

Public Law 86-168

AN ACT

August 18, 1959  
[S. 1512]

To amend the Federal Farm Loan Act to transfer responsibility for making appraisals from the Farm Credit Administration to the Federal land banks, and for other purposes.

Farm Credit Act  
of 1959.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "Farm Credit Act of 1959".

TITLE I—FEDERAL LAND BANKS

Registrars, appraisers, examiners.

SEC. 101. Section 3 of the Federal Farm Loan Act, as amended, is amended—

(a) by changing the paragraph thereof relating to the appointment of registrars, appraisers, and examiners (12 U.S.C. 656) to read:

"The Farm Credit Administration shall appoint a farm loan registrar for each farm credit district to receive applications for issues of farm loan bonds and to perform such other services as are prescribed by this Act, and may appoint a deputy registrar who shall during the unavoidable absence or disability of the registrar perform the duties of that office. It shall also appoint as many farm credit appraisers and farm credit examiners as it shall deem necessary. Such farm loan registrars, deputy registrars, farm credit appraisers, and farm credit examiners shall have no connection with or interest in any institution, association, or partnership engaged in banking or in the business of making land mortgage loans or selling land mortgages but they may perform such duties as are authorized by the Farm Credit Administration in connection with the business of the banks and associations it supervises: *Provided*, That this limitation shall not apply to persons employed by the Farm Credit Administration on a temporary basis.";

Restriction.

(b) by deleting the paragraph thereof relating to the compensation of appraisers and inspectors (12 U.S.C. 658);

(c) by deleting the paragraph thereof relating to the employment of certain personnel by the Farm Credit Administration (12 U.S.C. 659); and

(d) by deleting the second sentence of the third paragraph from the end thereof (12 U.S.C. 662).

SEC. 102. (a) The second paragraph of section 9 of the Federal Farm Loan Act, as amended (12 U.S.C. 742), is amended to read:

Loan for stock purchase.  
Addition.

"Any person desiring to secure a loan through a Federal land bank association under the provisions of this Act may, at his option, borrow from the Federal land bank through such association the sum necessary to pay for shares of stock subscribed for by him in the Federal land bank association. Any such sum for the purchase of stock shall be made a part of the face amount of the loan and such sum shall for all purposes be additional to the 65 per centum of the normal value of the farm as specified in any provision of this Act."

(b) Section 10 of the Federal Farm Loan Act, as amended (12 U.S.C. 751-757), is amended to read:

Appraisal reports.  
12 USC 711-723.

"SEC. 10. (a) Whenever an application for a mortgage loan is made to a Federal land bank association, the loan committee provided for in section 7 of this Act shall cause to be made such investigation as it may deem necessary as to the character and solvency of the applicant and the sufficiency of the security offered. When it appears that a loan may be approved, the loan committee shall obtain a written report on the security by an appraiser designated or appointed by the

Federal land bank of the district and such appraiser shall investigate and make a written report upon the security offered. Such appraisal, investigation, and report shall be made in accordance with appraisal standards prescribed by the Farm Credit Administration and may be made by any competent person (including an employee of a Federal land bank association) when designated for that purpose by the Federal land bank of the district. The loan committee shall cause a written report to be made of the results of such investigations of the applicant and the security and shall, if it concurs in such report, approve the same in writing. After the loan committee has reached an agreement as to the amount and terms of the loan which may be offered to the applicant, if such amount is not in excess of 65 per centum of the normal value of the security offered as determined by said appraiser, the association may notify the applicant of the amount and terms of the loan approved by the loan committee: *Provided*, That any such notice shall contain a statement that the amount and terms of the loan offered to the applicant are subject to and conditioned upon subsequent approval or disapproval by the Federal land bank.

Notification.

“(b) The written report of the loan committee and the report made by an appraiser designated or appointed by the Federal land bank shall be submitted to the Federal land bank with the application for the loan, and the land bank shall examine said reports when it passes on the loan application which they accompany. No loan shall be made unless the report of the loan committee and the report of the appraiser are favorable.

“(c) All appraisal reports shall be made on forms approved by the Farm Credit Administration.

“(d) No farm credit appraiser and no appraiser designated or appointed by a Federal land bank shall make any appraisal in connection with a loan in which he is interested, directly or indirectly. No member of a loan committee or of a board of directors of a Federal land bank association shall participate in the consideration of or action on any loan in which he is interested, directly or indirectly.

