Cancellation, etc.

Sec. 2. National-bank notes and Federal Reserve bank notes redeemed by the Treasurer of the United States under this Act shall be charged against the balance of deposits for the retirement of national-bank notes and Federal Reserve bank notes under the provisions of section 6 of the Act entitled "An Act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes"); approved July 14, 1890 (U.S.C., title 12, sec. 122), and section 18 of the Federal Reserve Act (U.S.C., title 12, sec. 445); and charges for Federal Reserve notes redeemed by the Treasurer of the United States under this Act shall be apportioned among the twelve Federal Reserve banks in proportion to the amount of Federal Reserve notes of each Federal Reserve bank in circulation on the 31st day of December of the year preceding the date of redemption, and the amount so apportioned to each bank shall be charged by the Treasurer of the United States against deposit in the gold-redemption fund made by such bank or its Federal Reserve agent.

Approved, June 13, 1933.

[CHAPTER 63.]

AN ACT

To authorize the creation of a game refuge in the Ouachita National Forest in the State of Arkansas.

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purpose of providing breeding places and for the protection and administration of game animals, birds, and fish, the President of the United States is hereby authorized, upon the recommendation of the Secretary of Agriculture, to establish by public proclamation certain specified areas within the Ouachita National Forest as game sanctuaries and refuges.

Sec. 2. That the Secretary of Agriculture shall execute the provisions of this Act, and he is hereby authorized to prescribe all general rules and regulations for the administration of such game sanctuaries and refuges, and violation of such rules and regulations shall be punished by fine of not more than $500 or imprisonment for not more than six months or both.

Approved, June 13, 1933.

[CHAPTER 64.]

AN ACT

To provide emergency relief with respect to home mortgage indebtedness, to refinance home mortgages, to extend relief to the owners of homes occupied by them and who are unable to amortize their debt elsewhere, to amend the Federal Home Loan Bank Act, to increase the market for obligations of the United States and for other purposes.

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Home Owners' Loan Act of 1933."

DEFINITIONS

Sec. 2. As used in this Act—

(a) The term "Board" means the Federal Home Loan Bank Board created under the Federal Home Loan Bank Act.
(b) The term "Corporation" means the Home Owners' Loan Corporation created under section 4 of this Act.

(c) The term "home mortgage" means a first mortgage on real estate in fee simple or on a leasehold under a renewable lease for not less than ninety-nine years, upon which there is located a dwelling for not more than four families, used by the owner as a home or held by him as his homestead, and having a value not exceeding $20,000; and the term "first mortgage" includes such classes of first liens as are commonly given to secure advances on real estate under the laws of the State in which the real estate is located, together with the credit instruments, if any, secured thereby.

(d) The term "association" means a Federal Savings and Loan Association chartered by the Board as provided in section 5 of this Act.

**REPEAL OF DIRECT LOAN PROVISION OF FEDERAL HOME LOAN BANK ACT**

Sec. 3. Subsection (d) of section 4 of the Federal Home Loan Bank Act (providing for direct loans to home owners) is hereby repealed.

**CREATION OF HOME OWNERS' LOAN CORPORATION**

Sec. 4. (a) The Board is hereby authorized and directed to create a corporation to be known as the Home Owners' Loan Corporation, which shall be an instrumentality of the United States, which shall have authority to sue and to be sued in any court of competent jurisdiction, Federal or State, and which shall be under the direction of the Board and operated by it under such bylaws, rules, and regulations as it may prescribe for the accomplishment of the purposes and intent of this section. The members of the Board shall constitute the board of directors of the Corporation and shall serve as such directors without additional compensation.

