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TITLE 5—ADMINISTRATIVE PERSONNEL

Chapter I—Civil Service Commission

PART 24—FORMAL EDUCATION REQUIREMENTS FOR APPOINTMENT TO CERTAIN SCIENTIFIC, TECHNICAL, AND PROFESSIONAL POSITIONS

MISCELLANEOUS AMENDMENTS

1. Section 24.22, *Biologist (Land Management), P-1, Soil Conservation Service*, is hereby revoked.

2. The headnote of § 24.70 is amended to read as follows:

§ 24.70 *Fishery Research Biologist (positions involving highly technical research, design, or development, or similar complex scientific functions), P-435-1-6.*

3. The headnote of § 24.71 is amended to read as follows:

§ 24.71 *Wildlife Research Biologist (positions involving highly technical research, design, or development, or similar complex scientific functions), P-499-1-6.*

4. Section 24.91 is amended to read as follows:

§ 24.91 *Fishery Management Biologist, P-434-1—(a) Educational requirement.* Applicants must have successfully completed one of the following:

(1) A full 4-year course in an accredited college or university leading to a bachelor's degree, including 30 semester hours in biology, of which 9 must be in zoology and 6 in aquatic studies such as limnology, fishery biology, fish culture, or aquatic ecology; or

(2) Courses in biology in an accredited college or university totaling 30 semester hours, of which 9 must be in zoology and 6 in aquatic studies such as limnology, fishery biology, fish culture, or aquatic ecology; plus additional appropriate experience or education which, when combined with the 30 semester hours in biology, will total 4 years of education and experience and give the applicant a technical knowledge comparable to that which would have been acquired through successful completion of a 4-year college course.

(b) *Duties.* Fishery management biologists assist in scientific or professional work resulting from the study of life history, habits, classification, and economic relations of aquatic organisms and fish, particularly those forms of importance to industry.

(c) *Knowledge and training requisite for performance of duties.* This position is at the entrance level to a career in the scientific and professional service. Appointees must be qualified to advance to the more responsible and more technical positions. In order to fulfill the demands of this position, appointees must have an understanding of the basic biological sciences and specialized knowledge of fishery biology. The only method by which such knowledge and training may be acquired is through a directed course of study in an accredited college or university with scientific libraries, well-equipped laboratories, and thoroughly trained instructors, where progress is competently evaluated.

5. Section 24.92 is amended to read as follows:

§ 24.92 *Wildlife Management Biologist, P-495-1—(a) Educational requirement.* Applicants must have successfully completed one of the following:

(1) A full 4-year course in an accredited college or university leading to a bachelor's degree, including a minimum of 30 semester hours in biology, of which 10 semester hours must be in botany and 15 semester hours in zoology; at least 6 of the 15 semester hours in zoology must be in such wildlife courses as mammology, ornithology, animal ecology, or wildlife management; or

(2) Courses in biology in an accredited college or university totaling 30 semester hours, of which 10 semester hours must be in botany and 15 semester hours in zoology; at least 6 of the 15 semester hours in zoology must be in such wildlife courses as mammology, ornithology, animal ecology, or wildlife management; plus additional appropriate experience or education which, when combined with the 30 semester hours in biology, will total 4 years of education or experience and give the applicant a technical knowledge comparable to that which would have been acquired through successful completion of a 4-year college course.

(b) *Duties.* Wildlife biologists assist in scientific or professional work resulting from the investigation of the distribution, habits, life history and classification of birds, mammals, and other animal life and their relation to agriculture and other interests.

(c) *Knowledge and training requisite for performance of duties.* This position

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CODIFICATION GUIDE

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is at the entrance level to a career in the scientific and professional service. Appointees must be qualified to advance to the more responsible and more technical positions. In order to fulfill the demands of this position, appointees must have an understanding of the basic biological sciences and specialized knowledge of wildlife biology. The only method by which such knowledge and training may be acquired is through a directed course of study in an accredited college or university with scientific libraries, well-equipped laboratories, and thoroughly trained instructors, where progress is competently evaluated.

(Sec. 5, 58 Stat. 388; 5 U. S. C. 854)

UNITED STATES CIVIL SERVICE COMMISSION,

[SEAL] H. B. MITCHELL,
President.

[F. R. Doc. 49-1842; Filed, Mar. 10, 1949; 8:48 a. m.]

TITLE 15—COMMERCE AND FOREIGN TRADE

Chapter III—Bureau of Foreign and Domestic Commerce, Department of Commerce

[3d Gen. Rev. of Export Regs., Amdt. P. L. 23]

PART 399—POSITIVE LIST OF COMMODITIES AND RELATED MATTERS

DELETION OF CERTAIN COMMODITIES FROM LIST

Section 399.1 *Appendix A—Positive List of Commodities* is amended by de-

leting therefrom the following commodities:

Dept. of Comm. Sched. B. No. ¹	Commodity
	Grains and preparations:
107300	Wheat flour, wholly of U. S. wheat (including flour in cases and small packages formerly in 109900) (include graham, malt, pastry, and macaroni flours).
107400	Wheat flour, not wholly of U. S. wheat (including flour in cases and small packages formerly in 109900) (include graham malt, pastry, and macaroni flours).
107900	Prepared mixes containing wheat flour classified under Schedule B No. 107900 (formerly 109900).
109000	Wheat semolina.
109900	All preparations containing wheat flour classified under Schedule B No. 109900.
109900	Rye flour.
109900	Unhulled ground oats.
241990	Seeds, except oilseeds: Sorghum.

(Pub. Law 11, 81st Cong.; E. O. 9630, Sept. 27, 1945, 10 F. R. 12245; E. O. 9919, Jan. 3, 1948, 13 F. R. 59)

This amendment shall become effective March 1, 1949.

Dated: March 7, 1949.

FRANCIS MCINTYRE,
Assistant Director,
Office of International Trade.

[F. R. Doc. 49-1845; Filed, Mar. 10, 1949; 8:48 a. m.]

(3d Gen. Rev. of Export Regs., Amdt. P. L. 24)
PART 399—POSITIVE LIST OF COMMODITIES AND RELATED MATTERS

MISCELLANEOUS AMENDMENTS

Section 399.1 *Appendix A—Positive List of Commodities* is amended in the following particulars:

1. The following commodity is added to the Positive List:

Dept. of Commerce Sched. B No.	Commodity	Unit	Processing code and related commodity group	GLV dollar value limits
829900	Chemical specialties: Silicone grease compounds.....		DYES	None

2. The following commodities are deleted from the Positive List:

Dept. of Comm. Sched. B. No.	Commodity
	Wood, unmanufactured:
	Railroad cross ties and mine ties, hewn:
402610	Creosoted or otherwise treated: Softwood (formerly 402600).
402620	Hardwood (formerly 402600).

¹ The Schedule B numbers set forth in this amendment are the Schedule B numbers as revised in the January 1, 1949, edition of "Schedule B Statistical Classification of Domestic and Foreign Commodities Exported from the United States."

<p>Dept. of Comm. Sched. B. No.</p>	<p>Commodity—Continued Wood, unmanufactured—Continued Railroad cross ties and mine ties, hewn—Continued Untreated: 402910 Softwood (formerly 402900). 402920 Hardwood (formerly 402900). Sawmill products: Railroad cross ties and mine ties, sawed: Creosoted or otherwise treated: Softwood: 415613 Douglas fir (formerly 415600). Other softwoods (formerly 415600). Hardwood: 415624 Oak (formerly 415600). 415627 Other hardwoods (formerly 415600). Untreated: Softwood: 415913 Douglas fir (formerly 415900). 415917 Other softwoods (formerly 415900). Hardwood: 415924 Oak (formerly 415900). 415927 Other hardwoods (formerly 415900).</p>
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(Pub. Law 11, 81st Cong.; E. O. 9630, Sept. 27, 1945, 10 F. R. 12245; E. O. 9919, Jan. 3, 1948, 13 F. R. 59)

This amendment shall become effective March 4, 1949.

Dated: March 7, 1949.

FRANCIS MCINTYRE,
Assistant Director,
Office of International Trade.

[F. R. Doc. 49-1847; Filed, Mar. 10, 1949;
8:49 a. m.]

TITLE 7—AGRICULTURE
Chapter IX—Production and Mar-
keting Administration (Marketing
Agreements and Orders), Depart-
ment of Agriculture

[Lemon Reg. 309]

PART 953—LEMONS GROWN IN CALIFORNIA
AND ARIZONA

LIMITATION OF SHIPMENTS

Correction

In F. R. Doc. 49-1740 appearing in the issue of Saturday, March 5, 1949, at page 1003, the effective period in paragraph (b) (1) was shown as March 6, 1949 to March 16, 1949. This should be corrected so that the effective period will extend from March 6, 1949 to March 13, 1949.

TITLE 18—CONSERVATION
OF POWER

Chapter I—Federal Power Commission

PART 32—INTERCONNECTION OF FACILITIES;
EMERGENCIES; TRANSMISSION TO FOREIGN
COUNTRIES

Correction

The reference in 18 CFR 32.24 to "§§ 32.30 to 32.38" has been changed to "§§ 32.20 to 32.24", so that the section will read:

§ 32.24 *Form and style; number of copies.* Applications under §§ 32.20 to 32.24, inclusive, shall conform to the requirements of §§ 1.15 through 1.17, inclusive, of this chapter.

TITLE 38—PENSIONS, BONUSES,
AND VETERANS' RELIEF

Chapter I—Veterans' Administration
PART 4—DEPENDENTS AND BENEFICIARIES
CLAIMS

EFFECTIVE DATES

1. In § 4.98, paragraph (a) is amended to read as follows:

§ 4.98 *Effective dates.* * * *

(a) *When child reaches age of 18 years while pursuing an approved course.* Payments of pension or compensation will be effective from the date of the child's eighteenth birthday, if at that time the child is pursuing a course of instruction as provided in § 4.14 (c), and evidence showing the pursuance of such course is received within 1 year from the date the child attained the age of 18 years. If a child who is pursuing a course attains the age of 18 years before the evidence showing pursuit of an approved course is received, the award will be terminated in accordance with regulations; but will be reopened and continued pursuant to the provisions of this paragraph if such evidence is received within the year specified. If such evidence is not received within 1 year, the effective date of the award will be the date of receipt of evidence showing pursuit of an approved course.

[SEAL] O. W. CLARK,
Executive Assistant Administrator.

[F. R. Mar. 10-1834; Filed, Mar. 10, 1949;
8:46 a. m.]

PROPOSED RULE MAKING

HOME LOAN BANK BOARD
Housing and Home Finance Agency
[24 CFR, Parts 141-146]

[Resolution No. 1522]

FEDERAL SAVINGS AND LOAN SYSTEM

NOTICE OF PROPOSED RULE MAKING

MARCH 7, 1949.

Resolved that notice is hereby given, pursuant to § 141.2 (c) of the rules and regulations for the Federal Savings and Loan System (24 CFR 141.2 (c)), of the proposed amendment of Parts 141-149 of said rules and regulations (24 CFR Parts 141-149) by deleting therefrom the provisions of Part 149 (24 CFR Part 149); by renumbering Parts 145-148 thereof (24 CFR Parts 145-148) consecutively as Parts 147-150 thereof (24 CFR Parts 147-150); and by substituting in lieu of Parts 141-144 thereof (24 CFR Parts 141-144), Parts 141-146 (24 CFR Parts 141-146) amended to provide as follows:

Sec.	
141.1	Board.
141.2	Federal Savings Association.
141.3	Capital.
141.4	Savings account.
141.5	Short-term savings account.

Sec.	
141.6	Withdrawal value.
141.7	General reserves.
141.8	Surplus.
141.9	Loans on the security of first liens.
141.10	Home.
141.11	Combination of home and business property.
141.12	Other improved real estate.
141.13	Improved real estate.
141.14	Installment loan.
141.15	Insured loan.
141.16	Guaranteed loan.

AUTHORITY: §§ 141.1 to 141.16 issued under secs. 4 (a), 5 (a), 48 Stat. 129, 132; 12 U. S. C. 1463 (a), 1464 (a); Reorg. Plan No. 3 of 1947, 12 F. R. 4981, 3 CFR, 1947 Supp.

PART 141—DEFINITIONS

§ 141.1 *Board.* The term "Board" means the Home Loan Bank Board or one or more of its officials who has been duly authorized by the Home Loan Bank Board to act in its behalf.

§ 141.2 *Federal Savings Association.* The term "Federal savings association" means a Federal savings and loan association chartered by the Board as provided in section 5 of the Home Owners' Loan Act of 1933, as amended.

§ 141.3 *Capital.* The term "capital" means the aggregate of the payments on

savings accounts in a Federal savings association, plus earnings credited thereto, less lawful deductions therefrom.

§ 141.4 *Savings account.* The term "savings account" means the monetary interest of the holder thereof in the capital of a Federal savings association and consists of the withdrawal value of such interest.

§ 141.5 *Short-term savings account.* The term "short-term savings account" means a savings account in a Federal savings association which is to be withdrawn in less than twenty-four months from the date on which such account is opened, as specifically provided in the certificate evidencing the account and also a savings account in a Federal savings association established for the purpose of accumulating funds to pay taxes or insurance premiums, or both, in connection with a loan on the security of a lien on real estate.

§ 141.6 *Withdrawal value.* The term "withdrawal value" means the amount paid on a savings account in a Federal savings association, plus earnings credited thereto, less lawful deductions therefrom.

§ 141.7 *General reserves.* The term "general reserves" means the aggregate amount of reserves of a Federal savings association established by such association for the sole purpose of meeting losses.

§ 141.8 *Surplus.* The term "surplus" means the undistributed earnings of a Federal savings association which are held as unallocated reserves for general corporate use.

§ 141.9 *Loans on the security of first liens.* The term "loans on the security of first liens" on improved real estate means loans on the security of any instrument (whether a mortgage, deed of trust, or land contract) which makes the interest in the real estate described therein (whether in fee or in a leasehold extending or renewable automatically for a period of at least 50 years) specific security for the payment of the obligation secured by such instrument, provided the instrument is of such nature that, in the event of default, the real estate described in such instrument could be subjugated to the satisfaction of such obligation with the same priority as a first mortgage or a first deed of trust in the jurisdiction where the real estate is located.

§ 141.10 *Home.* The term "home" means real estate upon which there is located a dwelling or dwellings for not more than four families.

§ 141.11 *Combination of home and business property.* The term "combination of home and business property" means real property which is used in part for business purposes and in part for residence purposes for not more than four families, provided the use as a residence is of a bona fide character.