Restriction.

“(e) Each Federal land bank shall conduct studies in such manner and to such extent as the Farm Credit Administration deems necessary in connection with the appraisal standards prescribed for the district.

Studies.

“(f) Notwithstanding the foregoing provisions of this section—

“(1) appraisal reports made by appraisers heretofore or hereafter appointed by the Farm Credit Administration pursuant to section 3 of this Act may be used as a basis for Federal land bank loans;

“(2) the Farm Credit Administration may, in its discretion and in such circumstances and for such periods as it deems necessary, direct that any or all appraisals in connection with loans by any Federal land bank, or appraisal standards studies required by subsection (e), shall be made by farm credit appraisers appointed pursuant to section 3 of this Act; and

“(3) for purposes of paragraph (2) of this subsection, the Farm Credit Administration is authorized to employ additional farm credit appraisers, including such appraisers as it may select who have been designated or appointed by a Federal land bank, and to require that the salaries and other expenses of all such additional appraisers be paid by the Federal land bank served by them in such manner as the Farm Credit Administration shall determine.

“(g) Farm credit appraisers appointed pursuant to section 3 of this Act shall make such reviews and investigations as the Farm Credit Administration determines to be necessary to assure compliance with

the appraisal standards prescribed by it pursuant to subsection (a) of this section; make such additional reviews and investigations concerning the quality of first mortgages securing farm loan bonds as the Farm Credit Administration shall direct; and perform such other duties as may be prescribed by the Farm Credit Administration. Any first mortgage which is found not to conform to the appraisal and loan standards prescribed by the Farm Credit Administration shall not be credited toward meeting the amount of bond collateral which a Federal land bank is required to maintain with a farm loan registrar except in such amount as the Farm Credit Administration shall approve."

Transfer of appraisers.

SEC. 103. On the effective date of this title each land bank appraiser shall be transferred from the Farm Credit Administration to the Federal land bank served by him immediately prior to said effective date, without reduction in salary and accumulated leave, unless the Farm Credit Administration, in its discretion, determines that individual appraisers shall be retained as farm credit appraisers. The selection of personnel for transfer, or for retention as farm credit appraisers, shall be without regard to section 12 of the Veterans' Preference Act of 1944, as amended (5 U.S.C. 861). Land bank appraisers shall be subject to the same employment conditions as other bank employees after transfer under this section. At least sixty days prior to the effective date of this title the Farm Credit Administration shall notify each land bank appraiser that he is to be transferred to a Federal land bank or that he is to be retained in the Farm Credit Administration. Any land bank appraiser who notifies the Farm Credit Administration in writing at least thirty days before the effective date of this title that he does not desire to accept employment as stated in the notice from the Farm Credit Administration shall be separated from employment on said effective date and such separation shall be deemed involuntary.

58 Stat. 390.

Amortized and unamortized loan.

SEC. 104. (a) Section 12 of the Federal Farm Loan Act, as amended (12 U.S.C. 771), is amended by (1) changing the last proviso of paragraph "Second" thereof to read: "*And provided further*, That any land bank may make loans on an unamortized or partially amortized basis, under rules and regulations issued by the Farm Credit Administration."; (2) striking out of paragraph "Seventh" thereof "loans to any one borrower shall in no case exceed a maximum of \$200,000, but".

Loan limit.

(b) Section 20 of the Federal Farm Loan Act, as amended, is amended by deleting the second sentence thereof (12 U.S.C. 861, second sentence) and by inserting the following immediately before the period at the end of the last sentence thereof (12 U.S.C. 864, last sentence): "except that, with the approval of the Farm Credit Administration, an issue of bonds may be limited to bearer or coupon bonds".

(c) The first and second sentences of section 23 of the Federal Farm Loan Act, as amended (12 U.S.C. 901), are amended by substituting "at the end of each fiscal year" for "semiannually" therein.

(d) The first and second sentences of section 24 of the Federal Farm Loan Act, as amended (12 U.S.C. 911), are amended by substituting "at the end of each fiscal year" for "semiannually" therein.