(b) The Board shall determine the minimum amount of capital stock of the Corporation and is authorized to increase such capital stock from time to time in such amounts as may be necessary, but not to exceed in the aggregate $200,000,000. Such stock shall be subscribed for by the Secretary of the Treasury on behalf of the United States, and payments for such subscriptions shall be subject to call in whole or in part by the Board and shall be made at such time or times as the Secretary of the Treasury deems advisable. The Corporation shall issue to the Secretary of the Treasury receipts for payments by him for or on account of such stock, and such receipts shall be evidence of the stock ownership of the United States. In order to enable the Secretary of the Treasury to make such payments when called, the Reconstruction Finance Corporation is authorized and directed to allocate and make available to the Secretary of the Treasury the sum of $200,000,000, or so much thereof as may be necessary, and for such purpose the amount of the notes, bonds, debentures, or other such obligations which the Reconstruction Finance Corporation is authorized and empowered under section 9 of the Reconstruction Finance Corporation Act, as amended, to have outstanding at any one time, is hereby increased by such amounts as may be necessary.

(c) The Corporation is authorized to issue bonds in an aggregate amount not to exceed $2,000,000,000, which may be sold by the Corporation to obtain funds for carrying out the purposes of this section, or exchanged as hereinafter provided. Such bonds shall be issued in such denominations as the Board shall prescribe, shall mature within a period of not more than eighteen years from the date of their issue, shall bear interest at a rate not to exceed 4 per centum

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Unconditional guar-

Interest provisions.

Bonds to be tax ex-

Corporation, includ-
ing resources.

Real property ex-
cepted.

Exchange of Corpo-
ration bonds for home

Cash advances, for
tax payments, repairs,
and incidentals.

Total advance not to
exceed 80 percent of
home value.

Acquired mortgage
to be carried as a first
lien or be refinanced.

Amortization pay-
ments.

Different periods al-
lowed.

Interest on unpaid
balance.

Extensions.

per annum, and shall be fully and unconditionally guaranteed as to interest only by the United States, and such guaranty shall be expressed on the face thereof. In the event that the Corporation shall be unable to pay upon demand, when due, the interest on any such bonds, the Secretary of the Treasury shall pay to the Corporation the amount of such interest, which is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated, and the Corporation shall pay the amount of such interest to the holders of the bonds. Upon the payment of such interest by the Secretary of the Treasury the amount so paid shall become an obligation to the United States of the Corporation and shall bear interest at the same rate as that borne by the bonds upon which the interest has been so paid. The bonds issued by the Corporation under this subsection shall be exempt, both as to principal and interest, from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by the United States or any District, Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority. The Corporation, including its franchise, its capital, reserves and surplus, and its loans and income, shall likewise be exempt from such taxation; except that any real property of the Corporation shall be subject to taxation to the same extent, according to its value, as other real property is taxed.

(d) The Corporation is authorized, for a period of three years after the date of enactment of this Act, (1) to acquire in exchange for bonds issued by it, home mortgages and other obligations and liens secured by real estate (including the interest of a vendor under a purchase-money mortgage or contract) recorded or filed in the proper office or executed prior to the date of the enactment of this Act, and (2) in connection with any such exchange, to make advances in order to pay the taxes and assessments on the real estate, to provide for necessary maintenance and make necessary repairs, to meet the incidental expenses of the transaction, and to pay such amounts, not exceeding $60, to the holder of the mortgage, obligation, or lien acquired as may be the difference between the face value of the bonds exchanged plus accrued interest thereon and the purchase price of the mortgage, obligation, or lien. The face value of the bonds so exchanged plus accrued interest thereon and the cash so advanced shall not exceed in any case $14,000, or 80 per centum of the value of the real estate as determined by an appraisal made by the Corporation, whichever is the smaller. In any case in which the amount of the face value of the bonds exchanged plus accrued interest thereon and the cash advanced is less than the amount the home owner owes with respect to the home mortgage or other obligation or lien so acquired by the Corporation, the Corporation shall credit the difference between such amounts to the home owner and shall reduce the amount owed by the home owner to the Corporation to that extent. Each home mortgage or other obligation or lien so acquired shall be carried as a first lien or be refinanced as a home mortgage by the Corporation on the basis of the price paid therefor by the Corporation, and shall be amortized by means of monthly payments sufficient to retire the interest and principal within a period of not to exceed fifteen years; but the amortization payments of any home owner may be made quarterly, semiannually, or annually, if in the judgment of the Corporation the situation of the home owner requires it. Interest on the unpaid balance of the obligation of the home owner to the Corporation shall be at a rate not exceeding 5 per centum per annum. The Corporation may at any time grant an extension of time to any home owner for the payment of any installment of principal or interest owed by him to the Corporation if, in
the judgment of the Corporation, the circumstances of the home owner and the condition of the security justify such extension, and no payment of any installment of principal shall be required during the period of three years from the date this Act takes effect if the home owner shall not be in default with respect to any other condition or covenant of his mortgage. As used in this subsection, the term "real estate" includes only real estate held in fee simple or on a leasehold under a lease renewable for not less than ninety-nine years, upon which there is located a dwelling for not more than four families used by the owner as a home or held by him as a homestead and having a value not exceeding $20,000. No discrimination shall be made under this Act against any home mortgage by reason of the fact that the real estate securing such mortgage is located in a municipality, county, or taxing district which is in default upon any of its obligations.

