

## QUESTIONS ON FARM LOAN ACT ARE ANSWERED

Statement on U. S. Rules Is Issued by State Bank Director.

List of questions pertaining to loans to farmers under the emergency farm mortgage act were answered today by Richard A. McKinley, banking department director, co-operating with the federal land bank of Louisville in applying the act.

Issue of \$2,000,000,000 in bonds to federal land banks is authorized by the mortgage act. Interest of 4 per cent on these bonds is guaranteed by the United States treasury.

Loans can be made to farmers at an interest rate of 4 1/4 per cent through National Farm Loan Association and at 5 per cent in territory where there are no such organizations.

### Principal May Be Delayed

Questions answered by McKinley follow:

Q.—Will there be payments on the principal in addition to the interest?

A.—If a borrower is not in default with respect to any covenant in his mortgage, that is, if his taxes and interest are paid and his insurance is maintained, he will not be required to pay on the principal of his loan during the first three years. He may, however, make payments on the principal if he wishes to do so.

Q.—Are funds provided for loans on second mortgage and chattel security?

A.—Congress provided that the Reconstruction Finance Corporation should furnish the land bank commissioner with \$200,000,000 to be loaned on farm real estate and personal property, including crops of the farmer. If on real estate only, such loans may be made on regular land bank terms, but if personal property is included the term of loan can not exceed thirteen years, including the first three years when no payment on the principal may be required.

### Limits Are Set Out

Q.—How much can an individual farmer borrow under these two plans?

A.—He may borrow from a Federal Land bank, an amount not exceeding 50 per cent of the normal value of his land and 20 per cent of the value of the permanent insurable improvements to the farm and not exceeding \$50,000; from the land bank commissioner, he may borrow not more than 75 per cent of the normal value of the property including all prior liens and not exceeding \$5,000, the interest rate to 4 1/4 per cent. Of course, the farmer's ability to make the payments on his loans, if given normal prices, must be taken into consideration in determining the amount to be loaned.

Q.—On what basis is farm land being appraised?

A.—The loan act provides that in making the appraisal the value of the land for agricultural purposes shall be the basis of appraisal and the earning power of the land shall be a principal factor.

### Estimate Crop Earnings

Q.—How do the appraisers estimate the earning power of the land?

A.—They estimate what the land will produce in terms of crops, livestock, and livestock products common to the farm, and community and what such products would be worth at normal prices.

Q.—What is meant by normal prices?

A.—The prices of 1909 to 1914 have been adopted as representing a stable and normal period of agriculture, with the exception that for tobacco, the normal price is defined as the average of the period 1919 to 1929. The appraisal force in Indiana had to be expanded very rapidly to meet the recent flood of applications and some mistakes are bound to be made, but every effort is being made to give the farmer a fair appraisal.

### Secretary to Assist

Q.—How does a farmer proceed to get his indebtedness refinanced under these plans?

A.—The farmer should get in touch with the secretary-treasurer of the National Farm Loan Association in his territory, who will be prepared to give him advice and help him in making out his application. The local banker or the county agent should be able to put the farmer in touch with the local secretary-treasurer, or he may write the Federal Land bank of Louisville.

Q.—If the farmer's indebtedness exceeds the amount he can expect to get under appraisal of his property, is there anything he can do?

A.—The law provides that a commissioner's loan can not be granted unless it clears up the entire indebtedness of the farmer, it having been felt that unless the farmer had 25 per cent equity in his farm, his chances of working out were very remote. Frequently, however, the creditors of a heavily involved farmer, in order to get cash at once, are willing to accept less than the face value of the obligations which they hold, but which they might never be able to collect. Any such debt adjustments must be worked out by the farmer and his creditors.

Q.—If farmers have other questions about these loans where should they send them?

A.—To the Federal Land Bank, Louisville, Ky., which serves the Fourth Federal Land Bank district, consisting of the states of Indiana, Ohio, Kentucky and Tennessee.

