

Department of Rural Credit,  
St. Paul, Minnesota,  
February 2, 1931.

To His Excellency, Floyd B. Olson,  
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 financial 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 and including December 31st, 1930, 18,266 applications coming from eighty-six counties and amounting to \$97,853,821.00. Action has been taken upon these applications as follows:

APPLICATION STATEMENT

DECEMBER 31, 1930.

	<u>Number</u>	<u>Amount</u>
Applications Received	18,266	97,853,821.00
Applications Cancelled before approval	496	2,755,150.00
	<u>17,770</u>	<u>95,098,671.00</u>

DISPOSITION:

Closed or partly closed	10,083	46,523,000.00
Approved, not closed	709	3,087,900.00
Cancelled after approval	1,345	6,349,700.00
Transferred to Real Estate	1,797	9,864,100.00

	13,934	65,824,700.00
Rejections	3,640	19,296,095.00
Reductions		9,318,416.00
On hand for investigation	196	959,460.00
	<u>17,770</u>	<u>95,098,671.00</u>

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

<u>Date of Issue</u>	<u>Due Date</u>	<u>Term</u>	<u>Rate</u>	<u>Amount</u>
July 15, '23	July 15, '43	20 Yrs.	4 1/2%	\$3,000,000.00
Nov. 13, '23	Nov. 13, '33	10 "	4 1/2%	500,000.00
Nov. 13, '23	Nov. 13, '38	15 "	4 1/2%	500,000.00
Dec. 15, '23	Dec. 15, '43	20 "	4 1/2%	100,000.00
Dec. 15, '23	Dec. 15, '43	20 "	4 1/2%	300,000.00
Dec. 15, '23	Dec. 15, '43	20 "	4 1/2%	1,800,000.00
Dec. 15, '23	Dec. 15, '43	20 "	4 1/2%	1,700,000.00
Dec. 15, '23	Dec. 15, '43	20 "	4 1/2%	1,100,000.00
Feb. 15, '24	Feb. 15, '54	30 "	4 1/2%	5,492,000.00
Feb. 15, '24	Feb. 15, '54	30 "	4 1/2%	4,508,000.00
June 1, '24	June 1, '54	30 "	4 1/2%	3,500,000.00
June 1, '24	June 1, '54	30 "	4 1/2%	3,300,000.00
June 1, '24	June 1, '54	30 "	4 1/2%	3,200,000.00
June 4, '24	June 4, '34	10 "	4 1/2%	500,000.00
June 4, '24	June 4, '39	15 "	4 1/2%	500,000.00
Dec. 1, '24	Dec. 1, '39	15 "	4 1/2%	5,000,000.00
Nov. 26, '24	Nov. 26, '34	10 "	4 1/2%	900,000.00
Nov. 26, '24	Nov. 26, '34	10 "	4 1/2%	100,000.00
Mar. 19, '25	Mar. 15, '35	10 "	4 1/2%	300,000.00
Mar. 24, '25	Mar. 15, '35	10 "	4 1/2%	200,000.00
Apr. 7, '25	Mar. 15, '35	10 "	4 1/2%	500,000.00
Nov. 18, '25	Nov. 1, '40	15 "	4.15%	250,000.00
Dec. 7, '25	Nov. 1, '40	15 "	4.15%	250,000.00
Dec. 7, '25	Nov. 1, '40	15 "	4.15%	250,000.00
Dec. 28, '25	Nov. 1, '40	15 "	4.15%	250,000.00
Jan. 8, '26	Nov. 1, '40	15 "	4.15%	250,000.00
Jan. 21, '26	Nov. 1, '40	15 "	4.15%	250,000.00
Feb. 3, '26	Nov. 1, '40	15 "	4.15%	250,000.00
Feb. 16, '26	Nov. 1, '40	15 "	4.15%	250,000.00
Feb. 16, '26	Feb. 1, '41	15 "	4.15%	250,000.00
Mar. 5, '26	Feb. 1, '41	15 "	4.15%	250,000.00
Mar. 5, '26	Feb. 1, '41	15 "	4.15%	250,000.00
Apr. 5, '26	Feb. 1, '41	15 "	4.15%	250,000.00
Apr. 5, '26	Feb. 1, '41	15 "	4.15%	250,000.00
May 6, '26	Feb. 1, '41	15 "	4.15%	250,000.00
May 6, '26	Feb. 1, '41	15 "	4.15%	250,000.00
June 14, '26	Feb. 1, '41	15 "	4.15%	250,000.00
July 1, '26	Feb. 1, '41	15 "	4.15%	250,000.00
July 26, '26	Feb. 1, '41	15 "	4.15%	250,000.00
Aug. 17, '26	Feb. 1, '41	15 "	4.15%	250,000.00
Aug. 31, '26	Feb. 1, '41	15 "	4.15%	250,000.00
Sept. 22, '26	Sept. 15, '41	15 "	4.07 1/2%	250,000.00
Oct. 18, '26	Sept. 15, '41	15 "	4.07 1/2%	250,000.00
Nov. 5, '26	Sept. 15, '41	15 "	4.07 1/2%	250,000.00
Nov. 26, '26	Sept. 15, '41	15 "	4.07 1/2%	250,000.00
Dec. 6, '26	Sept. 15, '41	15 "	4.07 1/2%	250,000.00
Jan. 3, '27	Sept. 15, '41	15 "	4.07 1/2%	250,000.00
Jan. 7, '27	Feb. 1, '41	15 "	4.07 1/2%	250,000.00
Jan. 7, '27	Feb. 1, '41	15 "	4.07 1/2%	250,000.00
Feb. 17, '27	Feb. 1, '41	15 "	4.07 1/2%	250,000.00
Apr. 12, '27	Feb. 1, '41	15 "	4.07 1/2%	250,000.00
June 3, '27	Feb. 1, '41	15 "	4.07 1/2%	250,000.00
July 8, '27	Feb. 1, '41	15 "	4.07 1/2%	250,000.00
July 28, '27	July 20, '42	15 "	4.05%	250,000.00
Aug. 17, '27	July 20, '42	15 "	4.05%	250,000.00
Aug. 30, '27	July 20, '42	15 "	4.05%	250,000.00
Sept. 26, '27	July 20, '42	15 "	4.05%	250,000.00
Oct. 24, '27	July 20, '42	15 "	4.05%	250,000.00