(e) The Corporation is further authorized, for a period of three years from the date of enactment of this Act, to make loans in cash subject to the same limitations and for the same purposes for which cash advances may be made under subsection (d) of this section, in cases where the property is not otherwise encumbered; but no such loan shall exceed 80 per centum of the value of the property securing the same as determined upon an appraisal made by the Corporation. Each such loan shall be secured by a duly recorded home mortgage, and shall bear interest at the same rate and shall be subject to the same provisions with respect to amortization and extensions as are applicable in the case of obligations refinanced under subsection (d) of this section.

(f) The Corporation is further authorized, for a period of three years from the date of enactment of this Act, in any case in which the holder of a home mortgage or other obligation or lien eligible for exchange under subsection (d) of this section does not accept the bonds of the Corporation in exchange as provided in such subsection and in which the Corporation finds that the home owner cannot obtain a loan from ordinary lending agencies, to make cash advances to such home owner in an amount not to exceed 40 per centum of the value of the property for the purposes specified in such subsection (d). Each such loan shall be secured by a duly recorded home mortgage and shall bear interest at a rate of interest which shall be uniform throughout the United States, but which in no event shall exceed a rate of 6 per centum per annum, and shall be subject to the same provisions with respect to amortization and extensions as are applicable in cases of obligations refinanced under subsection (d) of this section.

(g) The Corporation is further authorized, for a period of three years from the date of the enactment of this Act, to exchange bonds and to advance cash, subject to the limitations provided in subsection (d) of this section, to redeem or recover homes lost by the owners by foreclosure or forced sale by a trustee under a deed of trust or under power of attorney, or by voluntary surrender to the mortgagee within two years prior to such exchange or advance.

(h) The Board shall make rules for the appraisal of the property on which loans are made under this section so as to accomplish the purposes of this Act.

(i) Any person indebted to the Corporation may make payment to it in part or in full by delivery to it of its bonds which shall be accepted for such purpose at face value.

(j) The Corporation shall have power to select, employ, and fix the compensation of such officers, employees, attorneys, or agents as shall be necessary for the performance of its duties under this Act,
without regard to the provisions of other laws applicable to the employment or compensation of officers, employees, attorneys, or agents of the United States. No such officer, employee, attorney, or agent shall be paid compensation at a rate in excess of the rate provided by law in the case of the members of the Board. The Corporation shall be entitled to the free use of the United States mails for its official business in the same manner as the executive departments of the Government, and shall determine its necessary expenditures under this Act and the manner in which they shall be incurred, allowed, and paid, without regard to the provisions of any other law governing the expenditure of public funds. The Corporation shall pay such proportion of the salary and expenses of the members of the Board and of its officers and employees as the Board may determine to be equitable, and may use the facilities of Federal Home Loan Banks, upon making reasonable compensation therefor as determined by the Board.