§ 141.12 *Other improved real estate.* The term "other improved real estate" means real estate other than a home or combination home and business property which, because of its state of improvement, produces sufficient income to maintain the property and retire the loan in accordance with the terms thereof.

§ 141.13 *Improved real estate.* The term "improved real estate" means real estate which is, or which from the proceeds of the loan will become, a home, combination of home and business property, or other improved real estate.

§ 141.14 *Installment loan.* The term "installment loan" means any loan repayable in regular periodic payments, equal or unequal, sufficient to retire the debt, interest and principal, within the contract period: *Provided, however,* That the loan contract shall not require any subsequent periodic payment to be greater than any previous periodic payment.

§ 141.15 *Insured loan.* The term "insured loan" means a loan that is insured, or as to which the mortgagee is insured, or as to which a commitment for any such insurance has been made under the provisions of either the National Housing Act or the Servicemen's Readjustment Act of 1944, as now or hereafter amended.

§ 141.16 *Guaranteed loan.* The term "guaranteed loan" means a loan that is

guaranteed or as to which a commitment to guarantee has been made under the provisions of the Servicemen's Readjustment Act of 1944, as now or hereafter amended.

PART 142—RULES AND REGULATIONS: HEARINGS

§ 142.1 *Amendment of rules and regulations.* The rules and regulations in this subchapter, subject to any specific provisions contained herein, may be amended in whole or in part at any time in accordance with the provisions set forth in Subchapter A of this chapter. (Secs. 4 (a), 5 (a), 48 Stat. 129, 132; 12 U. S. C. 1463 (a), 1464 (a); Reorg. Plan No. 3 of 1947, 12 F. R. 4981, 3 CFR, 1947 Supp.)

§ 142.2 *Hearings.* Any person who has made an application or petition to the Board pursuant to any provision of Parts 143, 144, 145, or 146 of this subchapter may request a hearing thereon, provided such application or petition has been denied or disapproved by the Board. At any time after the filing of any such application or petition and before consideration thereof by the Board, any interested person may request a hearing upon such application or petition. The Board may order a hearing in connection with the consideration of any matter arising under any provision of the rules and regulations in this subchapter, whether or not any request therefor has been made by any person. The Board may deny any request for, or dispense with, any hearing for which this section provides when, in its judgment, no need therefor exists. All hearings held pursuant to the provisions of this section and all procedure in connection therewith shall be in accordance with the provisions set forth in Subchapter A of this chapter. (Secs. 4 (a), 5 (a), 48 Stat. 129, 132; 12 U. S. C. 1463 (a), 1464 (a); Reorg. Plan No. 3 of 1947, 12 F. R. 4981, 3 CFR, 1947 Supp.)

PART 143—INCORPORATION, ORGANIZATION, AND CONVERSION

Sec.	
143.1	Corporate title.
	ORGANIZATION
143.2	Application for permission to organize.
143.3	Subscription to capital.
143.4	Petition for charter.
143.5	Issuance of charter.
143.6	Completion of organization.
143.7	Limitations on transaction of business.
	CONVERSION
143.8	Eligibility.
143.9	Preliminary application.
143.10	Approval by members.
143.11	Formal application.
143.12	Organization after conversion.

AUTHORITY: §§ 143.1 to 143.12 issued under secs. 4 (a), 5 (a), 48 Stat. 129, 132; 12 U. S. C. 1463 (a), 1464 (a); Reorg. Plan No. 3 of 1947, 12 F. R. 4981, 3 CFR, 1947 Supp.

§ 143.1 *Corporate title.* The full corporate title of each Federal savings association shall include the words "Federal Savings and Loan Association", which shall be preceded by a suitable descrip-

tive word and may be followed by the words "of -----", using the name of the place in which such association is organized or at which its home office is located: *Provided,* That the name of the place, if used, shall not include the name of the State: *And provided further,* That the Board shall have the right to change the name requested if, in the Board's judgment, such name is inappropriate or is not suitable.

ORGANIZATION

§ 143.2 *Application for permission to organize—(a) Form.* Persons who desire to organize a Federal savings association shall first execute in triplicate an application, in form prescribed by the Board, for permission to organize such an association (hereinafter referred to as "Application for Permission to Organize") before taking any other action in connection therewith. (The Board has prescribed a form of Application for Permission to Organize; copies may be obtained from the Home Loan Bank Board, Washington, D. C.; or from any Federal home loan bank.)

(b) *Filing.* Upon execution of an application for permission to organize by 5 responsible citizens (hereinafter referred to as the "applicants") the original and two copies thereof shall be submitted to the Board through the Federal home loan bank of the district in which it is intended to organized such association. The applicants shall submit with their application statements, exhibits, maps, and other data, together with an affidavit that the representations made thereby are consistent with the facts to the best of the applicants' information and belief, which data shall be sufficiently detailed and comprehensive as to enable the Board to pass upon the application as to (1) the character and responsibility of the applicants; (2) the necessity for such Federal savings association in the community to be served; (3) reasonable probability of its usefulness and success; and (4) whether or not such Federal savings association can be established without undue injury to properly conducted existing local thrift and home-financing institutions.

(c) *Hearing.* If the Board does not deny the application on the basis of the data submitted by the applicants and any other information in its possession without a hearing, it will set a date on which a hearing may be held and the applicants will be directed to have published at least 20 days before such date in a newspaper printed in the English language of general circulation in the county in which the proposed Federal savings association will have its office, a notice in the following form, unless another form is prescribed by the Board:

Notice is hereby given that the applicants listed below have applied to the Home Loan Bank Board for permission to organize a Federal savings association to be located in -----

(City) (State)

A hearing will be held on the application at ----- o'clock in the ----- noon on -----, 19-----, in Room 827, Federal Home Loan Bank Board Building, Washington, D. C., if written notice of intention to

appear in person or by attorney to protest the application is received by the Home Loan Bank Board from one or more persons at least 10 days before that date. If no such notice has been received by the Home Loan Bank Board at least 10 days before said date, the hearing will be dispensed with unless otherwise ordered by the said Board.

The applicants shall file with the Board at least 10 days before the date set for the hearing an affidavit of publication of the notice giving the date of publication and the name of the newspaper in which it was published. The applicants shall also promptly, after receipt of a copy of the resolution providing for the hearing, cause a copy of the notice to be mailed to the state supervisor of home-financing institutions of the state in which the proposed Federal savings association will be located. If at least 10 days before the date set for the hearing the Board has received no written statements of intention to appear in person or by attorney to protest the application from one or more parties, the hearing will be dispensed with unless otherwise ordered by the Board. The Board will notify the applicants at least 5 days before the date of the hearing whether or not a hearing will be held. Notwithstanding any other provisions of this subchapter, the Board may at any time dispense with any hearing on an application for permission to organize a Federal savings association.

(d) *Approval.* If the Board approves the application it will establish, as conditions to be met prior to the issuance of a charter, requirements as to (1) minimum number of subscribers to the association's capital; (2) minimum amount of capital to be paid into the association's savings accounts upon issuance of a charter to it; (3) guarantee by the organizers or others of the association's organization and operating expenses; and (4) such other requirements as it deems necessary or desirable. Approval of an application for permission to organize a Federal savings association will not in any manner obligate the Board to issue a charter.

§ 143.3 *Subscription to capital.* Upon approval by the Board of an application for permission to organize a Federal savings association, the applicants shall constitute the organization committee and shall perfect a temporary organization by electing a chairman, vice-chairman, and a secretary, who shall act as the temporary officers of such association until their successors are duly elected and qualified. Such temporary officers may thereupon proceed to effect compliance with any conditions prescribed by the Board, including the securing of subscriptions to such Federal savings association's capital in the following form (hereinafter referred to as "subscription to capital"):

 (City) (State)

 (Date)

HOME LOAN BANK BOARD,
 Washington, D. C.

Having been given permission to organize a Federal savings association, the undersigned hereby subscribe for the amount of capital indicated below, and contract to pay into a savings account, upon the issuance of

a charter, the amount of cash stated opposite their respective names below. We agree to cooperate in the development of such an association for the promotion of local savings and home-financing.

 (Name) (Occupation)

 (Amount of capital to be paid in cash upon issuance of charter)

§ 143.4 *Petition for charter—(a) Form.* When the required minimum number of persons shall have subscribed for the required minimum amount of capital and shall have agreed to pay such amount in cash upon issuance of a charter by the Board, and when any other conditions prescribed by the Board shall have been met, a petition addressed to the Board shall be signed by the temporary officers, as provided in § 143.3, requesting the Board to issue a charter under a name chosen by the petitioners or such other name as the Board may deem appropriate. Such petition for charter shall state that (1) the applicants have complied in all respects with the Home Owners' Loan Act of 1933, as amended, and with the rules and regulations governing the organization of a Federal savings association; (2) the applicants have incurred no expense in connection with the formation of such association which is chargeable to it and that no such expenses will be incurred; (3) no money will be collected on account of such association prior to issuance of a charter to it by the Board; (4) an organization committee has been created, naming such committee and the officers thereof; and (5) the organization committee will organize such association upon the issuance of a charter by the Board and will serve as temporary officers of such association until officers thereof are elected by such association's board of directors as provided in § 143.6.

(b) *Filing.* The petition for charter, together with evidence of compliance with the conditions prescribed by the Board in approving the application for permission to organize, including the original and a duplicate copy of subscriptions to capital, shall be promptly submitted in duplicate to the Board through the Federal home loan bank of the district in which such association is to be located.

§ 143.5 *Issuance of charter.* The Board will take action issuing or denying a charter after receipt of evidence as to compliance by the applicants with the conditions prescribed by the Board. The action of the Board shall be final. If a petition for charter is approved by the Board a charter will be issued in the form of Charter N as provided in § 144.1 of this subchapter.

§ 143.6 *Completion of organization—(a) Organization meeting.* Promptly upon receipt of a charter for a Federal savings association, the temporary officers thereof shall call a meeting of the subscribers to such association's capital; the notice of such meeting shall be

mailed to each such subscriber at least 5 days prior to the date of such meeting. Subscribers who have subscribed for a majority of such Federal savings association's capital, present in person or by proxy, shall constitute a quorum for the transaction of business. At such organization meeting directors of such Federal savings association shall be elected according to the provisions of the association's charter and bylaws, and such other action may be taken by such subscribers as is permitted by such charter and bylaws; any action taken at any such meeting under such charter and bylaws shall be deemed an acceptance by such Federal savings association of its charter, and of the bylaws, which shall be in the form provided in § 144.6 of this subchapter.

(b) *First meeting of directors.* Immediately after election, as hereinabove provided, the board of directors of such Federal savings association shall hold its first meeting and shall at that time elect officers of the association as prescribed by its charter and bylaws and shall take such other action as may be necessary to permit such association to be operated in accordance with section 5 of the Home Owners' Loan Act of 1933, as amended, the association's charter and bylaws, and these rules and regulations. When such officers have been bonded as provided in § 145.12 of this subchapter, they shall forthwith collect the sums due on subscriptions to such Federal savings association's capital.

(c) *Membership in Federal home loan bank.* Upon issuance of a charter to a Federal savings association it shall promptly meet all requirements necessary to become a member of a Federal home loan bank.

(d) *Insurance of accounts.* Upon the issuance of a charter to a Federal savings association it shall promptly meet all requirements necessary to obtain insurance of its accounts by the Federal Savings and Loan Insurance Corporation.

(e) *Failure to complete.* The organization of a Federal savings association is not completed until the organization meeting of subscribers to its capital and the first meeting of its directors have been held, as hereinabove provided, and the permanent officers have been bonded and such association is in possession of the minimum amount of cash required to be paid in on subscriptions to its capital: *Provided,* That the Board may specify additional requirements before organization shall be deemed to have been completed. In the event that the organization of a Federal savings association is not so completed within a period of six months after the issuance of its charter, such charter shall become void and all amounts collected by such association on subscriptions to its capital shall thereupon be returned to the respective subscribers to such capital or to their assigns.

§ 143.7 *Limitations on transaction of business.* No person shall proceed to organize a Federal savings association or to collect any money from others for such purpose, or represent himself as authorized so to do, and no Federal savings association shall transact any business

prior to the completion of the organization thereof, except as herein provided.

CONVERSION

§ 143.8 *Eligibility.* Any member of a Federal home loan bank may convert itself into a Federal savings association upon such terms and conditions as the Board may prescribe and upon a vote of not less than 51 percent of the votes cast at a legal meeting called to consider such action: *Provided*, That such member shall comply with all laws, if any, of its jurisdiction which expressly provide for conversion into a Federal savings association, and with the rules and regulations in this subchapter.

§ 143.9 *Preliminary application—(a) Form.* Any member of a Federal home loan bank that desires to convert into a Federal savings association, hereinafter referred to as "applicant", may, after approval by its board of directors, file its preliminary application for conversion in form prescribed by the Board; any institution which is not a member of a Federal home loan bank but which is eligible to apply for such membership may likewise file simultaneously its application for such membership and its preliminary application for conversion. (The Board has prescribed a form of "Preliminary Application for Conversion into a Federal Savings Association", copies of which may be obtained from the Home Loan Bank Board, Washington, D. C., or from any Federal home loan bank.)

(b) *Filing.* A preliminary application for conversion into a Federal savings association shall be filed in duplicate with the Board through the Federal home loan bank of which the applicant is or proposes to become a member. The applicant shall submit such financial statements and such other information as the Board may require and shall pay all costs, as determined by the Board, arising out of the Board's consideration of the application; the applicant shall also submit with its preliminary application a statement showing the plan of conversion, which shall expressly provide for (1) appropriate reserves and surplus for the Federal savings association; (2) satisfaction in full or assumption by the Federal savings association of all creditor obligations of the applicant; (3) issuance by the Federal savings association of its savings accounts to the holders of withdrawable accounts of the applicant in an amount equivalent to the value of their accounts, including the present value of any preferences to which any of such holders are entitled; and (4) issuance by the Federal savings association of its savings accounts to all holders of guarantee, permanent, reserve fund, or other nonwithdrawable capital stock of the applicant in an amount equivalent to the value of such stock.

(c) *Board action.* The Board will consider the preliminary application for conversion, together with such information and reports of examination, audit, and appraisal as may have been submitted to or required by the Board, and will either approve or disapprove such application; approval may be conditional.