50 Stat. 713.

(e) The seventh paragraph of section 29 of the Federal Farm Loan Act, as amended (12 U.S.C. 967), is amended by changing "land bank appraiser" in the second and third sentences thereof to "farm credit appraiser".

42 Stat. 1455.

(f) Section 202(c) of the Federal Farm Loan Act, as amended (12 U.S.C. 1033), is amended by changing the period at the end thereof to a comma and adding the following: "and any Federal intermediate credit bank may in its discretion purchase such loans or discounts with or without such endorsement."



(g) Section 208(c) of the Federal Farm Loan Act, as amended (12 U.S.C. 1093), is amended by changing "Land bank appraisers" in the first sentence thereof to "Farm credit appraisers".

42 Stat. 1458.

(h) The Federal Farm Loan Act, as amended (12 U.S.C. 641 et seq.), and any other Act of Congress in which the words appear, are amended by changing "national farm loan association" and "national farm loan associations" to "Federal land bank association" and "Federal land bank associations", respectively.

(i) The Federal Farm Loan Act, as amended (12 U.S.C. 641 et seq.), and any other Act of Congress in which the words appear, are amended by changing "secretary-treasurer" and "secretary-treasurers", when used to mean the secretary-treasurer of a national farm loan association (herein renamed "Federal land bank association"), to "manager" and "managers", respectively.

(j) The first sentence of section 5(d) of the Farm Credit Act of 1953 (12 U.S.C. 636(d)) is amended by inserting immediately before the period at the end thereof ": *Provided*, That the salary of not more than three positions of deputy governor shall each be fixed by the Board at a rate not exceeding \$17,500 per annum".

Salaries.

67 Stat. 392.  
12 USC 636d.

(k) This title shall become effective December 31, 1959.

Effective date.

## TITLE II—STATUS OF FARM CREDIT BANKS AND EMPLOYEES

SEC. 201. Notwithstanding any other provision of law, and in order to encourage and facilitate increased borrower participation in the management and control of institutions operating under the supervision of the Farm Credit Administration in accordance with the policy declared in section 2 of the Farm Credit Act of 1953 (12 U.S.C., supp. IV, 636a), section 6 of the Farm Credit Act of 1937, as amended (12 U.S.C. 640l), is amended—

Increased borrower participation.

67 Stat. 390.  
50 Stat. 706.

(a) by inserting "(a)" immediately following "Sec. 6.", by redesignating subsections "(a)" and "(b)" as paragraphs "(1)" and "(2)", respectively, and by deleting subsection "(c)";

(b) by adding the following at the end of paragraph (1) of subsection (a) thereof (as redesignated herein): "The employment, compensation, leave, retirement (except as provided in subsection (e) hereof), hours of duty, and all other conditions of employment of such joint officers and employees employed by the district farm credit board, and of separate officers and employees of the Federal land bank, Federal intermediate credit bank, and bank for cooperatives of the district employed by the board of directors of such banks, shall be determined by the respective boards without regard to the laws from which exemption is granted in this section, but all such determinations shall be consistent with the laws under which such banks are organized and operate. Appointments, promotions, and separations so made shall be based on merit and efficiency and no political test or qualification shall be permitted or given consideration. The district farm credit board shall, under rules and regulations prescribed by the Farm Credit Administration, provide for veterans' preference and limitations against political activity for such officers and employees substantially similar to the preference and limitations to which such officers and employees were subject upon enactment of this sentence."; and

(c) by adding the following new subsections after subsection (a) thereof (as redesignated herein):

"(b) The provisions of section 1753 of the Revised Statutes (5 U.S.C. 631) and the Act of January 16, 1883, entitled 'An Act to reg-

62 Stat. 354.

54 Stat. 1211.

ulate and improve the civil service of the United States', as amended (22 Stat. 403; 5 U.S.C. 632 et seq.), any laws supplementary thereto, including but not limited to the Act of August 24, 1912, as amended (5 U.S.C. 652), section 1 of the Act of November 26, 1940, as amended (5 U.S.C. 631a), and section 1310 of the Supplemental Appropriation Act, 1952, as amended (5 U.S.C. 43, note), and any rules, orders, or regulations promulgated for carrying such Acts or laws into effect, shall not apply to a Federal land bank, Federal intermediate credit bank, or bank for cooperatives, or to its directors, officers, or employees.

