To authorize the extension of credit to assist municipalities, or other political subdivisions of States, to finance vitally needed public works.

**SHORT TITLE**

Section I. This Act may be cited as the "Public Facilities Loan Act of 1955".

**DECLARATION OF POLICY**

Sec. 2. It has been the policy of the Congress to assist wherever possible the States and their political subdivisions to provide the services and facilities essential to the health and welfare of the people of the United States.

The Congress finds that in many instances municipalities, or other political subdivisions of States, which seek to provide essential public works or facilities, are unable to raise the necessary funds at reasonable interest rates.

It is the purpose of this Act to authorize the extension of credit to assist in the provision of certain essential public works or facilities by municipalities, or other political subdivisions of States, where such credit is not otherwise available on reasonable terms and conditions.

**CREATION OF CORPORATION**

Sec. 3. There is hereby created a body corporate to be known as the Public Facilities Credit Corporation (hereinafter referred to as the "corporation"). The principal office of the corporation shall be located in the District of Columbia, but the corporation may establish branch offices in places other than the District of Columbia.

**MANAGEMENT OF CORPORATION**

Sec. 4. (a) The Housing and Home Finance Administration (hereinafter referred to as the "Administrator") shall serve as administrator of the corporation.

(b) To assist the Administrator in the execution of the functions vested in the corporation, there shall be a Deputy Administrator who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall receive compensation at a rate per annum of $1,000 in excess of the highest rate payable under the Classification Act of 1949, as amended. The Deputy Administrator shall perform such duties as the Administrator may from time to time designate, and shall be acting Administrator and perform the functions of the Administrator during the absence or disability of the Administrator or in the event of a vacancy in the office of the Administrator.

**FUNCTIONS OF CORPORATION**

Sec. 5. (a) The corporation is authorized to purchase the securities and obligations of, or make loans to, municipalities and other political subdivisions
of States, public agencies and instrumentalities of one or more municipalities or other political subdivisions of States, and public corporations, boards, and commissions established under the laws of any State, to finance specific public projects under State or municipal law. No such purchase or loan shall be made for payment of ordinary governmental or nonproject operating expenses.

(b) The powers granted in subsection (a) of this section shall be subject to the following restrictions and limitations:

(1) No financial assistance shall be extended under this section unless the financial assistance applied for is not otherwise available on reasonable terms, and all securities and obligations purchased and all loans made under this section shall be of such sound value or so secured as reasonably to assure retirement or repayment, and such loans may be made either directly or in cooperation with banks or other lending institutions through agreements to participate or by the purchase of participations or otherwise.

(2) No securities or obligations shall be purchased, and no loans shall be made, including renewals or extensions thereof, which have maturity dates in excess of forty years.

(c) In the processing of applications for financial assistance under this section the Administrator shall give priority to applications of smaller municipalities for assistance in the construction of basic public works (including works for the storage, treatment, purification, or distribution of water; sewage, sewage treatment, and sewer facilities; and gas distribution systems) for which there is an urgent and vital public need. As used in this section, a "smaller municipality" means an incorporated or unincorporated town, or other political subdivision of a State, which has a population of less than ten thousand inhabitants at the time of the last Federal census.

FINANCING

Sec. 6. (a) The corporation shall have capital stock of $100,000,000 subscribed by the United States. Payment for such capital stock shall be subject to call at any time in whole or in part by the Administrator and, for the purpose of making such payment, the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act are extended to include purchases of the corporation's
capital stock issued hereunder. Certificates evidencing stock ownership by the United States shall be issued by the corporation to the President of the United States or to such other person or persons as he may designate from time to time. Net earnings of the corporation after reasonable provision for possible losses shall be used for payment of dividends on capital stock. Any such dividends shall be deposited into the Treasury as miscellaneous receipts.

(b) In order to finance its activities, the corporation is authorized and empowered to issue to the Secretary of the Treasury, from time to time and to have outstanding at any one time, in an amount not exceeding $500,000,000, its notes, debentures, bonds, or other obligations. Such obligations shall have maturities agreed upon by the corporation and the Secretary of the Treasury, not in excess of fifty years. Such obligations may be redeemable at the option of the corporation before maturity in such manner as may be stipulated in such obligations, but the obligations thus redeemable shall not be refinanced by the corporation. Each such obligation shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate of current marketable obligations of the United States of comparable maturities as of the last day of the month preceding the issuance of the obligation of the corporation. The Secretary of the Treasury is authorized and directed to purchase any obligations of the corporation to be issued hereunder and for such purpose the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act are extended to include purchases of the corporation's obligations issued hereunder.