## Tonight's Radio Excursion

MONDAY	
5:00—Viennese Ensemble (NBC) WEAF.	5:00—Agnes Moorehead & Shirk's orchestra (CBS) WEAF.
Himber's ensemble (NBC) WJZ.	5:00—Minstrel Show (NBC) WJZ.
5:15—H-Bar-O Rangers (CBS).	5:15—Isham Jones' orchestra; Gertrud Niesen; Lulu McConnell (CBS).
5:30—Brothers (NBC) WJZ.	5:30—Bohemians.
Milton Ballou's (CBS).	5:30—To be announced.
Adventures of Tom Mix (NBC) WMAZ.	5:30—Bohemians.
5:45—Brothers (NBC) WJZ.	5:45—Russian Gypsy orchestra (CBS).
Scherban's orchestra (CBS).	5:45—To be announced.
6:00—Morton Downey (CBS) WEAF.	5:45—Bohemians.
6:15—Meyer Davis' orchestra (NBC).	5:45—Happy Bakers (CBS).
John Plain Bill (CBS).	5:45—Edwin Prinze, Sr. (CBS).
Baby Rose Marie (NBC) WJZ.	5:45—Fray and Braggiotti (CBS).
Bud Rogers' (CBS) WBBM.	5:45—Evangel in Paris (CBS).
Martin's orchestra and quartet (CBS) WJZ.	5:45—Carmen Downey and orchestra (CBS).
5:45—Brothers (CBS) WEAF.	5:45—Sign off.
The Gingers (NBC) WEAF.	5:45—W. C. Fields (CBS).
Happy Bakers (CBS).	5:45—Walkathon.
Private Sketch (NBC) WEAF.	5:45—Little Jack Little (CBS).
The Nuns (NBC) WJZ.	5:45—News Service (CBS).
7:15—Edwin Hill (CBS).	5:45—New World Symphony (CBS).
7:30—Morton Downey (CBS).	5:45—Carmen Downey (CBS).
Floyd Gibbons, Young's orchestra.	5:45—Casa Loma orchestra (CBS).
Potash & Perlmuter (NBC) WJZ.	5:45—Leon Belasco orchestra (CBS).
Red Davis (NBC) WJZ.	5:45—Mid-Edge.

### HORIZONTAL

Answer to Previous Puzzle

1 Laughter sound.  
2 Who is the famous movie star in the picture?  
3 11 Hour (abbr.).  
4 Fairy.  
5 15 Constituent of glass.  
6 Lawyer's charge.  
7 17 Ancient.  
8 19 One who lays tile.  
9 20 Wing.  
10 21 Approaches.  
11 23 Blemish.  
12 24 The pictured man was on the stage as boy.—"Miracle, Man!"  
13 25 He also acted as tourists.  
14 27 A pair.  
15 29 Constellation.  
16 30 Mister.  
17 31 Exists.  
18 32 Father.  
19 33 Inlet.

39 Thinks.

—In Pike's 41 Disorder of Peak:

27 A pair.

29 Toward.

30 Mister.

31 Exists.

32 Father.

33 Inlet.

39 Thinks.

—In Pike's 41 Disorder of Peak:

27 A pair.

29 Toward.

30 Mister.

31 Exists.

32 Father.

33 Inlet.

39 Thinks.

—In Pike's 41 Disorder of Peak:

27 A pair.

29 Toward.

30 Mister.

31 Exists.

32 Father.

33 Inlet.

39 Thinks.

—In Pike's 41 Disorder of Peak:

27 A pair.

29 Toward.

30 Mister.

31 Exists.

32 Father.

33 Inlet.

39 Thinks.

—In Pike's 41 Disorder of Peak:

27 A pair.

29 Toward.

30 Mister.

31 Exists.

32 Father.

33 Inlet.

39 Thinks.

—In Pike's 41 Disorder of Peak:

27 A pair.

29 Toward.

30 Mister.

31 Exists.

32 Father.

33 Inlet.

39 Thinks.

—In Pike's 41 Disorder of Peak:

27 A pair.

29 Toward.

30 Mister.

31 Exists.

32 Father.

33 Inlet.

39 Thinks.

—In Pike's 41 Disorder of Peak:

27 A pair.

29 Toward.

30 Mister.

31 Exists.

32 Father.

33 Inlet.

39 Thinks.

—In Pike's 41 Disorder of Peak:

27 A pair.

29 Toward.

30 Mister.

31 Exists.

32 Father.

33 Inlet.

39 Thinks.

—In Pike's 41 Disorder of Peak:

27 A pair.

29 Toward.

30 Mister.

31 Exists.

32 Father.

33 Inlet.

39 Thinks.

—In Pike's 41 Disorder of Peak:

27 A pair.

29 Toward.

30 Mister.

31 Exists.

32 Father.

33 Inlet.

39 Thinks.

—In Pike's 41 Disorder of Peak:

27 A pair.

29 Toward.

30 Mister.

31 Exists.

32 Father.

33 Inlet.

39 Thinks.

—In Pike's 41 Disorder of Peak:

27 A pair.

29 Toward.

30 Mister.

31 Exists.

32 Father.

33 Inlet.

39 Thinks.

—In Pike's 41 Disorder of Peak:

27 A pair.

29 Toward.

30 Mister.

31 Exists.