§ 143.10 *Approval by members.* Upon approval by the Board of a preliminary application for conversion into a Federal savings association the applicant shall proceed promptly to comply with all conditions prescribed in such approval and to obtain the vote of its members required by the laws of the jurisdiction to which the applicant is subject, if any, which expressly provide for conversion into a Federal savings association, and in any event to obtain the vote required by section 5 (i) of the Home Owners' Loan Act of 1933, as amended, in favor of the plan of conversion as approved by the Board, and to comply with all other necessary legal formalities; the Board reserves the right to cancel its approval of a preliminary application for conversion into a Federal savings association in the event an applicant fails to obtain promptly the approval of its members as provided in this section.

§ 143.11 *Formal application—(a) Form.* Upon approval by its members of the plan of conversion, as provided in § 143.10, the applicant may file its formal application for conversion into a Federal savings association in form prescribed by the Board. (The Board has prescribed a form of "Application for Conversion into a Federal Savings Association", copies of which may be obtained from the Home Loan Bank Board, Washington, D. C., or from any Federal home loan bank.)

(b) *Filing.* The formal application for conversion into a Federal savings association shall be filed in duplicate with the Board through the Federal home loan bank of which the applicant is or proposes to become a member; such application shall be accompanied by evidence satisfactory to the Board showing compliance by the applicant with all conditions prescribed by the Board in its approval of the preliminary application for conversion into a Federal savings association and, unless the applicant is insured by the Federal Savings and Loan Insurance Corporation, by formal application for insurance of accounts.

(c) *Issuance of charter.* No formal application for conversion into a Federal savings association will be approved by the Board unless the applicant shall have been approved for membership in a Federal home loan bank. Upon approval by the Board of a formal application for conversion into a Federal savings association, the Board will issue a Charter N to such association, as provided in § 144.1 of this subchapter; conversion into a Federal savings association is completed upon the issuance of such charter and upon compliance with all relevant requirements of law, if any, which expressly provide for such conversion.

§ 143.12 *Organization after conversion.* Upon issuance of a Federal charter, as provided in § 143.11, a legal meeting of the members of such Federal savings association shall be held promptly, after due notice unless held upon a valid adjournment of a previous legal meeting. At such meeting directors shall be elected and such other action shall be taken as is necessary fully to carry into effect the conversion as approved by the Board and to operate such Federal savings association in accordance with the law and the

rules and regulations in this subchapter. Immediately thereafter the board of directors shall meet, elect officers, and transact such other business as may be necessary and proper. Such association shall not represent itself as a Federal savings association until the meetings have been held and the required actions taken as herein provided.

PART 144—CHARTER AND BYLAWS

CHARTER

- Sec.
144.1 Issuance of Charter N.
144.2 Pending applications.
144.3 Adoption of Charter N.
144.4 Evidence of corporate existence.

BYLAWS

- 144.5 Prescribed form.
144.6 Amendment to bylaws.

AVAILABILITY

- 144.7 In offices of association.

AUTHORITY: §§ 144.1 to 144.7 issued under secs. 4 (a), 5 (a), 48 Stat. 129, 132; 12 U. S. C. 1463 (a), 1464 (a); Reorg. Plan No. 3 of 1947, 12 F. R. 4981, 3 CFR, 1947 Supp.

CHARTER

§ 144.1 *Issuance of Charter N.* Except as provided in § 144.2, the following form of charter, which shall be known as Charter N, will be issued on and after the effective date of the rules and regulations in this subchapter, upon approval by the Board of any petition for a charter for a Federal savings association pursuant to the provisions of subsections (a) or (i) of section 5 of the Home Owners' Loan Act of 1933, as amended:

CHAPTER N

1. *Corporate title.* The full corporate title of the Federal savings association hereby chartered is _____ Federal Savings and Loan Association _____.

2. *Office.* The home office shall be located at _____, in the County of _____, State of _____.

3. *Objects and powers.* The objects of the association are to promote thrift by providing a convenient and safe method for people to save and invest money and to provide for the sound and economical financing of homes; and, in the accomplishment of such objects, it shall have perpetual succession and power: (1) To act as fiscal agent of the United States when designated for that purpose by the Secretary of the Treasury, under such regulations as he may prescribe, and shall perform all such reasonable duties as fiscal agent of the United States as he may require and to act as agent for any other instrumentality of the United States when designated for that purpose by any such instrumentality; (2) To sue and be sued, complain and defend in any court of law or equity; (3) To have a corporate seal, affixed by imprint, facsimile or otherwise; (4) To appoint officers and agents as its business shall require, and allow them suitable compensation; (5) To adopt bylaws not inconsistent with the Constitution or laws of the United States and rules and regulations adopted thereunder and this charter; (6) To raise its capital, which shall be unlimited, by accepting payments on savings accounts representing share interests in the association; (7) To borrow money; (8) To lend and otherwise invest its funds; (9) To wind up and dissolve, merge, consolidate, convert, or reorganize; (10) To purchase, hold, and convey real and personal estate consistent with its objects, purposes, and powers; (11) To mortgage

or lease any real and personal estate and take such property by gift, devise, or bequest; and (12) To exercise all powers conferred by law. In addition to the foregoing powers expressly enumerated, this association shall have power to do all things reasonably incident to the accomplishment of its express objects and the performance of its express powers. It shall exercise its powers in conformity with all laws of the United States as they now are, or as they may hereafter be amended, and with all valid rules and regulations now or hereafter made thereunder.

4. *Members.* All holders of the association's savings accounts and all borrowers therefrom are members. In the consideration of all questions requiring action by the members of the association, each holder of a savings account shall be permitted to cast one vote for each \$100, or fraction thereof, of the withdrawal value of his account. A borrowing member shall be permitted, as a borrower, to cast one vote, and to cast the number of votes to which he may be entitled as the holder of a savings account. No member, however, shall cast more than 50 votes. Voting may be by proxy. Any number of members present at a regular or special meeting of the members shall constitute a quorum. A majority of all votes cast at any meeting of members shall determine any question. The members who shall be entitled to vote at any meeting of the members shall be those owning savings accounts and borrowing members of record on the books of the association at the end of the calendar month next preceding the date of such meeting. The number of votes which each member shall be entitled to cast at any meeting of the members shall be determined from the books of the association as of the end of the calendar month next preceding the date of such meeting. Those who were members at the end of the calendar month next preceding the date of a meeting of members but who shall have ceased to be members prior to such meeting shall not be entitled to vote thereat. All savings accounts shall be nonassessable.

5. *Withdrawals.* Any owner of a savings account may at any time file a written request for the withdrawal of any part of the withdrawal value of such account. Upon receipt of written request from any holder of a savings account of the association for the withdrawal from such account of all or any part of the withdrawal value thereof, the association shall pay the amount requested: *Provided*, That if the association is unable to pay all such withdrawal requests within a period of 30 days from date of receipt thereof, the association shall then number and file all withdrawal requests in the order received and shall pay such withdrawal requests in such order and thereafter shall not make or purchase any new loans or investments while the association is unable to pay any withdrawal request within a period of 30 days from the date of receipt thereof: *And provided further*, That the board of directors shall have the absolute right to pay on an equitable basis an amount not exceeding \$200 in any calendar month to any holder of a savings account or accounts without regard to any other provision of this section. Holders of savings accounts for which application for withdrawal has been made shall remain holders of savings accounts until paid and shall not become creditors.

6. *Redemption.* At any time sufficient funds are on hand, the association shall have the right to redeem, by lot or otherwise as the board of directors may determine, all or any part of any of its savings accounts on June 30 or December 31, by giving 30 days' notice of such redemption by registered mail addressed to the holder of each such savings account at his last address as recorded on the books of the association. The association may not redeem any of its savings accounts

when there is an impairment of its capital or when it has any request for withdrawal which has been on file and unpaid for more than 30 days. The redemption price of each savings account redeemed shall be the full value thereof, as determined by the board of directors, but in no event shall the redemption price be less than the withdrawal amount of such savings account. If a savings account which is redeemed is entitled to participate in any reserve for bonus, the amount in such reserve for bonus which is properly allocable to such savings account shall be paid as part of the redemption price thereof. If any notice of redemption shall have been duly given, and if the funds necessary for such redemption shall have been set aside so as to be and to continue to be available for that purpose, interest upon such account shall cease to accrue from and after the date specified as the redemption date and all rights with respect to each such account shall forthwith, after such redemption date, terminate, except only the right of the holder of record of such savings account to receive the redemption price thereof without interest.

7. *Reserves, surplus, and distribution of earnings.* The association shall maintain general reserves for the sole purpose of meeting losses; such reserves shall include the reserve required for insurance of accounts. Any losses may be charged against general reserves. If and whenever the general reserves of the association are not equal to at least 10 percent of its capital, it shall, as of June 30 and December 31 of each year, credit to such reserves an amount equivalent to at least 5 percent of its net earnings for the 6 months' period, or such amount as may be required by the Federal Savings and Loan Insurance Corporation, whichever is greater, until such reserves are equal to at least 10 percent of the association's capital. As of June 30 and December 31 of each year, after payment or provision for payment of all expenses, credits to general reserves and to surplus, and provision for bonus on savings accounts as authorized by regulations made by the Home Loan Bank Board, the board of directors of the association shall cause the remainder of the net earnings of the association for the 6 months' period to be distributed promptly on its savings accounts, ratably, as declared by the board of directors, to the withdrawal value thereof; in lieu of or in addition to such net earnings, any of the association's surplus funds may be likewise distributed. Such net earnings shall be credited to savings accounts or paid, as directed by the owner. All holders of savings accounts shall participate at the same rate and on the same basis in the distribution of earnings: *Provided*, That the association is not required to distribute earnings on short-term savings accounts or on accounts of \$10 or less: *And provided further*, That earnings shall not at time be distributed on amounts withdrawn from any savings account prior to the end of the 6 months' period: *And provided further*, That the period for which any payment on a savings account may participate in the distribution of earnings shall be as determined by the association's board of directors, unless such payment has remained in the association for the 6 months' period, but shall not exceed by more than 10 days the time during which such payment remains in the association. Notwithstanding any other provision of its charter, the association may distribute net earnings on its savings accounts on such other basis and in accordance with such other terms and conditions as may from time to time be authorized by regulations made by the Home Loan Bank Board. All holders of savings accounts of the association shall be entitled to equal distribution of assets, pro rata to the value of their savings accounts, in the event of voluntary or involuntary liquidation, dissolution, or winding up of the association.

8. *Directors.* The association shall be under the direction of a board of directors of

not less than 5 nor more than 15, as fixed in the association's bylaws or, in the absence of any such bylaw provision, as from time to time expressly determined by resolution of the association's members. Each director of the association shall be a member of the association, and a director shall cease to be a director when he ceases to be a member. Directors of the association shall be elected by its members by ballot: *Provided*, That in the event of a vacancy in the directorate, including vacancies created by an increase in the number of directors, the board of directors may fill such vacancy. If the members of the association fail so to do, by electing a director to serve until the next annual meeting of the members. Directors shall be elected for periods of 3 years and until their successors are elected and qualified, but provision shall be made for the election of approximately one-third of the board of directors each year.

9. *Amendment of charter.* No amendment, addition, alteration, change, or repeal of this charter shall be made unless such proposal is made by the board of directors of the association, and submitted to and approved by the Home Loan Bank Board, and is thereafter submitted to and approved by the members at a legal meeting. Any amendment, addition, alteration, change, or repeal so acted upon and approved shall be effective, if filed with and approved by the Home Loan Bank Board, as of the date of the final approval of, or as fixed by, the members.

HOME LOAN BANK BOARD,
By _____
(Chairman)

Attest:

(Secretary)

§ 144.2 *Pending applications.* All pertinent provisions of Part 142 of this subchapter in effect prior to the effective date hereof shall remain in full force and effect as to any formal applications made prior to such date for permission to organize a Federal savings association under the provisions of section 5 (a), or to convert to a Federal savings association under the provisions of section 5 (1), of the Home Owners' Loan Act of 1933, as amended.

§ 144.3 *Adoption of Charter N.* A Federal savings association that has a Charter E or a Charter K may amend such charter in its entirety to read in the form of Charter N, by majority vote of such association's members at any duly called regular or special meeting of members: *Provided*, That, in the case of a Federal savings association that has a Charter K, the board of directors of such association shall first have proposed such amendment, and the provisions of this section shall be deemed to be the approval by the Board of such proposal. Upon receipt of the following petition from a Federal savings association that has amended its charter as provided in this section, the Board will issue to such Federal savings association a Charter N in the same name and showing the same location of home office as is prescribed in such association's present charter, unless the Board when petitioned approves a change in such name or location:

HOME LOAN BANK BOARD,
Washington, D. C.

The undersigned, pursuant to § 144.3 of the Rules and Regulations for the Federal Savings and Loan System, respectfully petitions the Board to issue an amended charter in the form of Charter N to the undersigned,

fixing the name and home office of the undersigned which its present charter prescribes.

The undersigned, by its secretary, hereby certifies that the members at a meeting duly called and held adopted the following resolution:

"Be it resolved, That the present charter of this association be amended to read in the form of Charter N as set forth in Section 144.1 of the Rules and Regulations for the Federal Savings and Loan System, prescribing the present name and home office fixed by the present charter of this association."

In witness whereof, the Secretary of the undersigned has hereunto affixed his hand and the seal of the undersigned this _____ day of _____, 19____.

FEDERAL SAVINGS AND
LOAN ASSOCIATION

[CORPORATE
SEAL] By _____

§ 144.4 *Evidence of corporate existence.* The issuance of a charter to a Federal savings association shall constitute the incorporation of such Federal savings association by the Board; the charter of a Federal savings association, or a certified copy thereof under the seal of the Board, shall be evidence of the corporate existence of such Federal savings association.

BYLAWS

§ 144.5 *Prescribed form.* A Federal savings association that has a Charter N shall operate under the following prescribed bylaws, unless and until such bylaws are amended in accordance with the procedure therein set forth:

1. *Annual meetings of members.* The annual meeting of the members of the association for the election of directors and for the transaction of any other business of the association shall be held at its home office at 2 o'clock in the afternoon on the third Wednesday in January of each year, if not a legal holiday, or if a legal holiday then on the next succeeding day not a legal holiday. The annual meeting may be held at such other time on such day or at such other place in the same community as the board of directors may determine. At each annual meeting, the officers shall make a full report of the financial condition of the association and of its progress for the preceding year, and shall outline a program for the succeeding year. Annual meetings of the members shall be conducted in accordance with Roberts' Rules of Order.

