and empowered to make loans if adequately secured to any fund created by any State for the purpose of insuring the repayment of deposits of public moneys of such State or any of its political subdivisions in banks or depositories qualified under the law of such State to receive such deposits. Such loans may be made at any time prior to January 23, 1934, and upon such terms and conditions as the corporation may prescribe; except that any fund which receives a loan under this paragraph shall be required to assign to the corporation, to the extent of such loan, all amounts which may be received by such fund as dividends or otherwise from the liquidation of any such bank or depository in which deposits of such public moneys were made. As used in this paragraph, the term "State" includes the several States and Alaska, Hawaii, and Puerto Rico.