(Continued)

<u>Date of Issue</u>	<u>Due Date</u>	<u>Term</u>	<u>Rate</u>	<u>Amount</u>
(Continued;)				
Nov. 8, '27	July 20, '42	15 Yrs.	4.05%	\$ 250,000.00
Nov. 30, '27	July 20, '42	15 "	4.05%	250,000.00
Dec. 27, '27	July 20, '42	15 "	4.05%	250,000.00
Jan. 20, '28	July 20, '42	15 "	4.05%	250,000.00
Mar. 1, '28	July 20, '42	14 "	4.05%	250,000.00
Apr. 8, '28	July 20, '42	14 "	4.05%	250,000.00
May 2, '28	July 20, '42	14 "	4.05%	250,000.00
June 5, '28	June 1, '43	15 "	4.01%	250,000.00
June 20, '28	June 1, '43	15 "	4.01%	250,000.00
July 12, '28	June 1, '43	15 "	4.01%	250,000.00
Aug. 9, '28	June 1, '43	15 "	4.01%	250,000.00
Aug. 30, '28	June 1, '43	15 "	4.01%	250,000.00
Sept. 28, '28	June 1, '43	15 "	4.01%	250,000.00
Oct. 27, '28	June 1, '43	15 "	4.01%	250,000.00
Dec. 6, '28	June 1, '43	15 "	4.01%	250,000.00
Jan. 10, '29	June 1, '43	15 "	4.01%	250,000.00
Jan. 30, '29	June 1, '43	15 "	4.01%	250,000.00
Mar. 11, '29	June 1, '43	15 "	4.01%	250,000.00
Apr. 17, '29	June 1, '43	15 "	4.01%	250,000.00
July 3, '29	June 15, '44	15 "	4.15%	250,000.00
Aug. 20, '29	June 15, '44	15 "	4.15%	250,000.00
Sept. 26, '29	June 15, '44	15 "	4.15%	250,000.00
Oct. 30, '29	June 15, '44	15 "	4.15%	250,000.00
Dec. 2, '29	June 15, '44	15 "	4.15%	250,000.00
Dec. 20, '29	June 15, '44	15 "	4.15%	250,000.00
Jan. 13, '30	June 15, '44	15 "	4.15%	250,000.00
Feb. 7, '30	June 15, '44	15 "	4.15%	250,000.00
Feb. 20, '30	Feb. 1, '45	15 "	4.15%	250,000.00
Mar. 7, '30	Feb. 1, '45	15 "	4.15%	250,000.00
Mar. 27, '30	Feb. 1, '45	15 "	4.15%	250,000.00
May 26, '30	Feb. 1, '45	15 "	4.15%	250,000.00
June 24, '30	Feb. 1, '45	15 "	4.15%	250,000.00
July 21, '30	Feb. 1, '45	15 "	4.15%	250,000.00
Aug. 5, '30	Feb. 1, '45	15 "	4.15%	250,000.00
Aug. 27, '30	Feb. 1, '45	15 "	4.15%	250,000.00
Oct. 1, '30	Feb. 1, '45	15 "	4.15%	250,000.00
Oct. 27, '30	Feb. 1, '45	15 "	4.15%	250,000.00
Nov. 25, '30	Feb. 1, '45	15 "	4.15%	250,000.00
Dec. 11, '30	Feb. 1, '45	15 "	4.15%	250,000.00
Dec. 29, '30	Feb. 1, '46	15 "	4.15%	250,000.00
Dec. 29, '30	Feb. 1, '46	15 "	4.15%	250,000.00
Total				56,500,000.00