(lc) The Board is authorized to make such bylaws, rules and regulations, not inconsistent with the provisions of this section, as may be necessary for the proper conduct of the affairs of the Corporation. The Corporation is further authorized and directed to retire and cancel the bonds and stock of the Corporation as rapidly as the resources of the Corporation will permit. Upon the retirement of such stock, the reasonable value thereof as determined by the Board shall be paid into the Treasury of the United States and the receipts issued therefor shall be canceled. The Board shall proceed to liquidate the Corporation when its purposes have been accomplished, and shall pay any surplus or accumulated funds into the Treasury of the United States. The Corporation may declare and pay such dividends to the United States as may be earned and as in the judgment of the Board it is proper for the Corporation to pay.

FEDERAL SAVINGS AND LOAN ASSOCIATIONS

SEC. 5. (a) In order to provide local mutual thrift institutions in which people may invest their funds and in order to provide for the financing of homes, the Board is authorized, under such rules and regulations as it may prescribe, to provide for the organization, incorporation, examination, operation, and regulation of associations to be known as "Federal Savings and Loan Associations," and to issue charters therefor, giving primary consideration to the best practices of local mutual thrift and home-financing institutions in the United States.

(b) Such associations shall raise their capital only in the form of payments on such shares as are authorized in their charter, which shares may be retired as is therein provided. No deposits shall be accepted and no certificates of indebtedness shall be issued except for such borrowed money as may be authorized by regulations of the Board.

(c) Such associations shall lend their funds only on the security of their shares or on the security of first liens upon homes or combination of homes and business property within fifty miles of their home office: Provided, That not more than $20,000 shall be loaned on the security of a first lien upon any one such property; except that not exceeding 15 per centum of the assets of such association may be loaned on other improved real estate without regard to said $20,000 limitation, and without regard to said fifty-mile limit, but secured by first lien thereon: And provided further, That any portion of the assets of such associations may be invested in obligations of the United States or the stock or bonds of a Federal Home Loan Bank.
(d) The Board shall have full power to provide in the rules and
corresponding regulations herein authorized for the reorganization, consolidation,
merger, or liquidation of such associations, including the power to
appoint a conservator or a receiver to take charge of the affairs of
any such association, and to require an equitable readjustment of the
capital structure of the same; and to release any such association from
such control and permit its further operation.

(e) No charter shall be granted except to persons of good charac-
ter and responsibility, nor unless in the judgment of the Board a
necessity exists for such an institution in the community to be served,
nor unless there is a reasonable probability of its usefulness and suc-
cess, nor unless the same can be established without undue injury to
properly conducted existing thrift and home-financing insti-
tutions.

(f) Each such association, upon its incorporation, shall become
automatically a member of the Federal Home Loan Bank of the
district in which it is located, or if convenience shall require and the
Board approve, shall become a member of a Federal Home Loan
Bank of an adjoining district. Such associations shall qualify for
such membership in the manner provided in the Federal Home Loan
Bank Act with respect to other members.

(g) The Secretary of the Treasury is authorized on behalf of the
United States to subscribe for preferred shares in such associations
which shall be preferred as to the assets of the association and which
shall be entitled to a dividend, if earned, after payment of expenses
and provision for reasonable reserves, to the same extent as other
shareholders. It shall be the duty of the Secretary of the Treasury
to subscribe for such preferred shares upon the request of the Board;
but the subscription by him to the shares of any one association
shall not exceed $100,000, and no such subscription shall be called for unless
in the judgment of the Board the funds are necessary for the encour-
gagement of local home financing in the community to be served and
for the reasonable financing of homes in such community. Payment
on such shares may be called from time to time by the association,
subject to the approval of the Board and the Secretary of the Treas-
ury; but the amount paid in by the Secretary of the Treasury shall
at no time exceed the amount paid in by all other shareholders, and
the aggregate amount of shares held by the Secretary of the Treasury
shall not exceed at any time the aggregate amount of shares held by
all other shareholders. To enable the Secretary of the Treasury to
make such subscriptions when called there is hereby authorized to be
appropriated, out of any money in the Treasury not otherwise appro-
prated, the sum of $100,000,000, to be immediately available and to
remain available until expended. Each such association shall issue
receipts for such payments by the Secretary of the Treasury in such
form as may be approved by the Board, and such receipts shall be
evidence of the interest of the United States in such preferred shares
to the extent of the amount so paid. Each such association shall
make provision for the retirement of its preferred shares held by the
Secretary of the Treasury, and beginning at the expiration of five
years from the time of the investment in such shares, the association
shall set aside one third of the receipts from its investing and bor-
row ing shareholders to be used for the purpose of such retirement.
In case of the liquidation of any such association the shares held by
the Secretary of the Treasury shall be retired at par before any pay-
ments are made to other shareholders.

