

Minnesota Rural Credit Bureau,
St. Paul, Minnesota,
June 3rd, 1924.

To His Excellency, J.A.O. Preus,
Governor of Minnesota.

Sir:-

WHEREAS, It seems necessary and expedient to offer for sale another issue of Rural Credit Bonds, and whereas it is provided by Section Four of the Minnesota Rural Credit Act, that before issuing bonds it shall be the duty of the Bureau to furnish to the Governor a statement showing the condition of the business of the Bureau.

NOW, THEREFORE, We beg leave to submit the following statement.

We have received since commencing operations on June 2nd, 1923, up to May 1st, 1924, 8,666 applications coming from eighty-six counties and amounting to \$50,980,776.00. Action has been taken upon these applications as follows:

8,666	Applications received	\$50,980,776.00
3,124	Loans closed or partly closed	\$16,411,000.00
1,292	Applications approved but not closed	7,466,895.00
1,424	Applications rejected and cancelled	8,954,595.00
2,826	Applications on hand for investigation	14,912,580.00
	Total amount of reductions	3,235,706.00
8,666		\$50,980,776.00 \$50,980,776.00

To meet this demand for loans and be able to close same, we have issued Rural Credit Bonds amounting to:

First series issued July 15th, 1923,	\$3,000,000
Second series issued November 15th, 1923,	1,000,000
Third series issued December 15th, 1923,	5,000,000
Fourth series issued February 15th, 1924,	<u>10,000,000</u>
Total	\$19,000,000

On May 22nd, 1924, the Bureau also offered for sale and sold another issue of Ten Million Dollars (\$10,000,000) Rural Credit Bonds. This issue to be dated June 1st, 1924, and mature in thirty years from date. However, the proceeds from the sale of this issue of bonds will not be available until we can deliver interim receipts to the purchasers on or about June 15th, 1924. The Bureau is now without funds to close loans and as there are a large number of loans ready for closing, we deem it necessary and expedient to immediately issue and sell to the Minnesota State Board of Investment another issue of One Million Dollars (\$1,000,000) Rural Credit Bonds and obtain funds with which to close pending loans until the proceeds from the said Ten Million Dollars issue are available, said bonds to be in denominations of Five Hundred Thousand Dollars (\$500,000) each, mature in ten and fifteen years respectively, and bear interest at the rate of four and one-half per centum ($4\frac{1}{2}\%$) per annum.

A statement showing amount of receipts and disbursements, cash balance on hand, exclusive of reserve fund, and face value of mortgages held by the Bureau on May 1st, 1924, is hereto attached marked exhibit "A" and made a part hereof.

Respectfully submitted,

MINNESOTA RURAL CREDIT BUREAU,

By *Ervin S. Phillips*
Chairman.

EXHIBIT "A"

Statement of the amount of Rural Credit Bonds issued and outstanding, cash balance on hand, exclusive of the Reserve Fund, and face value of mortgages taken and held by the Minnesota Rural Credit Bureau on May 1st, 1924, viz:

BONDS ISSUED

July 15th, 1923,	\$5,000,000.00
November 15th, 1923,	1,000,000.00
December 15th, 1923,	5,000,000.00
February 15th, 1924,	10,000,000.00
Total	\$19,000,000.00

MORTGAGES

Total face value of mortgages held,	16,411,000.00
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CONSOLIDATED STATEMENT
RURAL CREDIT FUND - PRINCIPAL
RURAL CREDIT FUND - INTEREST
MAY 1st, 1924.

RECEIPTS:		CONSOLIDATED
Sale of Bonds	19,000,000.00	19,000,000.00
Premium on Bonds	51,000.00	31,000.00
Accrued Interest on Bonds	62,950.46	62,950.46
Miscellaneous Collections and vouchers refunded	116,887.97	116,887.97
Interest Received on Bank Balance and Loans	62,368.52	62,368.52
	<u>19,116,887.97</u>	<u>19,273,206.95</u>

DISBURSEMENTS:		
Interest Paid on Bonds - Jan. 15, 1924	67,500.00	67,500.00
Vouchers issued	16,127,029.75	16,127,029.75
Balance in Treasury May 1st, 1924	2,989,858.22	3,078,677.20
	<u>19,116,887.97</u>	<u>19,273,206.95</u>

NOTE:

The face value of mortgages held by the Bureau exceeds the total disbursements, exclusive of interest payments, from the Rural Credit Fund. The reason for this is that settlement with the borrower is delayed in many instances owing to the unexpected delays in obtaining releases of prior liens.