To meet the urgent need of funds with which to close loans that have been granted and approved by the Bureau, we deem it necessary and expedient to offer for sale another Three Million Dollars (\$3,000,000.00) issue of Rural Credit Bonds, said bonds to be in denominations of Two Hundred Fifty Thousand Dollars (\$250,000.00) each, bearing interest at the rate of four and one hundredths (4.01) per cent. per annum, payable semi-annually, and maturing February 1st, 1946.

A statement showing the condition of the Rural Credit Fund at close of business December 31st, 1930, is hereto attached marked Exhibit "A" and made a part hereof.

Respectfully submitted,

STATE OF MINNESOTA,

DEPARTMENT OF RURAL CREDIT

By O. O. Sagen  
Chairman of Rural Credit Bureau

EXHIBIT "A",  
RURAL CREDIT FUND  
DECEMBER 31, 1930

RESOURCES:

Cash		294,552.63
First Mortgage loans	46,323,000.00	
Less: Payments on principal	<u>2,739,902.61</u>	43,583,097.39
Insurance Receivable		18,486.70
Foreclosure Expense		73,051.93
Taxes		443,406.06
Returned Checks		3,291.98
Real Estate		12,160,939.56
Suspense Account		8,913.70
Over-Payment		.90

LIABILITIES:

Insurance Payable		15,464.66
Borrowers' Credit		70,276.19
Rural Credit Bonds		<u>56,500,000.00</u>
		<u>56,585,740.85</u>
		<u>56,585,740.85</u>

February 2nd, 1931.

Regular meeting of the Rural Credit Bureau, Department of Rural Credit, State of Minnesota held at its office in the Hamm Building, St. Paul, Minnesota, on the 20th day of January, 1931. Members present: Ole O. Sageng, H. H. Flowers and H. M. Feroe. Ole O. Sageng, Chairman, presiding.

H. H. Flowers, a member of said Bureau, offered the following resolution and moved its adoption:

RESOLVED, By the Rural Credit Bureau, that under the authority conferred by amendment to the Constitution of the State of Minnesota, and under the authority of Chapter 225, Laws of Minnesota, 1923, and acts amendatory thereof, there shall be and there are hereby directed to be issued, payable by the State of Minnesota, bearing interest at the rate of four and one one hundredths (4.01) per centum per annum, bonds to the amount of Three Million Dollars (\$3,000,000.00). Said bonds to be dated when and as issued, and shall become due and payable February 1st, 1946, shall be issued in denominations of Two Hundred Fifty Thousand Dollars (\$250,000.00) and numbered thirty-two thousand seven hundred fifty-six (32,756) to thirty-two thousand seven hundred sixty-seven (32,767), both inclusive, the interest on said bonds to be payable semi-annually February 1st and August 1st to the holder thereof. Both principal and interest shall be payable at the office of the State Treasurer, St. Paul, Minnesota, or at The First National Bank, St. Paul, Minnesota, or at the Bankers Trust Company of New York, N.Y., or at such other Bank or Trust Company as may be appointed by said State in said Cities of St. Paul and New York, at the option of the holder. The said bonds shall be exempt from all general taxes, State, County and Municipal, and are not subject to State Income Tax in Minnesota.

The said bonds are a part of a total authorized issue of Seventy Million Dollars (\$70,000,000.00) provided for by Chapter 225, Laws of Minnesota, 1923, as amended by Chapter 270, Laws of Minnesota, 1925, and by the amendment to Section 10 of Article IX of the Constitution of Minnesota, adopted at the general election of 1922. The amortization provisions of said Chapter 225, Laws of 1923, have been taken into account in determining and fixing the maturity dates of said bonds.

BE IT FURTHER RESOLVED, That the form of said bonds shall be substantially as follows:

UNITED STATES OF AMERICA  
STATE OF MINNESOTA  
RURAL CREDIT BOND  
DIRECT OBLIGATION OF THE STATE.