(h) Such associations, including their franchises, capital, reserves,
and surplus, and their loans and income, shall be exempt from all
taxation now or hereafter imposed by the United States, and all shares

Rules for reorganiza-
tion, etc., authorized.

Provisions for grant-
ing charters.

Incorporated associa-
tion as member of Fed-
eral Home Loan Bank.

Secretary authorized
to subscribe for associa-
tion preferred stock.
Post, pp. 219, 647.

Limitations.

Not to exceed aggre-
gate value of all other
holders.

Sum authorized.

Receipts.

Provision for retiring
preferred shares held
by Secretary.

Such shares retired
at par in event of liq-
uidation.

Association, etc.,
to be tax free.
of such associations shall be exempt both as to their value and the
income therefrom from all taxation (except surtaxes, estate, inheri-
tance, and gift taxes) now or hereafter imposed by the United States;
and no State, Territorial, county, municipal, or local taxing authority
shall impose any tax on such associations or their franchise, capital,
reserves, surplus, loans, or income greater than that imposed by such
authority on other similar local mutual or cooperative thrift and
home financing institutions.

(i) Any member of a Federal Home Loan Bank may convert itself
into a Federal Savings and Loan Association under this Act upon a
vote of its stockholders as provided by the law under which it oper-
ates; but such conversion shall be subject to such rules and regula-
tions as the Board may prescribe, and thereafter the converted asso-
ciation shall be entitled to all the benefits of this section and shall be
subject to examination and regulation to the same extent as other
associations incorporated pursuant to this Act.

ENCOURAGEMENT OF SAVING AND HOME FINANCING

Sec. 6. To enable the Board to encourage local thrift and local
home financing and to promote, organize, and develop the associa-
tions herein provided for or similar associations organized under
local laws, there is hereby authorized to be appropriated, out of any
money in the Treasury not otherwise appropriated, the sum of
$150,000, to be immediately available and remain available until
expended, subject to the call of the Board, which sum, or so much
thereof as may be necessary, the Board is authorized to use in its
discretion for the accomplishment of the purposes of this section
without regard to the provisions of any other law governing the
expenditure of public funds.

Sec. 7. The provisions of this Act shall apply to the continental
United States, to the Territories of Alaska and Hawaii, and to
Puerto Rico and the Virgin Islands.

PENALTIES

Sec. 8. (a) Whoever makes any statement, knowing it to be false,
or whoever willfully overvalues any security, for the purpose of
influencing in any way the action of the Home Owners’ Loan Cor-
poration or the Board or an association upon any application, advance,
discount, purchase, or repurchase agreement, or loan, under this Act,
or any extension thereof by renewal of term, or action or other-
wise, or the acceptance, release, or substitution of security therefor,
shall be punished by a fine of not more than $5,000, or by imprison-
ment for not more than two years, or both.