5 USC 751 note.

"(c) The Federal Employees' Compensation Act, as amended (5 U.S.C., ch. 15), shall not be applicable in respect to the injury, disability, or death of any employee of a Federal land bank, Federal intermediate credit bank, or bank for cooperatives unless such injury, disability, or death (or cause thereof) occurred before January 1, 1960.

53 Stat. 1148.

58 Stat. 387.

"(d) Section 9 of the Hatch Act, as amended (5 U.S.C. 118i), and the Veterans' Preference Act of 1944, as amended (5 U.S.C. 851-869), shall not be deemed to apply to a Federal land bank, Federal intermediate credit bank, or bank for cooperatives, or to its directors, officers, or employees.

Retirement provisions.

70 Stat. 743.

7 USC 2251 note.

"(e) Each officer and employee of a Federal land bank, Federal intermediate credit bank, or bank for cooperatives who, on December 31, 1959, is within the purview of the Civil Service Retirement Act, as amended (5 U.S.C., supp. IV, ch. 30), shall continue so during his continuance as an officer or employee of any such banks without break in continuity of service. Any other officer or employee of such banks and any other person entering upon employment with any such banks after December 31, 1959, shall not be covered under the civil service retirement system by reason of such employment, except that (1) a person who, on December 31, 1959, is within the purview of the Civil Service Retirement Act, as amended, and thereafter becomes an officer or employee of any such banks without break in continuity of service shall continue under the civil service retirement system during his continuance as an officer or employee of any such banks without break in continuity of service and (2) a person who has been within the purview of said Act as an officer or employee of such banks and, after a break in such employment, again becomes an officer or employee of any such banks may elect to continue under the civil service retirement system during his continuance as such officer or employee by so notifying the Civil Service Commission in writing within thirty days after such reemployment.

Exceptions.

Contribution to retirement fund.

70 Stat. 747; 72 Stat. 143.

"(f) Each Federal land bank, Federal intermediate credit bank, and bank for cooperatives shall contribute to the civil service retirement and disability fund, for each fiscal year after June 30, 1960, a sum as provided by section 4(a) of the Civil Service Retirement Act, as amended (5 U.S.C. 2254(a)), except that such sum shall be determined by applying to the total basic salaries (as defined in that Act) paid to the employees of said banks who are covered by that Act, the per centum rate determined annually by the United States Civil Service Commission to be the excess of the total normal cost per centum rate of the civil service retirement system over the employee deduction rate specified in such section 4(a). Each bank shall also

pay into the Treasury as miscellaneous receipts such portion of the cost of administration of the fund as is determined by the United States Civil Service Commission to be attributable to its employees.

“(g) Any Federal land bank, Federal intermediate credit bank, or bank for cooperatives may, subject to the approval of the Farm Credit Administration, establish a retirement system for its officers and employees either separately or jointly with any other corporation under the supervision of the Farm Credit Administration. In determining eligibility for or the amount of any benefit under any such retirement system, there shall not be taken into account any service which is creditable under the Civil Service Retirement Act, as amended, but service which constitutes employment as defined in section 210(a) of the Social Security Act, as amended (42 U.S.C., supp. IV, 410(a)), may be so taken into account notwithstanding section 115 of the Social Security Amendments of 1954 (42 U.S.C., supp. IV, 410, note) or any other provision of law.

5 USC 2251 note.

60 Stat. 979; 72 Stat. 1035.

68 Stat. 1087.

“(h) Subsections (b), (c), (d), (e), (f), and (g) of this section shall apply to the Central Bank for Cooperatives and its personnel and the board of directors of the Central Bank for Cooperatives shall have all the authority and responsibility with respect to personnel of such central bank as is vested in the farm credit board of a district or the board of directors of a district bank for cooperatives with respect to personnel of any such district bank under subsection (a) (1) of this section.”

SEC. 202. (a) Section 210(a) (6) (B) (ii) of title II of the Social Security Act, as amended (42 U.S.C., supp. IV, 410(a) (6) (B) (ii)), and section 3121(b) (6) (B) (ii) of the Internal Revenue Code of 1954, as amended (26 U.S.C., supp. IV, 3121(b) (6) (B) (ii)), are each amended by inserting “a Federal land bank, a Federal intermediate credit bank, a bank for cooperatives,” immediately before the words “a national farm loan association” therein.