No. \_\_\_\_\_ \$250,000.00

The State of Minnesota, for value received, acknowledges itself to be indebted and promises to pay to the State of Minnesota, \_\_\_\_\_ Fund, or order, the sum of Two Hundred Fifty Thousand Dollars (\$250,000.00) on the 1st day of February, 1946, and to pay interest thereon at the rate of four and one one hundredths (4.01) per centum per annum, due and payable semi-annually on the 1st days of February and August in each year, both principal and interest of this bond being payable in lawful money of the United States, at the office of the State Treasurer, St. Paul, Minnesota, or at the option of the holder, at The First National Bank, St. Paul, Minnesota, or at the Bankers Trust Company, New York, N.Y., or at such other Bank or Trust Company as may be appointed by said State in said Cities of St. Paul and New York.

This bond is issued under and pursuant to and in strict conformity with the Constitution and laws of the State of Minnesota, including among others, Article IX, Section 10,

of the Constitution, as amended, and Chapter 225, Laws of Minnesota, 1923, and acts amendatory thereof, for the purpose of raising money for the use of the Rural Credit Fund of said State, to be loaned and disbursed as directed by the said statute.

This bond is exempt from all general taxes, State, County and Municipal, and is not subject to State Income Tax in Minnesota.

It is hereby certified, recited and declared, that all acts, conditions and things required to exist, happen and be performed precedent to and in issuance of this bond, have existed, happened and been performed in due time, form and manner as required by law, and that this bond and the issue of which it forms a part, together with all other indebtedness of said State, does not exceed any constitutional or statutory limitation of indebtedness. The full faith, credit and resources of the State of Minnesota hereby are irrevocably pledged for the prompt and punctual payment of the principal and interest of this bond.

IN WITNESS WHEREOF, the STATE OF MINNESOTA, Department of Rural Credit, by its Rural Credit Bureau, has caused this bond to be issued under the Great Seal of the State, and to be signed by the Chairman of said Bureau in behalf of said Bureau and attested by the Secretary of the State of Minnesota, the form thereof having been approved by the Attorney General of said State, and this bond to be dated on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_.

STATE OF MINNESOTA,  
DEPARTMENT OF RURAL CREDIT

By \_\_\_\_\_  
Chairman of Rural Credit Bureau.

Attest:

\_\_\_\_\_  
Secretary of State.

Form Approved:

\_\_\_\_\_  
Attorney General



This bond has been presented to the State Auditor of the State of Minnesota and due record thereof has been made in his office.

\_\_\_\_\_  
State Auditor."

BE IT FURTHER RESOLVED That the full faith, credit and resources of the State of Minnesota are hereby pledged for the prompt and punctual payment of the principal and interest of the said bonds, and for the assurance of the purchasers and holders of the said bonds, the Rural Credit Bureau of the Department of Rural Credit hereby agrees that it will, when necessary, issue and dispose of Tax Levy Certificates, as authorized by said Chapter 225, Laws of Minnesota, 1923, and acts amendatory thereof, from time to time, in an amount sufficient to pay the principal and interest of the said bonds, and the Bureau shall certify the amount of the said Tax Levy Certificates so issued, and the maturity dates thereof, to the State Auditor, who shall thereupon as required by law, make a tax levy against all taxable property of the State, in the same manner as other taxes are levied, in an amount sufficient to pay the said Tax Levy Certificates at maturity, together with interest thereon and that the proceeds of the said Tax Levy Certificates shall be applied in the payment of the principal and interest of the said bonds.

H. H. Flowers seconded the motion, the same being put to a vote by the Chairman. H. H. Flowers voted "aye." Ole O. Sageng voted "aye." H. M. Feroe voted "aye." Whereupon the Chairman declared said resolution duly adopted.

On motion the minutes were read and approved.

On Motion the meeting adjourned.

H. H. Flowers  
Secretary.

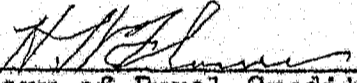
Attest:

Ole O. Sageng  
Chairman.

STATE OF MINNESOTA, }  
COUNTY OF RAMSEY } SS.

I, H. H. Flowers, Secretary of the Rural Credit Bureau of the Department of Rural Credit and custodian of its files and records, do hereby certify that I have compared the foregoing annexed copy of the minutes of and resolution adopted at a meeting held by said Bureau on the 20th day of January, 1931, and that the same is a full, true and correct copy of the original of said minutes and resolution, and the whole thereof, as the same appears of record in my office.

Witness my hand and the seal of said Bureau at  
St. Paul, Minnesota, this 2nd day of February, 1931.

  
Secretary of Rural Credit Bureau.

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STATE OF MINNESOTA

DEPARTMENT OF STATE

FILED

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*W. H. H. H.*  
Secretary of State