(c) The proceeds of the sale of its capital stock and any funds borrowed by it under this Act shall constitute a revolving fund which may be used by the corporation in the exercise of its functions.

(d) Section 101 of the Government Corporation Control Act, as amended (31 U. S. C. 84-6), is amended by inserting after "St. Lawrence Seaway Development Corporation;" the words "Public Facilities Credit Corporation".

CORPORATE POWERS

Sec. 7. (a) For the purpose of carrying out its functions under this Act the corporation --

(1) shall have succession in its corporate name;

(2) may adopt and use a corporate seal, which shall be judicially noticed;

(3) may adopt and use a corporate seal, which shall be judicially noticed;
(3) may sue and be sued in its corporate name;

(4) may adopt, amend, and repeal bylaws, rules, and regulations governing the manner in which its business may be conducted and the powers vested in it may be exercised;

(5) may make and carry out such contracts and agreements as are necessary or advisable in the conduct of its business;

(6) may appoint and fix the compensation, in accordance with the provisions of the civil service laws and the Classification Act of 1949, of such officers, attorneys, and employees as may be necessary for the conduct of its business, define their authority and duties, delegate to them such of the powers vested in the corporation as the Administrator may determine, require bonds of such of them as the Administrator may designate, and fix the penalties and pay the premiums on such bonds;

(7) may assign or sell at public or private sale, or otherwise dispose of, for cash or credit, upon such terms and conditions as the Administrator shall determine to be reasonable, any evidence of debt, contract, claim, personal property, or security held by the corporation in connection with the payment of loans or other obligations, and collect or compromise all obligations held by the corporation;

(8) may acquire by purchase, lease, or donation such real property or any interest therein, and may sell, lease, or otherwise dispose of such real property, as the Administrator deems necessary for the conduct of its business;

(9) shall determine the character of and the necessity of its obligations and expenditures, and the manner in which they shall be incurred, allowed and paid, subject to provisions of law specifically applicable to Government corporations; and

(10) shall be entitled to the use of the United States mails in the same manner and upon the same conditions as the executive departments of the United States Government.

(b) The enumeration of powers in subsection (a) of this section shall not be deemed to exclude other powers necessary to the achievement of the objects and purposes of the corporation.
CONTRIBUTIONS BY THE CORPORATION

Sec. 8. The corporation shall contribute to the civil-service retirement and disability fund, on the basis of annual billings, as determined by the Civil Service Commission, for the Government's share of the cost of the civil-service retirement system applicable to the corporation's employees and their beneficiaries. The corporation shall also contribute to the employee's compensation fund, on the basis of annual billings as determined by the Secretary of Labor, for the benefit payments made from such fund on account of the corporation's employees. The annual billings shall also include a statement of the fair portion of the cost of the administration of the respective funds, which shall be paid by the corporation into the Treasury as miscellaneous receipts.

MISAPPROPRIATION OF FUNDS

Sec. 9. (a) All general penal statutes relating to the larceny, embezzlement, or conversion of public moneys or property of the United States shall apply to the moneys and property of the corporation.

(b) Any person who, with intent to defraud the corporation, or to deceive any officer, or employee of the corporation or any officer or employee of the United States, (1) makes any false entry in any book of the corporation, or (2) makes any false report or statement for the corporation, shall, upon conviction thereof, be fined not more than $10,000 or imprisoned not more than five years, or both.

(c) Any person who shall receive any compensation, rebate, or reward, or shall enter into any conspiracy, collusion, or agreement, express or implied, with intent to defraud the corporation or wrongfully and unlawfully to defeat its purposes, shall, on conviction thereof, be fined not more than $5,000 or imprisoned not more than five years, or both.

REPORTS TO CONGRESS

Sec. 10. The corporation shall submit to the President for transmission to the Congress at the beginning of each regular session an annual report of its operations under this Act.

REPEALER

Sec. 11. Section 108 of the Reconstruction Finance Corporation Liquidation Act (67 Stat. 230), as amended, is hereby repealed.
SEPARABILITY OF PROVISIONS

Sec. 12. If any provision of this Act or the application of such provision to any person or circumstances shall be held invalid, the remainder of the Act and the application of such provision to persons or circumstances other than those as to which it is held invalid shall not be affected thereby.