2. *Special meetings of members.* Special meetings of the members of the association may be called at any time by the president or the board of directors, and shall be called by the president, a vice president, or the secretary upon the written request of members holding of record in the aggregate at least one-tenth of the capital of the association. Such written request shall state the purposes of the meeting and shall be delivered at the home office of the association addressed to the president. Special meetings of the members shall be conducted in accordance with Roberts' Rules of Order.

3. *Notice of meetings of members.* (a) Notice of each annual meeting shall be either published once a week for the two successive calendar weeks (in each instance on any day of the week) immediately prior to the week in which such annual meeting shall convene, in a newspaper printed in the English language and of general circulation in the city or county in which the home office of the association is located, or mailed postage prepaid at least 15 days and not more than 30 days prior to the date on which such annual meetings shall convene to each of its members of record at his last address

appearing on the books of the association. Such notice shall state the name of the association, the place of the annual meeting and the time when it shall convene. A similar notice shall be posted in a conspicuous place in each of the offices of the association during the 14 days immediately preceding the date on which such annual meeting shall convene. If any member, in person or by attorney thereunto authorized, shall waive in writing notice of any annual meeting of members, notice thereof need not be given to such member.

(b) Notice of each special meeting shall be either published once a week for the two consecutive calendar weeks (in each instance on any day of the week) immediately prior to the week in which such special meeting shall convene, in a newspaper printed in the English language and of general circulation in the city or county in which the home office of the association is located, or mailed postage prepaid at least 15 days and not more than 30 days prior to the date on which such special meeting shall convene to each of its members of record at his last address appearing on the books of the association. Such notice shall state the name of the association, the purpose or purposes for which the meeting is called, the place of the special meeting and the time when it shall convene. A similar notice shall be posted in a conspicuous place in each of the offices of the association during the 14 days immediately preceding the date on which such special meeting shall convene. If any member, in person or by attorney thereunto authorized, shall waive in writing notice of any special meeting of members, notice thereof need not be given to such member.

4. *Meetings of the board of directors.* The board of directors shall meet regularly without notice at the home office of the association at least once each month at the hour and date fixed by resolution of the board of directors, provided that the place of meeting may be changed by the directors. Special meetings of the board of directors may be held at any place in the territory in which the association may make loans specified in a notice of such meeting and shall be called by the secretary upon the written request of the president, or of three directors. All special meetings shall be held upon at least 3 days' written notice to each director unless notice be waived in writing before or after such meeting. Such notice shall state the place, time, and purposes of such meeting. A majority of the directors shall constitute a quorum for the transaction of business. The act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the board of directors. All meetings of the board of directors shall be conducted in accordance with Roberts' Rules of Order.

5. *Officers, employees, and agents.* Annually at the meeting of the board of directors of the association next following the annual meeting of the members of the association, the board of directors shall elect a president, one or more vice presidents, a secretary, and a treasurer: *Provided*, That the offices of secretary and treasurer may be held by the same person, and a vice president may also be either the secretary or the treasurer. The board of directors may appoint such additional officers and such employees and agents as it may from time to time determine. The term of office of all officers shall be one year or until their respective successors are elected and qualified; but any officer may be removed at any time by the board of directors. In the absence of designation from time to time of powers and duties by the board of directors, the officers shall have such powers and duties as generally pertain to their respective offices.

6. *Resignation of directors.* Any director may resign at any time by sending a written notice of such resignation to the

office of the association delivered to the secretary. Unless otherwise specified therein, such resignation shall take effect upon receipt thereof by the secretary. More than three consecutive absences from regular meetings of the board of directors, unless excused by resolution of the board of directors, shall automatically constitute a resignation, effective when such resignation is accepted by the board of directors.

7. *Powers of the board.* The board of directors shall have power—

(a) To appoint and remove by resolution the members of an executive committee, the members of which shall be directors, which committee shall have and exercise the powers of the board of directors between the meetings of the board of directors;

(b) To appoint and remove by resolution the members of such other committees as may be deemed necessary and prescribe the duties thereof;

(c) To fix the compensation of directors, officers, and employees; and to remove any officer or employee at any time with or without cause;

(d) To extend leniency and indulgence to borrowing members who are in distress and generally to compromise and settle any debts and claims;

(e) To limit payments on capital which may be accepted;

(f) To reject any application for savings accounts or membership; and

(g) To exercise any and all of the powers of the association not expressly reserved by the charter to the members.

8. *Execution of instruments, generally.* All documents and instruments or writings of any nature shall be signed, executed, verified, acknowledged, and delivered by such officers, agents, or employees of the association or any one of them and in such manner as from time to time may be determined by resolution of the board of directors. All notes, drafts, acceptances, checks, endorsements, and all evidences of indebtedness of the association whatsoever shall be signed by such officer or officers or such agent or agents of the association and in such manner as the board of directors may from time to time determine. Endorsements for deposit to the credit of the association in any of its duly authorized depositories shall be made in such manner as the board of directors may from time to time determine. Proxies to vote with respect to shares or accounts of other associations or stock of other corporations owned by or standing in the name of the association may be executed and delivered from time to time on behalf of the association by the president or a vice president and the secretary or an assistant secretary of the association or by any other person or persons thereunto authorized by the board of directors.

9. *Savings account certificates.* Such officers or employees as may be designated by the board of directors shall deliver to each person upon the initial payment on his savings account in the association an account book or other written evidence of such account.

10. *Seal.* The seal shall be two concentric circles between which shall be the name of the association. The year of incorporation, the word "Incorporated", or an emblem may appear in the center.

11. *Amendment.* These bylaws may be amended at any time by a two-thirds affirmative vote of the board of directors, or by a vote of the members of the association. Each and every amendment shall be subject to the approval of the Home Loan Bank Board, and shall be ineffective until such approval shall be given: *Provided*, That, without the approval of the Home Loan Bank Board, section 1 of the bylaws may be amended so that the time of day for convening the annual meeting may be fixed at any hour not earlier than 10 a. m. or later than 9 p. m., and a section providing for a

bonus may be added or repealed as provided in the rules and regulations for the Federal Savings and Loan System.

§ 144.6 *Amendment to bylaws.* This section constitutes approval by the Board of any one or more of the following amendments to the bylaws of any Federal savings association, upon the valid adoption of any such amendment by such association's directors or members as provided in its bylaws, effective when so adopted:

(a) *Nominating committee.* The president, at least 30 days prior to the date of each annual meeting, shall appoint a nominating committee of three persons who are members of the association. Such committee shall make nominations for directors in writing, and deliver to the secretary such written nominations at least 15 days prior to the date of the annual meeting, which nominations shall forthwith be posted in a prominent place in the home office for the 15 days' period prior to the date of the annual meeting. Provided such committee is appointed and makes such nominations, no nominations for directors except those made by the nominating committee shall be voted upon at the annual meeting unless other nominations by members are made in writing and delivered to the secretary of the association at least 10 days prior to the date of the annual meeting, which nominations shall forthwith be posted in a prominent place in the home office for the 10 days' period prior to the date of the annual meeting. Ballots bearing the names of all persons nominated by the nominating committee and by other members prior to the annual meeting shall be provided for use by the members at the annual meeting. If at any time the president shall fail to appoint such nominating committee, or the nominating committee shall fail or refuse to act at least 15 days prior to the annual meeting, nominations for directors may be made at the annual meeting by any member and shall be voted upon.

(b) *New business.* Any new business to be taken up at the annual meeting, including any proposal to increase or decrease the number of directors of the association, shall be stated in writing and filed with the secretary of the association on or before thirty (30) days before the date of the annual meeting, and all business so stated, proposed and filed shall be considered at the annual meeting, but no other proposal shall be acted upon at the annual meeting. Any member may make any other proposal at the annual meeting and the same may be discussed and considered, but unless stated in writing and filed with the secretary thirty (30) days before the meeting such proposal shall be laid over for action at an adjourned, special or regular meeting of the members taking place thirty (30) days or more thereafter. This provision shall not prevent the consideration and approval or disapproval at the annual meeting of the reports of officers and committees, but in connection with such reports no new business shall be acted upon at such annual meeting unless stated and filed as herein provided.

(c) *Voting by proxy.* Voting at any annual or special meeting of the members may be made by proxy, it being provided that no proxies shall be voted at any meeting unless such proxies shall have been placed on file with the secretary of the association, for verification, at least five (5) days prior to the date on which such meeting shall convene.

(d) *Number of directors.* The number of directors of the association shall be -----.

AVAILABILITY

§ 144.7 *In offices of association.* A Federal savings association shall cause a true copy of its charter and bylaws, including any amendments thereto, to be at all times available to the members of such association in each of its offices, and shall deliver a copy of such charter and bylaws to any member upon request.

PART 145—OPERATIONS

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- 145.2 Evidence of ownership.
- 145.3 Bonus on savings accounts.
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BORROWED MONEY

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- 145.6 Real estate loans.
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AUTHORITY: §§ 145.1 to 145.27 issued under secs. 4 (a), 5 (a), 48 Stat. 129, 132; 12 U. S. C. 1463 (a), 1464 (a); Reorg. Plan No. 3 of 1947, 12 F. R. 4981, 3 CFR, 1947 Supp.

CAPITAL

§ 145.1 *Savings accounts.* The capital of a Federal savings association may be raised through payments on its savings accounts in the form of cash, or of property in which such Federal savings association is authorized to invest, and, in the absence of actual fraud in the transaction, the value of such property, as determined by the board of directors of such Federal savings association, shall be conclusive. The savings accounts of a Federal savings association that has a Charter E or a Charter K and which amends such charter to read in the form of Charter N shall continue to have the same rights and privileges and to be subject to the same duties and liabilities as were provided in the charter in effect at the time such savings accounts were created, until exchanged for a savings account issued under the provisions of Charter N. No sales commission shall be paid by any Federal savings association to any of its officers or directors for the sale of its savings accounts: *Provided*, That any such association may distribute prizes in cash or otherwise to any of its officers or directors in connection with any drive or contest authorized by the association's board of directors for the increase of the association's capital by the development of new savings accounts. Except to the extent expressly authorized by Charter E, no Federal savings association shall directly or indirectly charge any membership, admission, repurchase, withdrawal, or any other fee or sum of money, for the privilege of becoming, remaining, or ceasing to be a holder of a savings account of such Federal savings association.

§ 145.2 *Evidence of ownership—(a) Signature card.* In connection with the issuance of a savings account a Federal savings association shall obtain a card containing the signature of the owner of such account or his duly authorized representative and shall preserve such signature card in the records of the association.

(b) *Account books and certificates.* A Federal savings association that has Charter N shall issue to each holder of its savings accounts an account book, or a separate certificate, evidencing the ownership of the account and the interest of the holder thereof in the capital of such Federal savings association; except as hereinafter provided, each such certificate shall be in form prescribed by the Board. (The Board has prescribed for use by all Federal savings associations that have Charter K, forms of certificates evidencing the ownership of savings share accounts, short-term savings share accounts, and investment share accounts; and has prescribed for use by all

Federal savings associations that have Charter N forms of certificates evidencing ownership of savings accounts. Illustrative copies of these forms may be obtained from the Home Loan Bank Board, Washington, D. C. or from any Federal home loan bank.) Any Federal savings association that has a Charter E may, until otherwise provided by the Board, continue to use the forms of share certificates being issued by such association as of the effective date hereof: *Provided*, That no such form is in conflict with any express provision of such association's charter or bylaws.

(c) *Ownership of record.* A Federal savings association may treat the holder of record of a savings account as the owner for all purposes without being affected by any notice to the contrary unless such Federal savings association has acknowledged in writing notice of a pledge of such savings account. Savings accounts of a Federal savings association shall be transferable only upon the books of the association and upon proper application by the transferee and the acceptance of the transferee as a member upon terms approved by the board of directors.

(d) *Duplicate account books and certificates.* Upon filing with a Federal savings association by the holder of record as shown by the books of the association, or by his legal representative, of an affidavit to the effect that the certificate or account book evidencing his savings account with the association has been lost or destroyed, and that such certificate or account book has not been pledged or assigned in whole or in part, such Federal savings association shall issue a new certificate or account book evidencing such savings account in the name of the holder of record: *Provided*, That the board of directors shall, if in its judgment it is necessary, require a bond in an amount sufficient to indemnify the association against any loss which might result from the issuance of such new certificate or account book.

§ 145.3 *Bonus on savings accounts—*

(a) *Monthly payment accounts.* The members of a Federal savings association which has a charter not inconsistent with the provisions of this section may, by bylaw provision, obligate the association to pay a bonus for regular payments on savings accounts. Thereafter, any member of such association desiring a bonus shall agree to make regular monthly payments of a specified amount on a savings account until the withdrawal value thereof is equal to at least 200 times the agreed monthly payment, and if the agreed monthly payments are made each and every month thereafter until the withdrawal value of such savings account is equal to at least 200 times the agreed monthly payment, without a delay of more than 60 days in the payment of any monthly payment and without any prepayment of more than 12 months, and if within such period no application has been made for withdrawal of any part of such savings account, the bonus shall be payable on the date on which the withdrawal value of such savings account equals or exceeds

200 times the agreed monthly payment. The bonus rate on such savings account shall be 1 percent per annum and the amount of the bonus shall be determined as follows:

Divide the dollar amount of each semi-annual distribution of earnings on such savings account by a figure equal to the annual rate of each such semiannual distribution; and the amount of the bonus shall be the sum of the quotients obtained: *Provided, however*, That if a member who has agreed to make regular monthly payments on a savings account under this plan shall apply for the withdrawal of such account in part or in full, or shall fail to meet any of the other terms of the bonus agreement after such account shall have reached (1) at least 50, but less than 100, times the agreed monthly payment on such account in accordance with the terms of the agreement, such member shall be entitled to receive, in addition to the withdrawal value of such account, a bonus equivalent to 25 percent of the amount of the reserve for bonus which is, at the time of such withdrawal, properly allocable to such account; (2) at least 100, but less than 150, times the agreed monthly payment, 50 percent of such amount; and (iii) at least 150, but less than 200, times the agreed monthly payment, 75 percent of such amount.

