

(f) of section 18 of the Act entitled "An Act to reclassify the salaries of postmasters, officers, and employees of the Postal Service; to establish uniform procedures for computing compensation; and for other purposes", approved July 6, 1945, as amended, is amended to read as follows:

"(f) Each temporary employee in the mail equipment shops paid on an annual basis shall be paid at the rate of pay of the lowest grade provided for a regular employee in the same type of position in which such temporary employee is employed, and shall, at the beginning of the quarter following the completion of one year's satisfactory service in each pay status, be advanced successively to the rates of pay of the next higher grade of such position: *Provided*, That no temporary employee shall be paid at a rate higher than that provided herein for the highest automatic grade of the position in which he is employed: *Provided further*, That when a temporary employee is appointed to a regular position in the mail equipment shops, the employee shall be assigned to a salary grade corresponding to his salary as a temporary employee at the time of such appointment. Any fractional part of a year's temporary service accumulated since the last compensation increase as a temporary shall be included with the regular service of a regular employee in determining eligibility for promotion to the next higher grade following appointment to a regular position."

SEC. 2. Any period of continuous satisfactory service as a temporary employee in the mail equipment shops performed by any such temporary employee prior to the effective date of this Act shall be creditable for a promotion to the rate of pay of the second grade provided for a regular employee in the same type of position in which such temporary employee is employed.

SEC. 3. This Act shall become effective at the beginning of the quarter following the date of enactment.

Approved October 29, 1949.

[CHAPTER 786]

AN ACT

To amend the Federal Farm Loan Act, as amended, to authorize loans through national farm-loan associations in Puerto Rico; to modify the limitations on Federal land-bank loans to any one borrower; to repeal provisions for subscriptions to paid-in surplus of Federal land banks and cover the entire amount appropriated therefor into the surplus fund of the Treasury; to effect certain economies in reporting and recording payments on mortgages deposited with the registrars as bond collateral, and canceling the mortgage and satisfying and discharging the lien of record; and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 4 of the Federal Farm Loan Act, as amended (title 12, U. S. C. 672), is hereby further amended by adding a new paragraph to said section immediately following the second paragraph thereof to read as follows:

"Notwithstanding the provisions of this section, loans may be made in Puerto Rico and Alaska through national farm-loan associations, and the interest rate applicable to such loans shall be as provided in section 12 of this Act. Said associations shall be organized pursuant to section 7 of this Act, except that, upon the recommendation of the Federal land bank concerned, any such national farm-loan association may be organized by ten or more borrowers who have obtained direct loans through a branch bank which aggregate not less than \$20,000, and who reside in a locality which may be covered and served conveniently by the charter of a national farm-loan association and any

59 Stat. 458.
39 U. S. C. § 868 (f).

Mail equipment shops.
Promotion of temporary employee.

Limitation.

Appointment to regular position.

Creditable service.

Effective date.

October 29, 1949

[H. R. 3690]

[Public Law 433]

Federal Farm Loan Act, amendments.
39 Stat. 362.

Loans in Puerto Rico and Alaska.

39 Stat. 370.
12 U. S. C. §§ 771, 772.
Post, p. 986.
39 Stat. 365.
12 U. S. C. §§ 711-723.
Post, p. 986.

national farm-loan association after it has become organized may permit any direct-loan borrower through a branch bank to join the association. As to any direct-loan borrower through a branch bank who participates in the organization of a national farm-loan association or joins a national farm-loan association after it has become organized (1) the association shall endorse, and thereby become liable for the payment of, his mortgage loan held by the Federal land bank; (2) the stock in the Federal land bank held by him shall be exchanged for a like amount of stock in said bank issued in the name of the association and the association shall issue a like amount of its stock to him, all in the manner and subject to the terms and conditions provided in the fifteenth paragraph of section 7 of this Act (title 12, U. S. C. 723 (d)); and (3) the interest rate payable by him, beginning with the next regular installment date following the endorsement of his loan, shall be reduced to a rate one-half of 1 per centum per annum less than the rate paid by him prior to such endorsement."

48 Stat. 45.

47 Stat. 1547.

(b) The first sentence of the twelfth paragraph of section 7 of the Federal Farm Loan Act, as amended (title 12 U. S. C. 723 (a)), is further amended by striking the words "in the continental United States".

39 Stat. 371.

Maximum amount of loan.

SEC. 2. Paragraph "Seventh" of section 12 of the Federal Farm Loan Act (title 12, U. S. C. 771) is hereby amended to read as follows:

"Seventh. The amount of loans to any one borrower shall in no case exceed a maximum of \$100,000, but loans to any one borrower shall not exceed \$25,000 unless approved by the Land Bank Commissioner, nor shall any one loan be for a less sum than \$100, but preference shall be given to applications for loans of \$10,000 and under."

Repeal.

47 Stat. 14.

Surplus fund.

SEC. 3. All of paragraph "Tenth" of section 13 of the Federal Farm Loan Act, as amended (title 12, U. S. C. 781, Tenth), except the first and third sentences thereof is hereby repealed. The Secretary of the Treasury shall cause to be carried to the surplus fund and covered into the Treasury the total amount appropriated for subscriptions to paid-in surplus of the Federal land banks and now held in the revolving fund created pursuant to the provisions of law hereby repealed.

39 Stat. 378.

Reporting and recording of mortgage payments.

SEC. 4. The first paragraph of section 22 of the Federal Farm Loan Act, as amended (title 12, U. S. C. 891), is hereby amended to read as follows:

"Whenever any Federal land bank, or joint-stock land bank, shall receive any principal payments upon any first mortgage or bond pledged as collateral security for the issue of farm-loan bonds, it shall forthwith notify the farm-loan registrar thereof as may be required by the Farm Credit Administration. Said registrar shall reflect such payment on his records in such manner as may be prescribed by the Farm Credit Administration. Upon notice from the bank that any such mortgage is paid in full, said registrar shall cause the same to be delivered to the proper land bank, which shall promptly cancel said mortgage and transmit such canceled mortgage, together with a release or satisfaction thereof as may be required to satisfy and discharge the lien of record, to the original maker thereof, or his heirs, administrators, executors, or assigns."

Cancellation of mortgage.

Farm Credit Districts.
50 Stat. 704.
12 U. S. C. § 640a.

SEC. 5. The first sentence of section 5 (a) of the Farm Credit Act of 1937 (50 Stat. 703) is amended to read as follows: "There shall be twelve districts in the United States, including Alaska, Puerto Rico, and Hawaii, which shall be known as Farm Credit Districts and may be designated by number."

Approved October 29, 1949.