(c) The board of directors shall meet at the call of its chairman, who shall require it to meet not less often than once each month.

(d) The President, by and with the advice and consent of the Senate, shall appoint a president of the Bank, who shall serve at the pleasure of the President. The president shall be chairman of the board of directors. Subject to the general policies of the board, the management of the Bank shall be vested in the president and he shall be the chief executive officer of the bank.

INITIAL BOARD OF DIRECTORS

SEC. 5. The initial members of the board of directors shall be appointed by the President, by and with the advice and consent of the Senate, for an initial term ending on the date of the first annual meeting of the common stockholders of the Bank representing all classes of common stock, but not less than one year. Members of the board appointed by the President for such terms shall be representative of Federal, State, local, and private interests.

INITIAL EXPENSES

SEC. 6. In order to facilitate the formation of the Bank, the Secretary of Housing and Urban Development is authorized to pay initial organizing and operating expenses. There is authorized to be appropriated ~~a sum not to exceed~~ $1,000,000, which sum shall be available for the purposes of this section for a period of three years from the date of enactment of this Act.

FUNCTIONS

SEC. 7(a). The Bank is authorized, subject to the provisions of this section, to make commitments to purchase and to purchase, service, or sell, on terms and conditions determined by the Bank, any obligation or participation therein, of a State or local government.

(b) Loans made by the Bank shall be in accordance with sound and prudent development banking principles. No commitment shall be entered into, and no purchase shall be made, unless the Bank determines that the proceeds of any such purchase will be used by the borrower to finance capital expenditures for public works and community facilities serving community needs.

(c) The Bank shall develop criteria to assure that projects assisted by it are not inconsistent with comprehensive planning for the development of the community in which the projects to be assisted will be located or disruptive of Federal programs which authorize Federal assistance for the development of like or similar categories of projects.

(d) Any loan made pursuant to this section may be in an amount not exceeding the total capital cost of the project to be financed with the loan; shall be secured in such manner and be repaid in such period, not exceeding 40 years, as may be determined by the Bank; and shall bear interest at a rate determined by the Bank which shall not be less than two-thirds the current average yield on outstanding obligations of the Bank as of the last day of the month preceding the date on which the loan is made.

COMMON STOCK

SEC. 8(a). The Bank shall have common stock, having a par value of $1,000 per share, which shall be divided into three classes—

(1) Class A stock, which shall not be transferable, to be issued by the Bank from time to time to each local government which is a member of the bank to evidence any capital subscriptions made by such member as required by subsection (e), and to be subscribed for in any amount by any local government;

(2) Class B stock, which shall not be tranferable, to be issued by the Bank from time to time to each State which is a member of the Bank to evidence any capital subscriptions made by such member as required by subsection (e), and to be subscribed for by the States in any amount but not less than an amount for any State which bears the same proportion to $100,000,000 as the population of that State bears to the population of all States; and

(3) Class C stock to be subscribed for by any private individual, partnership, corporation, foundation, society, association, or other organization, profit or nonprofit, in an amount at any time of not less than 10 shares.