(b) *Lump-sum accounts.* The members of a Federal savings association which has a Charter N may, by bylaw amendment and in accordance with the provisions thereof, obligate the association to pay a bonus on long-term savings accounts of \$1,000.00 or more: *Provided*, That no such amendment may obligate the association to pay a bonus on savings accounts the withdrawal value of which for a period of at least five years immediately preceding the distribution of any bonus has at any time been less than \$1,000.00. Such bonus shall be in the form of additional participation thereafter in the net earnings of such Federal savings association at a rate not to exceed one-half of 1 percent per annum of the amount in such long-term savings account which has remained in such account for the minimum period of time (not less than 5 years), as fixed by the bylaw amendment, which shall be credited to the savings account or paid, as directed by the owner, as of June 30 and December 31 of each year while the savings account remains eligible for such bonus.

(c) *Limitation on bonus rights.* Notwithstanding any other provision of this section, no savings account shall be entitled to participate in more than one bonus at the same time. If, except for the provision hereof, any such savings account would be entitled to participate in both bonuses at the same time, the holder of such savings account shall have the election as to which bonus he shall receive.

(d) *Existing bonus rights.* The holder of a savings account of a Federal savings association which has a Charter K and which amends such charter by the adoption of Charter N shall, upon the exchange of such savings account for a savings account issued under Charter N, have the rights and priv-

ileges, and be subject to the duties and liabilities, provided in this section, as if originally created under the provisions hereof: *Provided*, That the savings account so exchanged entitled the holder thereof, at the time of such exchange, to an interest in any reserve for bonus created under the provisions of such Charter K.

(e) *Bonus Reserve.* A Federal savings association that is obligated to pay a bonus to any of the holders of its savings accounts for regular monthly payments thereon shall establish and maintain a Reserve for Bonus sufficient to meet the bonus obligation. The board of directors may transfer to surplus or to other reserves any excess in the Reserve for Bonus.

(f) *Abolition of bonus plan.* The members of a Federal savings association may, by amendment of such association's bylaws, abolish any bonus plan as to savings accounts opened after the effective date of such action.

§ 145.4 *Retirement of Government investments—*

(a) *Upon call.* Requests for the retirement of investments in a Federal savings association by the Secretary of the Treasury and by the Home Owners' Loan Corporation shall be made in accordance with law; the basis for computing the amount which the Secretary of the Treasury or the Home Owners' Loan Corporation may at any time request a Federal savings association to retire shall be the original amount of separate investments in such association made 5 years or more prior to the date of such request, and the original amount of each such separate investment shall be included in the said basis until such time as the investment would have been fully retired had separate requests been made for the retirement of each such investment and had the retirements been applied accordingly. Retirements shall be applied to the investment first made by the Secretary of the Treasury or the Home Owners' Loan Corporation and not previously retired.

(b) *Prior to call date.* A Federal savings association may retire investments by the Secretary of the Treasury and by the Home Owners' Loan Corporation in advance of the date on which such investments may be called for retirement by requesting from time to time voluntary withdrawal of investments by the Secretary of the Treasury and by the Home Owners' Loan Corporation in the same order as applications for retirement of such investments would be made by the Secretary of the Treasury or the Home Owners' Loan Corporation under the provisions of law and of this section. All such retirements will be deducted from the next succeeding calls for retirement which the Secretary of the Treasury or the Home Owners' Loan Corporation is authorized by law and regulation to make, and shall be applied in like manner on retirements made upon call. No request for the privilege of retiring any investment by the Secretary of the Treasury will be approved by the Board unless such request is received by it at its office in Washington, D. C., within 30 days subsequent to the last preceding June 30 or December 31, accom-

panied by a check, postal money order, or bank draft in the amount of the investment sought to be retired together with any net earnings declared but unpaid.

(c) *Return of evidence of investment.* The receipt, certificate or other evidence of investment by the Secretary of the Treasury or the Home Owners' Loan Corporation will be returned to a Federal savings association upon the retirement in full of the investment represented by such instrument; partial retirements of investments will be evidenced by appropriate endorsement on the receipt, certificate or other evidence of the investment.

(d) *Withdrawal fee.* No Federal savings association shall charge any withdrawal, repurchase or other fee or sum of money for or in connection with the retirement of any investment in such association by the Secretary of the Treasury or by the Home Owners' Loan Corporation.

BORROWED MONEY

§ 145.5 *Power to borrow.* A Federal savings association may borrow money within the limitations of its charter, in an aggregate amount not exceeding one-half of its capital; the amount which may be borrowed from sources other than a Federal home loan bank shall not exceed one-tenth of such capital. A subsequent reduction of capital shall not in any way affect outstanding obligations for borrowed money. Notwithstanding the foregoing limitations, any Federal savings association may, with prior approval by the Board, borrow from a Federal home loan bank or from any Federal agency or instrumentality without limitation, except as expressed in such association's charter, upon such terms and conditions as may be required by such bank or agency. A Federal savings association may pledge or otherwise encumber any of its assets to secure its debts.

LOANS

§ 145.6 *Real estate loans.*

§ 145.6-1 *Lending powers under sections 13 and 14 of Charter K.* Any Federal savings association which has Charter K may, under sections 13 and 14 thereof, make the following types of loans on the security of first liens on improved real estate and the use by such an association of loan plans, practices, and procedures which comply with the applicable provisions of §§ 145.6 to 145.6-13, are hereby approved by the Board:

(a) *Homes or combination of homes and business property*—(1) *Monthly installment loans.* Installment loans may be made on homes or combination of homes and business property for an amount not in excess of 75 percent of the value thereof, repayable monthly within 20 years or, if an insured or guaranteed loan, within the period acceptable to the insuring or guaranteeing agency: *Provided, That, when the members of such an association have authorized loans to be made for an amount exceeding 75 percent of the value, such loans may be made up to the percentage of value authorized by the members but not in excess of:*

(i) 80 percent of the value, if the loan is not an insured or guaranteed loan;

(ii) The maximum percentage of the value acceptable to the insuring agency, if an insured loan;

(iii) 80 percent of the value, plus the amount guaranteed if a guaranteed loan.

(2) *Other installment loans.* Loans of any type that such an association may make on a monthly installment basis may also be made with interest payable at least semi-annually and with regular periodic principal installments payable at least annually in an amount sufficient to retire the debt, interest and principal, within 5 years, or, subject to the limitations of § 145.6-7 (for which purpose all such loans as are not fully repayable within 5 years shall be deemed "Non-installment Loans"), within 15 years: *Provided, That insured or guaranteed loans may be repayable upon such terms as are acceptable to the insuring or guaranteeing agency.*

(3) *Loans without full amortization.* Loans of any type that such an association may make on a monthly installment basis may also be made without full amortization of principal: *Provided, That except for insured or guaranteed loans, interest shall be payable at least semi-annually and any such loan may be made for an amount not in excess of 50 percent of the value and for a term of not more than 5 years: And provided further, That, if the members have authorized loans to be made without full amortization up to such higher percentage, such loans may be made for an amount not in excess of 60 percent of the value and for a term of not more than 3 years.*

(b) *Other improved real estate*—(1) *Monthly installment loans.* Installment loans may be made on other improved real estate for an amount not in excess of 50 percent of the value thereof, repayable monthly within 20 years or, of an insured or guaranteed loan, within the period acceptable to the insuring or guaranteeing agency: *Provided, That, when the members of such an association have authorized loans to be made upon such security for an amount exceeding 50 percent of the value, such loans may be made up to the percentage of value authorized by the members but not in excess of:*

(i) The maximum percentage acceptable to the insuring agency, if an insured loan;

(ii) 75 percent of the value of five-family or six-family residential property;

(iii) 60 percent of the value of residential property for more than six families but for not more than twelve families;

(iv) 66 $\frac{2}{3}$ percent of the value of property used primarily for residential purposes: *Provided, That the loan is an installment loan repayable monthly within a period of 15 years;*

(v) 60 percent of the value of real estate which is improved by an income-producing structure thereon: *Provided, That the loan is an installment loan repayable monthly within a period of 15 years;*

(vi) The percentage of value that such an association may otherwise lend under this paragraph plus the amount guaranteed, if a guaranteed loan: *Provided,*

That any percentage of value may be loaned if at least 20 percent of the loan is guaranteed.

(2) *Other loans.* Loans of any type that such an association may make on a monthly installment basis may also be made upon any other plan of repayment: *Provided, That, except for insured or guaranteed loans, interest shall be payable at least semi-annually and any such loan may be made for an amount not in excess of 50 percent of the value and for a term of not more than 5 years: And provided further, That, if the members have authorized loans to be made without full amortization up to such higher percentage of the value of other improved real estate used primarily for residential purposes, such loans may be made for an amount not in excess of 60 percent of the value thereof and for a term of not more than 3 years.*

§ 145.6-2 *Lending powers under sections 11 and 12 of Charter E.* Any Federal savings association which has Charter E may, under sections 11 and 12 thereof, make monthly installment loans, repayable in not less than 5 nor more than 20 years, on the security of first liens on homes or combination of homes and business property for an amount not in excess of 75 percent of the value thereof, and on other improved real estate for an amount not in excess of 50 percent of the value thereof.

§ 145.6-3 *Lending powers under other charter provisions.* Any Federal savings association that has amended Charter K by the addition thereto of section 14.1 and any Federal savings association which has a charter in any other form not inconsistent with the provisions of §§ 145.6 to 145.6-13, may, upon authorization by its board of directors and without further action by its members, make the following types of loans and the use by any such association of the applicable loan plans, practices, procedures, and maximum lending percentages is hereby approved by the Board:

(a) Any loan that a Federal savings association which has Charter K may make under § 145.6-1;

(b) Any guaranteed loan on the security of a lien other than a first lien on real estate: *Provided, At least 20 percent of the loan is guaranteed.*

§ 145.6-4 *Participation loans.* Any Federal savings association may participate with other lenders in making loans of any type that such an association may otherwise make: *Provided, That:*

(a) The real estate security is located within such association's regular lending area;

(b) Each of the lenders is either an instrumentality of the United States Government or is insured by the Federal Savings and Loan Insurance Corporation or by the Federal Deposit Insurance Corporation.

§ 145.6-5 *Purchase of loans.* Any Federal savings association may purchase loans of any type that it may make: *Provided, That no loan may be purchased from an affiliated institution without the prior approval of the Board, or from a director, officer or employee of such association, or from any person or firm reg-*

ularly serving such association in the capacity of attorney-at-law: *And provided further*, That if such an association increases its savings accounts as a part of any such purchase it shall obtain such approval as is required by the rules and regulations for insurance of accounts.

§ 145.6-6 *Lending area*. The regular lending area of a Federal savings association consists of the area within a radius of fifty miles from such association's home office and, in the case of a Federal savings association which is converted from a State-chartered institution, that territory beyond fifty miles from its home office in which such association made loans while operating under State charter. Any Federal savings association may make loans in its regular lending area and, within the 15-percent-of-assets limitation as defined in § 145.6-7, in other territory: *Provided*, That such association shall comply with the provisions of the rules and regulations for insurance of accounts with respect to loans on the security of real estate located more than fifty miles from the association's home office. Each converted association that desires to continue to make loans beyond fifty miles from its home office in territory in which it made loans while operating under State charter shall file with the Board a map showing the territory within which such association made loans while operating under State charter. For the purpose of this section a county is the unit of "territory" in which a converted association made loans beyond a radius of fifty miles from its home office while operating under State charter.

§ 145.6-7 *Real estate loans and investments subject to 15-percent-of-assets limitation*. Any Federal savings association may make loans of the types enumerated in paragraphs (a) through (d) of this section on the security of first liens on improved real estate only when the resulting aggregate amount of the following investments does not exceed 15 percent of the association's assets:

(a) Loans in excess of \$20,000, after deducting each part of any such loan, if secured by a blanket mortgage, which is apportionable in an amount not exceeding \$20,000 to each home or combination of home and business property which is a part of the security;

(b) Loans on other improved real estate;

(c) Loans on improved real estate located beyond the association's regular lending area;

(d) Non-installment loans;

(e) Real estate owned, except

(1) Property owned and occupied by the association as an office;

(2) Homes or combination of homes and business property which are located within the regular lending area and which have a book value of not more than \$20,000 each:

Provided, That any guaranteed loan, at least 20 percent of which is guaranteed, made by any Federal savings association that has amended Charter K by the addition thereto of section 14.1, or by any Federal savings association which has a charter in any other form not incon-

sistent with the provisions of §§ 145.6 to 145.6-13, is exempt from the limitations of this section.

§ 145.6-8 *Loans to directors, officers, or employees*. A Federal savings association may not make any real estate loans to a director, officer, or employee of the association, or to any person or firm regularly serving the association in the capacity of attorney-at-law, except loans on the security of a first lien on the home or combination of home and business property owned and occupied by such borrowing director, officer, employee, attorney or firm.

§ 145.6-9 *Appraisals*. No loan shall be made by any Federal savings association until at least two qualified persons designated by its board of directors shall have submitted a signed appraisal of the real estate security; or, if an insured or guaranteed loan, until two qualified persons designated by the board of directors (one of whom may be the appraiser accepted by the insuring or guaranteeing agency) shall have concurred in or approved, in writing, the valuation assigned to the real estate security by the appraiser accepted by the insuring or guaranteeing agency: *Provided*, That any Federal savings association which has amended its Charter by the addition thereto of section 14.1 and any Federal savings association which has a charter in any other form not inconsistent with the provisions of §§ 145.6 to 145.6-13, may, when authorized by its board of directors, make any loan after a qualified person designated by such board of directors shall have submitted a signed appraisal of the real estate security and may make any insured or guaranteed loan on the basis of a valuation of the real estate security furnished to such Federal savings association by the insuring or guaranteeing agency.

§ 145.6-10 *Initial loan charges*. No director, officer, or employee of a Federal savings association, and no person or firm regularly serving such association in the capacity of attorney-at-law, may receive from the association or from any other source any fee or other compensation of any kind in connection with the procuring of any particular loan from or by such association. Borrowers may be required to pay the necessary initial charges in connection with the making of a loan, including the actual costs of title examination, appraisal, credit report, survey, drawing of papers, closing of the loan, and other necessary incidental services and costs in such reasonable amounts as may be fixed by the board of directors; such necessary initial charges may be collected by the association from the borrower and paid to any persons, including any such director, officer, employee, attorney or firm rendering such services. Upon the closing of the loan, the association shall furnish the borrower a loan settlement statement showing in detail the charges or fees the borrower has paid or obligated himself to pay to the association or to any other person in connection with such loan; and a copy of such loan settlement statement shall be retained in the records of the association.

