

of the Urban Development Bank;" in the second proviso immediately after "any political subdivision thereof;"

(d) Paragraph (2) of section 14(b) of the Federal Reserve Act, as amended (12 U.S.C. 355) is further amended by inserting "or any obligation of the Urban Development Bank" immediately before the period at the end thereof.

#### DEFINITIONS

SEC. 21. As used in this Act—

(a) The term "Bank" means the Urban Development Bank created by section 3 of this Act.

(b) The term "State" means the States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands, or any agency or instrumentality of a State.

(c) The term "local government" means any county, municipality, or other political subdivision of a State, or agency or instrumentality thereof, or any school or other special district created by or pursuant to State law.

(d) The term "member of the Bank" means and State or local government which has sold its obligations to the Urban Development Bank pursuant to section 7 of this Act.

(e) The term "obligation" means any bond, note, debenture, or other instrument evidencing debt.

#### SEPARABILITY

SEC. 22. If any provision of this Act or the application thereof to any person or circumstance, is held invalid, the validity of the remainder of the Act, and the application of such provisions to other persons or circumstances, shall not be affected.

#### AUTHORIZATION FOR APPROPRIATIONS

SEC. 23. There are authorized to be appropriated, without fiscal year limitation, such sums as may be necessary to carry out the purposes of this Act.

### SECTION-BY-SECTION SUMMARY OF THE URBAN DEVELOPMENT BANK ACT OF 1969

*Section 1:* This section provides for the Act to be cited as the "Urban Development Bank Act of 1969."

*Section 2. Findings and declaration of purpose.*—This section states the findings that the sound and orderly development of our Nation's communities requires the timely provision of a wide variety of public works and community facilities and that the present source of capital funds to finance these projects is inadequate, and states the purpose of the Act to establish an Urban Development Bank to make long-term development loans at reasonable interest rates and to provide technical assistance to State and local governments to help them meet needs for public works and community facilities.

*Section 3. Creation of Banks.*—This section would establish the Urban Development Bank as a non-Federal corporation and would authorize the Bank to establish regional or metropolitan offices.

*Section 4. Board of Directors.*—This section would provide for a 17-member board of directors to consist of the president of the Bank, not more than three Federal officials or employees appointed by the President, three members appointed by the President representative of State or local government, four members elected by local governments holding class A stock of the Bank, four members elected by the States holding class B stock, and two members elected by private persons or organizations holding class C stock. Class C stockholders would elect only one director if their aggregate holdings were less than \$50 million, the President to appoint the remaining director. The term of non-Federal members would be one year, and members who were Federal officials would serve at the pleasure of the President. The board would meet at least monthly and would determine general policies of the Bank. The president of the Bank would be appointed by the President and would be chairman of the board of directors.

*Section 5. Initial Board of Directors.*—This section would authorize the President to appoint all directors for an initial term until all classes of common stock were represented, but not less than one year. The President's appointments would be representative of Federal, State, local, and private interests.