(b) Whoever (1) falsely makes, forges, or counterfeits any note,
debenture, bond, or other obligation or coupon, in imitation of or
purporting to be a note, debenture, bond, or other obligation, or cou-
pon, issued by the Home Owners’ Loan Corporation or an association;
or (2) passes, utters, or publishes, or attempts to pass, utter, or
publish, any false, forged, or counterfeited note, debenture, bond,
or other obligation, or coupon, purporting to have been issued by the
Home Owners’ Loan Corporation or an association, knowing the same
to be false, forged, or counterfeited; or (3) falsely alters any note,
debenture, bond or other obligation, or coupon, issued or purporting
to have been issued by the Home Owners’ Loan Corporation or an
association; or (4) passes, utters, or publishes, or attempts to pass,
utter, or publish, as true any falsely altered or spurious note, deben-
ture, bond, or other obligation, or coupon, issued or purporting to
have been issued by the Home Owners’ Loan Corporation or an

Exception

Federal Home Loan
member may convert
into a Federal Savings
and Loan Association.

Post, pp. 645, 646.

Encouragement of
saving and home fi-
nancing.

Appropriation au-
thorized.
Post, p. 276.

Applicability of provi-
visions.

Penalties.

False statements,
misrepresentations, etc.

Forgery, counterfe-
ting, etc.
association, knowing the same to be falsely altered or spurious, shall be punished by a fine of not more than $10,000, or by imprisonment for not more than five years, or both.

(c) Whoever, being connected in any capacity with the Board or the Home Owners' Loan Corporation or an association (1) embezzles, abstracts, purloins, or willfully misapplies any moneys, funds, securities, or other things of value, whether belonging to it or pledged or otherwise intrusted to it; or (2) with intent to defraud the Board or the Home Owners' Loan Corporation or an association, or any other body politic or corporate, or any individual, or to deceive any officer, auditor, or examiners of the Board or the Home Owners' Loan Corporation or an association, makes any false entry in any book, report, or statement of or to the Board or the Home Owners' Loan Corporation or an association, or, without being duly authorized, draws any order or issues, puts forth, or assigns any note, debenture, bond, or other obligation, or draft, mortgage, judgment, or decree thereof, shall be punished by a fine of not more than $10,000, or by imprisonment for not more than five years, or both.

(d) The provisions of sections 112, 113, 114, 115, 116, and 117 of the Criminal Code of the United States (U.S.C., title 18, secs. 202 to 207, inclusive), insofar as applicable, are extended to apply to contracts or agreements of the Home Owners' Loan Corporation and an association under this Act, which, for the purposes hereof, shall be held to include advances, loans, discounts, and purchase and repurchase agreements; extensions and renewals thereof; and acceptances, releases, and substitutions of security therefor.

(e) No person, partnership, association, or corporation shall make any charge in connection with a loan by the Corporation or an exchange of bonds or cash advance under this Act except ordinary charges authorized and required by the Corporation for services actually rendered for examination and perfecting of title, appraisal, and like necessary services. Any person, partnership, association, or corporation violating the provisions of this subsection shall, upon conviction thereof, be fined not more than $10,000, or imprisoned not more than five years, or both.

SEPARABILITY PROVISION

Sec. 9. If any provision of this Act, or the application thereof to any person or circumstances, is held invalid, the remainder of the Act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

Approved, June 13, 1933.

[CHAPTER 65.]

AN ACT

Granting the consent of Congress to the State of Oregon to construct, maintain, and operate a toll bridge across the Umpqua River at or near Reedsport, Douglas County, Oregon.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the consent of Congress is hereby granted to the State of Oregon to construct, maintain, and operate a bridge and approaches thereto across the Umpqua River, at a point suitable to the interests of navigation, at or near Reedsport, Douglas County, Oregon, in accordance with the provisions of an Act entitled "An Act to regulate the construction of bridges over navigable waters," approved March 23, 1906, and subject to the conditions and limitations contained in this Act.

June 13, 1933.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the consent of Congress is hereby granted to the State of Oregon to construct, maintain, and operate a bridge and approaches thereto across the Umpqua River, at a point suitable to the interests of navigation, at or near Reedsport, Douglas County, Oregon, in accordance with the provisions of an Act entitled "An Act to regulate the construction of bridges over navigable waters," approved March 23, 1906, and subject to the conditions and limitations contained in this Act.