§ 145.6-11 *Loan contract*. Each loan shall be evidenced by note, bond, or other instrument and shall be secured by such security instrument as is in keeping with sound lending practices in the locality. The loan contract shall provide for full protection to the Federal savings association and shall be recorded; it shall provide specifically for full protection with respect to insurance, taxes, assessments, other governmental levies, maintenance, and repairs, and it may provide for an assignment of rents and for such other protection as may be lawful or appropriate. Such Federal savings association may pay taxes, assessments, insurance premiums, and other similar charges for the protection of its interest in the property on which it has loans; all such payments may, when lawful, be added to the unpaid balance of the loan. A Federal savings association may require life insurance to be assigned to it by its borrowers as additional collateral for loans on the security of real estate; such association may advance premiums on any such life insurance and, when lawful, may add the premium so advanced to the unpaid balance of the loan. A Federal savings association may require that the equivalent of one-twelfth of the estimated annual taxes, assessments, insurance premiums, and other charges on real estate security, or any of them, be paid in advance to such association in addition to interest and principal payments on its loans, to enable the association to pay such charges as they become due from the funds so received. A Federal savings association shall keep a record of the status of taxes, assessments, insurance premiums, and other charges on all real estate on which such association has loans or which is owned by it. All loan instruments shall comply with applicable provisions of law, governmental regulations, and the Federal savings association's charter.

§ 145.6-12 *Loan payments*. Payments on the principal indebtedness of all loans on real estate security shall be applied direct to the reduction of such indebtedness. Payments on all monthly installment loans, other than construction loans, insured loans, and guaranteed loans, shall begin not later than sixty days after the advance of the loan; insured loans and guaranteed loans may be repayable upon terms acceptable to the insuring or guaranteeing agency and the Board hereby approves for use by any Federal savings association a loan plan wherein payments on any construction loans that such association may otherwise make under §§ 145.6 to 145.6-13 shall begin not later than 6 months after the date of the first advance. The Board hereby approves for use by any Federal savings association, except Federal savings associations that have Charter E, a loan plan wherein the association may require the payment of not more than six months' advance interest on the amount of any prepayment on a loan when the aggregate amount of such prepayments in any one year equals or exceeds twenty percent of the original principal amount of the loan: *Provided*, That the loan contract makes express provision therefor.

§ 145.6-13 *Reserve for uncollected interest.* A "Reserve for Uncollected Interest" shall be maintained equivalent to all interest in default more than 90 days.

§ 145.7 *Loans on savings accounts.* Any Federal savings association may make loans on the security of its savings accounts, whether or not the borrower is the owner of such account: *Provided*, That the association obtains a lien upon, or a pledge of, such savings account as security therefor. No such loan may exceed the withdrawal amount of the savings account securing the loan or the maximum percentage thereof which the association is authorized by its charter to lend upon such security, whichever is less, and no such loan may be made when the association has any application for withdrawal which has been on file more than 30 days and not reached for payment.

§ 145.8 *Unsecured loans.* Any Federal savings association that has amended Charter K by the addition thereto of section 14.1 and any Federal savings association which has a charter in any other form not inconsistent with the provisions of this section may, upon adoption of such a loan plan by its board of directors, make or purchase:

(a) Any unsecured loan at least 20 percent of which is guaranteed under the provisions of the Servicemen's Readjustment Act of 1944, as now or hereafter amended;

(b) Simple-interest, discount, or gross-charge loans for property alteration, repair, or improvement (except business loans provided by section 503 of the Servicemen's Readjustment Act of 1944, as now or hereafter amended, and not secured by lien on real estate) without the security of a lien upon such property: *Provided*, That:

(1) The net proceeds of any such loan do not exceed \$1,500;

(2) The property is located in such association's regular lending area as defined in § 145.6 (f);

(3) Each such loan is evidenced by one or more negotiable notes, bonds, or other written evidences of debt;

(4) The resulting aggregate amount of all such loans does not exceed an amount equal to 15 percent of such association's assets;

(5) Each such loan is repayable in regular monthly installments within a period of 5 years;

And provided further, That any such loan for property alteration, repair, or improvement that is accepted for insurance under the provisions of the National Housing Act, as now or hereafter amended, or for insurance or guarantee under the provisions of the Servicemen's Readjustment Act of 1944, as now or hereafter amended, may be repayable upon such terms and within such period as are acceptable to the insuring or guaranteeing agency and in an amount not exceeding \$2,500: *Provided*, That no Federal savings association may make any unsecured loan to a director, officer, or employee of the association, or to any person or firm regularly serving the association in the capacity of attorney-at-law, ex-

cept for the alteration, repair, or improvement of the home or combination of home and business property owned and occupied by such borrowing director, officer, employee, attorney or firm.

OTHER INVESTMENTS

§ 145.9 *Stocks and securities.* A Federal savings association may invest without limit in the obligations of, or obligations guaranteed as to principal and interest by, the United States; in stock of a Federal home loan bank; and in obligations of Federal home loan banks.

§ 145.10 *Office building.* A Federal savings association may invest in an office building or buildings, and appurtenances, for the transaction of such association's business, or for the transaction of such business and for rental: *Provided*, That no such investment may be made without the prior approval of the Board if the total amount of the investment exceeds the aggregate amount of the association's general reserves and surplus. A Federal savings association may not purchase an office building, or any part thereof, or land upon which to erect an office building, from an affiliated institution, from an officer, director or employee of such association, or from a corporation or association in which any officer, director or employee is a stockholder or is an officer, director or employee, or from a partnership in which any officer, director or employee is a partner, without the prior approval of the Board.

BROKERAGE BUSINESS AND SALE OF LOANS

§ 145.11 *Restrictions.* A Federal savings association may not engage in the mortgage brokerage business. A Federal savings association may sell any loan at any time if the total dollar amount of loans sold, including such sale, within the calendar year beginning January 1, immediately preceding the date of such sale, does not exceed a sum equivalent to 20 percent of the dollar amount of all loans held by such Federal savings association at the beginning of such calendar year. The limitation upon the sale of loans may be adjusted in the case of any Federal savings association upon application to and approval by the Board. All loans sold shall be sold without recourse, and if under a contract to service the same, then on a basis to provide sufficient compensation to the Federal savings association to reimburse it for expenses incurred under its service contract.

FIDELITY BONDS

§ 145.12 *Bonds for directors, officers, employees, and agents.* Each Federal savings association shall provide and maintain a fidelity bond covering its directors, officers, employees, and agents in the form and amount required by the Federal Savings and Loan Insurance Corporation.

OFFICES

§ 145.13 *Home office.* The home office of a Federal savings association is the office established by such association's charter; such association shall be operated from its home office and all branch offices and agencies thereof shall be subject to direction therefrom. A Federal savings association shall maintain at its

home office a complete record of all business transacted at such office and control records of all business transacted at each of its branch offices and agencies.

§ 145.14 *Branch office.* Subject to prior approval by the Board, a Federal savings association may establish and maintain one or more branch offices. Each application by a Federal savings association for permission to establish or maintain a branch office shall state the need for such branch office; the functions to be performed; the personnel and office facilities to be provided; the estimated annual volume of business, income, and expenses of such branch office; and shall be accompanied by a proposed annual budget of such association. Any business of a Federal savings association, except the approval of loans, may be transacted at a branch office, as authorized by its board of directors. A detailed record of all transactions of any branch office of a Federal savings association shall be maintained at such office and such control records as may be necessary for the proper conduct of such association's business shall be furnished by such branch office to its home office.

§ 145.15 *Agency.* Subject to prior approval by the Board as hereinafter provided, a Federal savings association may establish and maintain one or more agencies at which any agent of such association may transact its business to the extent authorized by its board of directors: *Provided*, That no loans may be approved and no savings accounts may be opened at any agency of a Federal savings association. Each application for approval by the Board of the establishment or maintenance of a place of business as an agency of a Federal savings association shall state the need for such agency; the functions to be performed; the personnel and office facilities to be provided; and the estimated annual volume of business and expenses of such agency. A Federal savings association may, without approval by the Board, establish or maintain any agency the functions of which are limited to the servicing of loans and contracts, or to the management or sale of real estate owned, or to any combination of such functions; temporary or incidental agencies may likewise be established for individual transactions or for special, temporary purposes. An original record of all business of a Federal savings association transacted at any agency thereof shall be kept by such agency and such reports of business so transacted shall be made to a branch office or to the home office of such association as are required for the proper conduct and control of the association's affairs.

§ 145.16 *Change of office location.* A Federal savings association may not move any office from its immediate vicinity without prior approval by the Board. If a Federal savings association changes the location of its home office as fixed in such association's charter, such charter shall be appropriately amended in accordance with the provisions thereof. Each application to the Board by a Federal savings association for permission to move any office of such association from

its immediate vicinity shall be supported with a statement showing the need for such change of location, the functions to be performed by the office at the new location, and the estimated expense of removal to and of maintenance at the new location.

FISCAL AGENCY

§ 145.17 *Powers and duties.* When designated for that purpose by the Secretary of the Treasury, a Federal savings association shall perform all such reasonable duties as fiscal agent of the Government specified by the Secretary of the Treasury. Such a Federal savings association shall exercise only such powers and privileges as a fiscal agent of the Government as are enumerated in regulations prescribed by the Secretary of the Treasury. When the designation for that purpose by any other instrumentality of the United States has been approved by the Board, a Federal savings association, upon qualification for such employment, shall perform the duties as agent of such instrumentality specified by such instrumentality of the United States. Such a Federal savings association shall exercise only such powers and privileges as an agent of any other instrumentality of the United States as are prescribed by such other instrumentality of the United States.

BOOK VALUE OF ASSETS

§ 145.18 *Adjustments.* The Board may require that any asset of a Federal savings association be charged off, to the extent that it has depreciated in value, or that a special reserve or reserves equal to such depreciation in value be set up.

§ 145.19 *Real estate owned.* A Federal savings association shall appraise each parcel of real estate at the time of acquisition thereof and shall keep a signed copy of such appraisal in its records. A Federal savings association may not carry real estate on its books for a sum in excess of the total amount invested by the association on account of such real estate, including advances, costs, and improvements, but excluding accrued but uncollected interest.

RECORDS AND REPORTS

§ 145.20 *Accounting.* A Federal savings association shall maintain a complete record of all business transacted by it and shall use such forms and follow such accounting practices as the Board may from time to time require. A Federal savings association shall close its books on June 30 and December 31 of each year.

§ 145.21 *Annual reports.* Each Federal savings association shall make an annual report of its affairs as of December 31 of each year, on forms provided by the Board; and shall forward two copies of each such report to the Federal home loan bank of which the association is a member, within thirty days following the date as of which the report is made.

§ 145.22 *Monthly reports.* The officers of each Federal savings association shall make a monthly report to the association's board of directors on forms pre-

scribed by the Board; and shall forward one copy of each such report to the Federal home loan bank of which the association is a member and two copies to the Home Loan Bank Board, Washington, D. C. (The Board has approved a form of "Monthly Report," copies of which any Federal savings association may obtain from any Federal home loan bank.)

§ 145.23 *Statement of condition.* Within the month of January of each year, each Federal savings association shall either mail to each of its members, at his last address appearing on the association's books, or publish in a newspaper printed in the English language and of general circulation in the county in which the association's home office is located, a statement of condition of the association as of December 31 immediately preceding, in form prescribed by the Board. (The Board has prescribed a form of "Statement of Condition," an illustrative copy of which may be obtained from any Federal home loan bank or from the Home Loan Bank Board, Washington, D. C.) Within five days after each such statement of condition has been so mailed or published, a certification to such effect, signed by an executive officer of such Federal savings association, together with a copy of the statement of condition, shall be transmitted by the association to the Home Loan Bank Board, Washington, D. C., and to the Federal home loan bank of which the association is a member.

EXAMINATIONS AND AUDITS

§ 145.24 *Supervisory examinations.* Each Federal savings association shall be examined, with appraisals when deemed advisable, at least annually by the Board.

§ 145.25 *Audits.* Unless a Federal savings association is audited at least once each year by auditors and in a manner satisfactory to the Board and two copies of such audit, certified by the auditor, are promptly filed with the Board through the Federal home loan bank of which such association is a member, the examination of such association made pursuant to the provisions of § 145.24, shall include an audit.

§ 145.26 *Cost.* The cost, as determined by the Board, of each examination of a Federal savings association, including office analysis thereof, audit, and any appraisals made in connection therewith, and of other supervision by the Board, shall be paid by such association.

ANNUAL MEETINGS OF MEMBERS

§ 145.27 *Notice.* A Federal savings association shall either publish a notice of its annual meeting of members once a week for the two successive calendar weeks (in each instance on any date of the week) immediately prior to the week in which such annual meeting shall convene, in a newspaper printed in the English language and of general circulation in the city or county in which the home office of the Federal savings association is located, or mail a copy of such notice, postage prepaid, at least 15 days and not more than 30 days prior to the date on which such annual meeting shall convene to each of its members of record at his

last address appearing upon its books. Such notice shall state the name of the Federal savings association, the place of the annual meeting and the time when it shall convene. A similar notice shall be posted in a conspicuous place in each office of such Federal savings association during the 14 days immediately preceding the date on which such annual meeting shall convene.

PART 146—MERGER, DISSOLUTION, AND REORGANIZATION

MERGER

Sec.	
146.1	Definitions.
146.2	Procedure; effective date.
146.3	Transfer of assets upon merger.
146.4	Voluntary dissolution.

AUTHORITY: §§ 146.1 to 146.4 issued under secs. 4 (a), 5 (a), 48 Stat. 129, 132; 12 U. S. C. 1463 (a), 1464 (a); Reorg. Plan No. 3 of 1947, 12 F. R. 4981, 3 CFR, 1947 Supp.

MERGER

§ 146.1 *Definitions.* As used in §§ 146.2 and 146.3, the term (a) "association" means a Federal savings association and any building and loan association, savings and loan association, cooperative bank or homestead association organized under the laws of any of the States or Territories of the United States or of the District of Columbia: *Provided*, That any such institution under the laws of the jurisdiction of its creation is empowered to merge or consolidate with a Federal savings association; (b) "merging association" means any association absorbed by merger; and (c) "resulting association" means the Federal savings association which continues its corporate existence after absorbing one or more merging associations in a merger effected under the provisions of the rules and regulations in this subchapter.