70 Stat. 824.

(b) Section 2680 of title 28, United States Code, is amended by adding at the end thereof the following new subsection: “(n) Any claim arising from the activities of a Federal land bank, a Federal intermediate credit bank, or a bank for cooperatives.”

(c) Section 102(b) of the Federal Employees Pay Act of 1945, as amended (5 U.S.C. 902(b)), is amended by striking out “and” immediately preceding “(6)” therein and by inserting before the period at the end thereof “; and (7) officers and employees of a Federal land bank, a Federal intermediate credit bank, or a bank for cooperatives”.

59 Stat. 296.

(d) Section 303 of the Government Employees' Incentive Awards Act (5 U.S.C., supp. IV, 2122) is amended by inserting within the parentheses after the words “the Tennessee Valley Authority” the words “or the Central Bank for Cooperatives”.

68 Stat. 1113.

(e) Section 205(e) of the Annual and Sick Leave Act of 1951, as added by section 4(b) of the Act of July 2, 1953 (5 U.S.C., supp. IV, 2064(e)), and section 1 of the Act of December 21, 1944, as amended by section 4(a) of the Act of July 2, 1953 (5 U.S.C., supp. IV, 61b), are each amended by substituting “(C), (H), or (I)” for “(C), or (H)” therein.

67 Stat. 138.

58 Stat. 845.

SEC. 203. (a) Nothing in this title shall be deemed to amend, alter, repeal, or restrict the application of (1) section 190 of the Revised Statutes (5 U.S.C. 99), relating to the prosecution of claims against the United States by former employees; (2) the Act of August 26, 1950 (5 U.S.C. 22-1, 22-2, 22-3), relating to the suspension and separation of employees for security reasons; (3) section 710(e) of the Defense Production Act of 1950, as amended (50 U.S.C., app., supp. IV, 2160(e)), relating to the authority of the President to provide

64 Stat. 476.

69 Stat. 583.



for an executive reserve training program; or (4) any Act of Congress the violation of which is punishable by a fine or imprisonment, or both.

(b) Any Act of Congress enacted after the effective date of this title and which states that it shall be applicable to agencies or instrumentalities of the United States or to corporations controlled or owned, in whole or in part, by the United States, or to officers and employees of the United States or such agencies or instrumentalities or corporations, shall not be applicable to a Federal land bank, Federal intermediate credit bank, or bank for cooperatives, or to its directors, officers, or employees unless such Act specifically so provides by naming such banks.

(c) This title shall become effective January 1, 1960.

Approved August 18, 1959.

Effective date.

## Public Law 86-169

### AN ACT

August 18, 1959  
[H. R. 4644]

To credit to postal revenues certain amounts in connection with postal activities, and for other purposes.

Postal Service,  
Revenues,  
credit.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That (a) the first sentence of section 4050 of the Revised Statutes (39 U.S.C. 782) is amended by inserting immediately following the last semicolon in such sentence the following: "all commissions on toll telephones located in buildings under the custody of the Post Office Department or the Postal Field Service; all amounts collected from officers and employees of the Post Office Department or the Postal Field Service on account of payments to them by courts of witness fees and allowances for expenses of travel and subsistence in cases in which such officers and employees have been subpoenaed to testify in private litigation in their official capacities or to produce official records;"

(b) The second sentence in the seventh paragraph under the heading "Office Of The Third Assistant Postmaster-General." in the Act of May 27, 1908 (35 Stat. 415; 39 U.S.C. 784), is amended by inserting "as part of the postal revenue" immediately before the period at the end of such sentence.

Effective date.

SEC. 2. The amendments made by the first section of this Act shall become effective on such date as may be specified by the Postmaster General but not later than the sixtieth day following the date of enactment of this Act.

Approved August 18, 1959.

## Public Law 86-170

### AN ACT

August 18, 1959  
[H. R. 5138]

To extend the grounds of the Custis-Lee Mansion in Arlington National Cemetery.

Custis-Lee  
Mansion.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That to make possible the restoration and preservation of a portion of the historic grounds associated with the Custis-Lee Mansion which, pursuant to the Act of June 29, 1955 (69 Stat. 190), has been dedicated as a permanent memorial to Robert E. Lee, the Secretary of the Army is authorized