§ 146.2 *Procedure; effective date.* Two or more associations may merge in the manner hereinafter set forth: *Provided*, That any merging association which is not a Federal savings association shall first (a) either be or become a member of a Federal home loan bank; (b) comply with the requirements of law of the jurisdiction of its creation; and (c) obtain the vote to convert required by subsection (1) of section 5 of Home Owners' Loan Act of 1933 (48 Stat. 646; 12 U. S. C. 1464 (1)), as amended:

Each association, by a majority vote of its boards of directors, shall approve a plan of merger evidenced by a merger agreement. The merger agreement shall state that it shall not be effective unless and until approved by the Board and shall specify (a) which of the associations is to be the resulting association; (b) the name to be used by the resulting association; (c) the location of the home office of the resulting association; (d) the basis upon which the savings accounts of the resulting association shall be issued; and (e) the number of directors, and the names and residence addresses of all persons chosen to serve as directors of the resulting association, together with the term for which each such director shall serve. Application for approval by the Board of the merger as provided by the said merger

agreement shall be made by filing with the Federal home loan bank of which at least one of the associations is a member two copies of the merger agreement, properly executed in the name of the respective associations, and two certified copies of the minutes of all of the meetings of the respective boards of directors at which the plan of merger was considered and approved; and, if any of the merging associations is not a Federal savings association it shall submit a preliminary application for conversion as provided in § 143.9 of this subchapter. Upon receipt of such application the Board will (a) disapprove the merger; (b) approve the merger; or (c) recommend modifications of the plan of merger as submitted; if the modifications recommended by the Board are accepted by the directors of each of the associations, they shall thereupon amend such merger agreement accordingly and shall submit the amended merger agreement in the same manner as hereinabove provided.

For the purposes of this section, the approval of a merger involving a merging association which is not a Federal savings association shall, without the issuance of a charter, constitute the approval by the Board of the conversion of such merging association into a Federal savings association. In the event that any plan of merger provides for a change of name or change of location of the home office of the resulting association, the charter of such resulting association shall be amended accordingly. The charters of all merging Federal savings associations shall be surrendered to the Board for cancellation. The effective date of a merger shall be the date on which the merger is approved by the Board unless otherwise stated in such approval; approval of the merger automatically cancels the Federal charter of each of the merging associations as of the effective date of the merger.

§ 146.3 *Transfer of assets upon merger.* Upon the effective date of the merger, as provided in § 146.2, all of the assets and property of every kind and character, real, personal and mixed, tangible and intangible, choses in action, rights, and credits then owned by the merging associations, or which would inure to any of them, shall immediately by operation of law and without any conveyance or transfer and without any further act or deed, be vested in and become the property of the resulting association, which shall have, hold, and enjoy the same in its own right as fully and to the same extent as if the same were possessed, held, and enjoyed by the merging associations prior to such merger; and the resulting association shall be deemed to be and shall be a continuation of the entity and identity of the Federal savings association, which absorbed the merging associations; and all of the rights and obligations of the merging associations shall remain unimpaired, and the resulting association, on the effective date of such merger, shall succeed to all of such rights and obligations and the duties and liabilities connected therewith.

§ 146.4 *Voluntary dissolution.* The board of directors of any Federal savings association may propose a plan for the dissolution of such association. Such plan may provide for (a) the Federal Savings and Loan Insurance Corporation to be appointed, in accordance with the provisions of sections 405 and 406 of the National Housing Act, as amended (48 Stat. 1259, 49 Stat. 299; 12 U. S. C. 1728, 1729), and pertinent regulations of such corporation, as receiver for the purpose of liquidation; (b) all assets of the association to be transferred to another thrift and home-financing institution under Federal or State charter for a sufficient amount of cash to pay all obligations of the association and to retire all outstanding share accounts up to the amount

credited thereto; (c) the transfer of all assets to another thrift and home-financing institution under Federal or State charter in consideration of the payment of all outstanding obligations of the association and the issuance of share accounts or other evidence of interest to the members of the Federal association on a pro rata basis; or (d) dissolution in such other manner as may be proposed by the directors and which to them appears to be to the best interest of all concerned. Such plan shall thereupon be submitted to the Board for approval, together with a statement of the reasons for proposing dissolution and the reasons for the plan submitted. If it appears to the Board that dissolution is advisable and that the plan of dissolution submitted is in the interest of all concerned, the Board will approve the plan; if the plan submitted appears to be inadvisable, the Board will either make recommendations to the association concerning the plan or disapprove it. When a plan of dissolution has been approved by the board of directors of a Federal savings association and by the Board, such plan shall be submitted to the members of such association at a duly called meeting and, when approved by a majority of the votes cast at such meeting, shall become effective. When dissolution has been consummated in accordance with the plan approved by the Board, a certificate evidencing that fact, supported by such evidence as the Board may require, shall forthwith be filed with the Board. Upon receipt of evidence satisfactory to the Board that such dissolution has been so consummated, the Board will terminate the corporate existence of the dissolved Federal savings association and its charter shall thereby be cancelled.

By the Home Loan Bank Board.

[SEAL]

H. CAULSEN,
Assistant Secretary.

[F. R. Doc. 49-1847; Filed, Mar. 10, 1949;
8:49 a. m.]

NOTICES

DEPARTMENT OF COMMERCE

Office of International Trade

[Case No. 44]

HENRY ROBINSON

ORDER SUSPENDING LICENSE PRIVILEGES

This proceeding was instituted on October 11, 1948, by the transmission of a charging letter to the above-named respondent, wherein the Office of International Trade charged respondent with having violated section 6 of the act of July 2, 1940 (54 Stat. 714), as amended, and the regulations promulgated thereunder, by using to effect the exportation of tin plate from the United States, validated export licenses Nos. 901569 and 903670, issued to Transmares Corporation, 15 William Street, New York, N. Y., and validated export license No. 964101, issued to E. T. Barrett, 8 Bridge Street,

New York, N. Y., without authorization by the Office of International Trade, and by exporting tin plate from the United States under validated export licenses Nos. 936664 and 922262, in quantities in excess of those authorized by said licenses and the regulations promulgated by the Office of International Trade.

Hearings were held on said charges, pursuant to notice duly given, in New York City on October 25, November 19, and November 20, 1948, before the Compliance Commissioner of the Office of International Trade. Respondent, as well as the Office of International Trade, was represented by counsel, and the Compliance Commissioner, after receiving the evidence presented and after due consideration of the record, on February 17, 1949, filed his report in the matter.

It appears from the record and the report of the Compliance Commissioner

that respondent is now and at all times relevant to this proceeding was engaged in the business of buying and selling merchandise in export trade, with offices at 62 William Street, New York, N. Y. It further appears from the record and the report of the Compliance Commissioner that the charge of excessive shipments of tin plate under export licenses Nos. 936664 and 922262 was not substantiated and was withdrawn at the hearing by counsel for the Office of International Trade.

It further appears from the record and the report of the Compliance Commissioner that the charges of unauthorized use by respondent of export licenses Nos. 901569, 903670 and 964101, as set forth in the above-mentioned charging letter, have been substantially proved and that the respondent, as alleged in said charging letter, did, in fact, on or about Octo-

ber 15, 1947, export tin plate from the United States under validated export licenses Nos. 901569 and 903670 which were issued by the Office of International Trade to said Transmares Corporation, as licensee, and under validated export license No. 964101 which was issued by the Office of International Trade to said E. T. Barrett, as licensee, without authorization by the Office of International Trade. It thus appears from the record, and the Compliance Commissioner has found as a fact, that respondent knowingly used export licenses which had not been lawfully transferred to him, and could not lawfully be used by him under any contractual arrangement with the named licensees without appropriate amendment or transfer authorized by the Office of International Trade. It thereby further appears from the record, and the Compliance Commissioner has also found, that respondent violated section 6 of the act of July 2, 1940 (54 Stat. 714), as amended, and the regulations promulgated thereunder.

The Compliance Commissioner has accordingly recommended that respondent be denied the privilege of obtaining or using or participating directly or indirectly in the obtaining or using of export licenses, including general licenses, for a period of six months from the date of this order; that such denial be made applicable to any partnership of which respondent is or shall become a member, or any corporation in which he has or shall obtain a controlling interest, or in which he has or shall obtain a position in which it is part of his duties to supply information necessary for obtaining export licenses under the Export Control Act; and that the Director of the Commodities Division, Office of International Trade, should determine, after appropriate consultation with the General Counsel for the Office of International Trade, whether the order so recommended should preclude the issuance of an export license upon application bearing IT Cases No. 1407295 for exportation of certain tin plate which originated in Canada and which is now held in bond in the United States, and which application is now under consideration by the Office of International Trade.

The findings and recommendations of the Compliance Commissioner have been carefully considered together with the record in this matter and it appears from examination of the record that such findings are supported by the record and that such recommendations should, with one exception, be adopted. The hearing in this case closed on November 20, 1948, and for various reasons it was not possible for the Compliance Commissioner to present his findings and recommendations prior to February 17, 1949. If the period of suspension were, as recommended, to begin on the date of this order, respondent would, in effect, be subjected to a suspension of export license privileges for a period of time substantially in excess of the six months recommended, since no export licenses have been sought by, or granted to, respondent since November 20, 1948 (with the exception of pending application bearing

IT Case No. 1407295), and it would seem that the pendency of this proceeding has been a deterrent to the filing of applications. Suspension of license privileges for a period of six months is equitable on the facts of this case, but, in the light of the foregoing, should not operate wholly prospectively. In fairness, the six-months' period should be treated as equivalent to two quarterly licensing periods and it has therefore been determined that the period of suspension should commence as of January 1, 1949, and run to June 30, 1949.

In accordance with the recommendations of the Compliance Commissioner, I have consulted with the General Counsel and have concluded that the order herein shall be without prejudice to the consideration and granting, if authorized, of an export license under application bearing IT Case No. 1407295.

Now, therefore, it is ordered as follows:

(1) Respondent is hereby denied the privilege of obtaining or using or participating directly or indirectly in the obtaining or using of export licenses, including general licenses, from January 1, 1949, to June 30, 1949.

(2) Such denial of export licensing privileges shall extend to any partnership to which respondent is or shall become a member, or any corporation in which he has or shall obtain a controlling interest, or in which he has or shall obtain a position in which it is part of his duties to supply information necessary to obtain export licenses under the Export Control Act.

(3) This order is without prejudice to the further consideration by the Office of International Trade and the granting, if authorized, of an export license to respondent under application bearing IT Case No. 1407295 which is now pending before the Office of International Trade.

Dated: March 7, 1949.

JOHN W. EVANS,
Director, Commodities Division.

[F. R. Doc. 49-1844; Filed, Mar. 10, 1949; 8:48 a. m.]

CIVIL AERONAUTICS BOARD

[Docket No. 3654]

CARIBBEAN INTERNATIONAL AIRWAYS, LTD.

NOTICE OF HEARING

In the matter of the application of Caribbean International Airways, Ltd., for a foreign air carrier permit authorizing nonscheduled air transportation of persons, property and mail between Tampa, Florida, and the Cayman Islands, pursuant to section 402 of the Civil Aeronautics Act of 1938, as amended.

Notice is hereby given pursuant to the Civil Aeronautics Act of 1938, as amended, particularly sections 402 and 1001 of said act, that a hearing in the above-entitled proceeding is assigned to be held on March 14, 1949, at 10 a. m. (eastern standard time) in Room 1011, Temporary Building No. 5, 16th Street and Constitution Ave. NW., Washington, D. C., before Examiner James M. Verner.

Without limiting the scope of the issues presented by said application, particular attention will be directed to the following matters and questions:

1. Whether the proposed air transportation will be in the public interest, as defined in section 2 of the Civil Aeronautics Act of 1938, as amended.

2. Whether the applicant is fit, willing and able to perform such transportation and to conform to the provisions of the act and the rules, regulations, and requirements of the Board thereunder.

3. Whether the authorization of the proposed transportation is consistent with any obligation assumed by the United States in any treaty, convention or agreement in force between the United States and the United Kingdom.

Notice is further given that any person other than the parties of record as of March 8, 1949, desiring to be heard in this proceeding must file with the Board, on or before March 13, 1949, a statement setting forth the issues of fact or law raised by said application which he desires to controvert.

For further details of the service proposed and the authorization requested, interested parties are referred to the application and to the examiner's prehearing conference report served March 4, 1949. The foregoing documents are on file with the Dockets Section, Bureau of Hearing Examiners, Civil Aeronautics Board.

Dated at Washington, D. C., March 8, 1949.

By the Civil Aeronautics Board.

[SEAL] M. C. MULLIGAN,
Secretary.

[F. R. Doc. 49-1843; Filed, Mar. 10, 1949; 8:48 a. m.]

FEDERAL POWER COMMISSION

[Docket Nos. E-6185, E-6195]

ARKANSAS-MISSOURI POWER CO. ET AL.

NOTICE OF OPINION AND ORDER CONDITIONALLY AUTHORIZING MERGER OR CONSOLIDATION OF FACILITIES, AND VACATING PRIOR ORDER

MARCH 7, 1949.

In the matters of Arkansas-Missouri Power Company and St. Francis Electric Generating Company, Docket No. E-6185; Arkansas Power & Light Company and Arkansas-Missouri Power Company, Docket No. E-6195.

Notice is hereby given that, on March 4, 1949, the Federal Power Commission issued its Opinion No. 176 and order entered March 4, 1949, in the above-designated matters, conditionally authorizing merger or consolidation of facilities, and vacating prior order (published in the FEDERAL REGISTER on February 25, 1949 (Vol. 14, No. 37, p. 871-72)), setting hearing and suspending certain rate schedules.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 49-1851; Filed, Mar. 10, 1949; 8:50 a. m.]

FEDERAL TRADE COMMISSION

[Docket No. 5557]

CONSOLIDATED MFG. CO. ET AL.

ORDER APPOINTING TRIAL EXAMINER AND
FIXING TIME AND PLACE FOR TAKING TESTI-
MONY

At a regular session of the Federal Trade Commission, held at its office in the city of Washington, D. C., on the 4th day of March A. D. 1949

In the matter of Consolidated Manufacturing Company, a corporation, and Chester Sax and Allen J. Sucherman, individuals and officers of Consolidated Manufacturing Company.

This matter being at issue and ready for the taking of testimony and the receipt of evidence, and pursuant to authority vested in the Federal Trade Commission,

It is ordered, That W. W. Sheppard, a Trial Examiner of this Commission, be and he hereby is designated and appointed to take testimony and receive evidence in this proceeding and to perform all other duties authorized by law;

It is further ordered, That the taking of testimony and the receipt of evidence begin on Friday, March 25, 1949, at ten o'clock in the forenoon of that day (central standard time), in Room 1103, New Post Office Building, Chicago, Illinois.

Upon completion of the taking of testimony and receipt of evidence in support of the allegations of the complaint, the Trial Examiner is directed to proceed immediately to take testimony and evidence on behalf of the respondents. The Trial Examiner will then close the taking of testimony and evidence and, after all intervening procedure as required by law, will close the case and make and serve on the parties at issue a recommended decision which shall include recommended findings and conclusions, as well as the reasons or basis therefor, upon all the material issues of fact, law, or discretion presented on the record, and an appropriate recommended order; all of which shall become a part of the record in said proceeding.

By the Commission.

[SEAL] D. C. DANIEL,
Secretary.[F. R. Doc. 49-1848; Filed, Mar. 10, 1949;
8:49 a. m.]

[Docket No. 5561]

SUPERIOR PRODUCTS CO. ET AL.

ORDER APPOINTING TRIAL EXAMINER AND
FIXING TIME AND PLACE FOR TAKING TESTI-
MONY

At a regular session of the Federal Trade Commission, held at its office in the city of Washington, D. C., on the 4th day of March A. D. 1949.

In the matter of Superior Products, a corporation, and M. Robert Sax, Allen J. Sucherman, and Jack Morley, individuals and officers of Superior Products Company.

This matter being at issue and ready for the taking of testimony and the receipt of evidence, and pursuant to au-

thority vested in the Federal Trade Commission,

It is ordered, That W. W. Sheppard, a Trial Examiner of this Commission, be and he hereby is designated and appointed to take testimony and receive evidence in this proceeding and to perform all other duties authorized by law;

It is further ordered, That the taking of testimony and the receipt of evidence begin on Wednesday, March 23, 1949, at ten o'clock in the forenoon of that day (central standard time), in Room 1103, New Post Office Building, Chicago, Illinois.

Upon completion of the taking of testimony and receipt of evidence in support of the allegations of the complaint, the Trial Examiner is directed to proceed immediately to take testimony and evidence on behalf of the respondents. The Trial Examiner will then close the taking of testimony and evidence and, after all intervening procedure as required by law, will close the case and make and serve on the parties at issue a recommended decision which shall include recommended findings and conclusions, as well as the reasons or basis therefor, upon all the material issues of fact, law, or discretion presented on the record, and an appropriate recommended order; all of which shall become a part of the record in said proceeding.

By the Commission.

[SEAL] D. C. DANIEL,
Secretary.[F. R. Doc. 49-1849; Filed, Mar. 10, 1949;
8:50 a. m.]

[Docket No. 5634]

MIDDLE ATLANTIC DISTRIBUTORS, INC.,
ET AL.ORDER APPOINTING TRIAL EXAMINER AND
FIXING TIME AND PLACE FOR TAKING TESTI-
MONY

At a regular session of the Federal Trade Commission, held at its office in the city of Washington, D. C., on the 3d day of March A. D. 1949.

In the matter of Middle Atlantic Distributors, Inc., a corporation; Paul H. Coughlin, president and director, Murdoch J. Finlayson, vice president and director, William R. Lichtenberg, secretary and director, individually and as officers and directors of Middle Atlantic Distributors, Inc., Docket No. 5634.

This matter being at issue and ready for the taking of testimony and the receipt of evidence, and pursuant to authority vested in the Federal Trade Commission.

It is ordered, That William L. Pack, a Trial Examiner of this Commission, be and he hereby is designated and appointed to take testimony and receive evidence in this proceeding and to perform all other duties authorized by law;

It is further ordered, That the taking of testimony and the receipts of evidence begin on Monday, March 14, 1949, at two o'clock in the afternoon of that day (e. s. t.), in Room 332, Federal Trade Commission Building, Washington, D. C.

Upon completion of the taking of testimony and receipt of evidence in support of the allegations of the complaint, the Trial Examiner is directed to proceed immediately to take testimony and evidence on behalf of the respondents. The Trial Examiner will then close the taking of testimony and evidence and, after all intervening procedure as required by law, will close the case and make and serve on the parties at issue a recommended decision which shall include recommended findings and conclusions, as well as the reasons or basis therefor, upon all the material issues of fact, law, or discretion presented on the record, and an appropriate recommended order; all of which shall become a part of the record in said proceeding.

By the Commission.

[SEAL] D. C. DANIEL,
Secretary.[F. R. Doc. 49-1850; Filed, Mar. 10, 1949;
8:50 a. m.]SECURITIES AND EXCHANGE
COMMISSION

[File No. 70-2044]

CENTRAL MAINE POWER CO.

ORDER GRANTING APPLICATION

At a regular session of the Securities and Exchange Commission held at its office in the city of Washington, D. C., on the 7th day of March A. D. 1949.

Central Maine Power Company ("Central Maine"), a public-utility company and a direct subsidiary of New England Public Service Company, a registered holding company which in turn is a direct subsidiary of Northern New England Company, also a registered holding company, has filed an application and amendments thereto pursuant to the third sentence of section 6 (b) of the Public Utility Holding Company Act of 1935 with respect to the following transaction:

Central Maine proposes to issue and sell for cash \$5,000,000 principal amount of its first and General Mortgage Bonds, Series R, to be dated March 1, 1949, and to mature March 1, 1979. The company further proposes to offer the bonds at competitive bidding pursuant to Rule U-50. The interest rate, the price at which the bonds will be offered to the public, the commissions to be paid to underwriters and the proceeds to the company will thereafter be supplied by amendment.

Said application having been filed on January 31, 1949; notice of such filing having been duly given in the manner prescribed by Rule U-23 under said act; and the Commission not having received a request for hearing with respect to said application within the period prescribed in said notice, or otherwise, and not having ordered a hearing thereon; and

The Commission finding that the issue and sale of such securities are solely for the purpose of financing the business of the company, and in particular for the purpose of retiring \$5,000,000 of Central Maine's short-term debt; and that such

issue and sale have been expressly authorized, subject to the entry of a supplemental decree with respect to price and interest rate, by the Public Utilities Commission of Maine, the State in which the applicant is organized and doing business; and deeming it appropriate to grant the request of applicant that for the purposes of this proceeding the ten-day period for the invitation of bids be shortened to six days and that the order herein become effective upon its issuance, and deeming it appropriate to reserve jurisdiction with respect to the matters specified below:

It is ordered, That the application as amended be, and it hereby is granted, and that for the purposes of this proceeding the ten-day period for the invitation of bids as prescribed by Rule U-50 be, and it hereby is, shortened to a period of not less than six days, all subject, however, to the provisions of Rule U-24 and to the following terms and conditions:

(1) That the proposed issue and sale of securities shall not be consummated until the results of competitive bidding and the final order of the Public Utilities Commission of Maine with respect to such proposed issue and sale shall have been made a matter of record in this proceeding and a further order shall have been entered by us on the basis of the record so supplemented, which order shall contain such terms and conditions, if any, as may then be deemed appropriate, jurisdiction being reserved for this purpose; and

(2) That jurisdiction be reserved with respect to the payment of all legal and accounting and auditing fees and expenses incurred or to be incurred in connection with the proposed transactions.

By the Commission.

[SEAL] ORVAL L. DUBOIS,
Secretary.

[F. R. Doc. 49-1841; Filed, Mar. 10, 1949;
8:47 a. m.]

DEPARTMENT OF JUSTICE

Office of Alien Property

AUTHORITY: 40 Stat. 411, 55 Stat. 839, Pub. Laws 322, 671, 79th Cong., 60 Stat. 50, 925; 50 U. S. C. and Supp. App. 1, 616; E. O. 9193, July 6, 1942, 3 CFR, Cum. Supp., E. O. 9567, June 8, 1945, 3 CFR, 1945 Supp., E. O. 9788, Oct. 14, 1946, 11 F. R. 11981.

[Vesting Order 12857]

GUNTHER GARLICHES ET AL.

In re: Stock owned by Gunther Garliches and others. F-28-29343-D-1, F-28-29344-D-1.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Gunther Garliches, whose last known address is Oldenburgerstrasse 48, (23), Varel, Oldenburg, Germany, is a resident of Germany and a national of a designated enemy country (Germany);

2. That the personal representatives, heirs, next of kin, legatees and distrib-

utees of Micke Goetz, deceased, who there is reasonable cause to believe are residents of Germany, are nationals of a designated enemy country (Germany);

3. That the property described as follows: Three-tenths ($\frac{3}{10}$ ths) of a share of \$100 par value (new) common capital stock of Los Angeles Investment Company, 3450 West Vernon Avenue, Los Angeles, California, a corporation organized under the laws of the State of California, evidenced by a certificate for three (3) shares of \$10.00 par value (old) common capital stock of the aforesaid company, numbered AO 5050, registered in the name of Gunther Garliches, and presently in the custody of the aforesaid Los Angeles Investment Company, together with all declared and unpaid dividends thereon and any and all rights to exchange the aforesaid certificate for a new certificate for \$100 par value common capital stock,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to or which is evidence of ownership or control by Gunther Garliches, the aforesaid national of a designated enemy country (Germany);

4. That the property described as follows: Nine-tenths ($\frac{9}{10}$ ths) of a share of \$100 par value (new) common capital stock of Los Angeles Investment Company, 3450 West Vernon Avenue, Los Angeles, California, a corporation organized under the laws of the State of California, evidenced by certificates for nine (9) shares of \$10.00 par value (old) common capital stock of the aforesaid company, numbered AO 5564 and AO 8728 registered in the name of Micke Goetz, together with all declared and unpaid dividends thereon and any and all rights to receive a certificate for \$100.00 par value (new) common capital stock,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by the personal representatives, heirs, next of kin, legatees and distributees of Micke Goetz, deceased, the aforesaid nationals of a designated enemy country (Germany); and it is hereby determined:

5. That to the extent that the person named in subparagraph 1 hereof and the personal representatives, heirs, next of kin, legatees and distributees of Micke Goetz, deceased, referred to in subparagraph 2 hereof, are not within a designated enemy country, the national interest of the United States requires that such persons be treated as nationals of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on February 24, 1949.

For the Attorney General.

[SEAL] DAVID L. BAZELON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 49-1853; Filed, Mar. 10, 1949;
8:50 a. m.]

[Vesting Order 12856]

HEINRICH FORSTER

In re: Debts owing to Heinrich Forster, F-28-29396-E-1.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Heinrich Forster, whose last known address is Espachstrasse 6, Ueberlingen Bodensee, Germany, is a resident of Germany and a national of a designated enemy country (Germany);

2. That the property described as follows:

a. That certain debt or other obligation owing to Heinrich Forster, represented by Claim No. 2391 against the insolvent First National Bank and Trust Company at Flint, Flint, Michigan, and the third, fourth and fifth (final) dividends in payment of the aforesaid claim in the amounts of \$172.51, \$115.01, and \$121.79 respectively, said dividend payments presently on deposit in the National Metropolitan Bank, 15th Street NW., Washington, D. C., in an account entitled "Comptroller of Currency, Unclaimed Dividends Account", and any and all accruals thereto, and any and all rights to demand, enforce, and collect the aforesaid debt or other obligation and any and all rights in, to and under the aforesaid claim; and

b. That certain debt or other obligation owing to Heinrich Forster, represented by Claim No. 5106 against the insolvent Capital National Bank of Lansing, Michigan, and the fourth, fifth and sixth (final) dividends in payment of the aforesaid claim in the amounts of \$51.60, \$25.80 and \$24.92 respectively, said dividend payments presently on deposit in the National Metropolitan Bank, 613 15th Street NW., Washington, D. C., in an account entitled "Comptroller of Currency, Unclaimed Dividends Account", and any and all rights to demand, enforce, and collect the aforesaid debt or other obligation and any and all rights in, to and under the aforesaid claim,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of, or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country (Germany);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not

within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on February 24, 1949.

For the Attorney General.

[SEAL] DAVID L. BAZELON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 49-1852; Filed, Mar. 10, 1949;
8:50 a. m.]

[Return Order 262]

AUGUSTE LOUIS MARIE ANTOINE ROUY

Having considered the claim set forth below and having issued a determination allowing the claim, which is incorporated by reference herein and filed herewith,

It is ordered, That the claimed property, described below and in the deter-

mination, including all royalties accrued thereunder and all damages and profits recoverable for past infringement thereof, be returned after adequate provision for taxes and conservatory expenses:

Claimant, Claim No., Notice of Intention to Return Published, and Property

Auguste Louis Marie Antoine Rouy, New York, N. Y.; Claim No. 29663; January 27, 1949 (14 F. R. 373); Property described in Vesting Order No. 666 (8 F. R. 5047, April 17, 1943) relating to United States Letters Patent No. 2,151,280. This return shall not be deemed to include the rights of any licensees under the above patent.

Appropriate documents and papers effectuating this order will issue.

Executed at Washington, D. C., on March 3, 1949.

For the Attorney General.

[SEAL] DAVID L. BAZELON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 49-1856; Filed, Mar. 10, 1949;
8:51 a. m.]

MRS. ERMINIA LOCATELLI

NOTICE OF INTENTION TO RETURN VESTED PROPERTY

Pursuant to section 32 (f) of the Trading With the Enemy Act, as amended, notice is hereby given of intention to return, on or after 30 days from the date of the publication hereof, the following property, subject to any increase or decrease resulting from the administration thereof prior to return, and after adequate provision for taxes and conservatory expenses:

Claimant, Claim No., Property, and Location

Mrs. Erminia Locatelli, Cambridge, Md.; 5188; \$1,268.26 in the Treasury of the United States.

Executed at Washington, D. C., on March 3, 1949.

For the Attorney General.

[SEAL] DAVID L. BAZELON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 49-1854; Filed, Mar. 10, 1949;
8:50 a. m.]

HILDEGARD BAECK BIERMAN

NOTICE OF INTENTION TO RETURN VESTED PROPERTY

Pursuant to section 32 (f) of the Trading With the Enemy Act, as amended, notice is hereby given of intention to return, on or after 30 days from the date of the publication hereof, the following property, subject to any increase or decrease resulting from the administration thereof prior to return, and after adequate provision for taxes and conservatory expenses:

Claimant, Claim No., Property, and Location

Hildegard Baeck Bierman, New York, N. Y.; 5907; \$1,966.00 in the Treasury of the United States.

Executed at Washington, D. C., on March 3, 1949.

For the Attorney General.

[SEAL] DAVID L. BAZELON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 49-1855; Filed, Mar. 10, 1949;
8:50 a. m.]