

CHAPTER 217.

[S. B. 346.]

READJUSTMENT OF RETURNING VETERANS.

AN ACT authorizing the State of Washington to assist in the readjustment to civilian life of returning World War II veterans in conjunction with the Federal Government in guaranteeing certain loans; creating the division of Veterans' Loan Insurance; providing for its organization, powers, duties and responsibilities; prescribing the powers and duties of the Director of Finance, Budget and Business and the Supervisor of Veterans' Loan Insurance in relation thereto; making an appropriation and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

Policy.

SECTION 1. It is the intention of the Legislature by this act to partially discharge the obligation of the State of Washington to those of its citizens who are serving, or who shall have served, in the Army, Navy, Marine Corps or Coast Guard, during World War II, by creating in the Department of Finance, Budget and Business the Division of Veterans' Loan Insurance and authorizing the Director through said division to guarantee, to the extent provided in this act, loans made to such citizens by state banks and savings and loan associations, in conjunction with loan guarantees made by the Federal Government under Public Law No. 346, or as the same may be hereafter amended, being chapter 268 of the second session of the 78th Congress, in order that such citizens may more readily obtain loans for their economic rehabilitation and readjustment to civilian life.

Supervisor
of Veterans'
Loan
Insurance.

SEC. 2. The Director of Finance, Budget and Business shall appoint and deputize an assistant director to be known as the Supervisor of Veterans' Loan Insurance, who shall have charge and supervision of the Division of Veterans' Loan Insurance and who shall have power, with the approval of the

Director to appoint and deputize such clerical and other assistants as may be necessary to carry on the work of the division and to provide necessary quarters, supplies and equipment. The division shall maintain its principal office at the State Capitol, but branch offices at other places may be established.

SEC. 3. In order to assist the granting of loans to any citizen of the State of Washington who is serving or who shall have served in the Army, Navy, Marine Corps or Coast Guard during World War II and who shall apply to any state bank or savings and loan association chartered under the laws of the State of Washington for a loan which may be guaranteed by the United States under the provisions of Public Law 346, the Director of Finance, Budget and Business, through and by means of the Division of Veterans' Loan Insurance, shall have the power and duty:

Powers and duties.

(1) To guarantee, under such terms and conditions as the Director may deem advisable, the payment of any federally guaranteed loan made to any such citizen by any such state bank or savings and loan association, to an amount not in excess of twenty-five per cent (25%) of the face value of such loan, any such guarantee to be in addition to the Federal guarantee and to be made solely from and by means of the Veterans' Loan Insurance Reserve Fund authorized by this act: *Provided*, That in no event shall the total of any guarantee of the United States and any guarantee made under the provisions of this act exceed seventy-five per cent (75%) of the face value of any such loan: *Provided further*, That the total amount of all guarantees made by the Director pursuant to the act shall not exceed the total liability of the Veterans' Loan Insurance Reserve Fund authorized by this act.

Guarantee.

(2) To exercise such other powers and perform such other duties in connection with such loans and the Veterans' Loan Insurance Reserve Fund guaran-

tee thereof as may be necessary to accomplish the purposes of this act and to protect the interests of the State of Washington in connection therewith and to have such other powers and duties as may be prescribed by law.

Powers and duties.

(3) To transfer such money from the Veterans' Loan Insurance Fund to the Veterans' Loan Insurance Reserve Fund at such times and in such amounts as he may deem necessary to accomplish the purposes of this act.

(4) To issue regulations concerning the terms and conditions under which the Veterans' Loan Insurance Reserve Fund guarantee will be extended or paid in connection with any loan guaranteed pursuant to the provisions of this act, and to receive from borrowers and lenders such loan insurance premiums as he may require from time to time to be paid by them.

Insurance fund.

SEC. 4. There is hereby created in the Division of Veterans' Loan Insurance the Veterans' Loan Insurance Fund.

Reserve fund.

SEC. 5. From the Veterans' Loan Insurance Fund and from any loan insurance premiums paid to the Division of Veterans' Loan Insurance by any borrowers or lenders qualified to borrow or lend under the terms of this act, the Director of Finance, Budget and Business shall create the Veterans' Loan Insurance Reserve Fund, which shall constitute the sole fund from which there may be paid any losses accruing to any state bank or savings and loan association from any loans guaranteed under the provisions of this act.

Authority to pay guaranteed loans.

SEC. 6. The Director shall have authority to pay out of the Veterans' Loan Insurance Reserve Fund such losses as may result from any loans guaranteed under the provisions of this act to the extent of such guarantee: *Provided*, That the aggregate liability of the Veterans' Loan Insurance Reserve Fund for

all such losses shall never exceed the total amount in said reserve fund.

SEC. 7. All money in the Veterans' Loan Insurance Fund and all money in the Veterans' Loan Insurance Reserve Fund shall be invested by the State Finance Committee and all expenses of the Veterans' Loan Insurance Division shall be paid by the Director from the income from said investments, which expenses the Director is hereby authorized to incur and pay.

Investment
of funds.

Expenses.

SEC. 8. For the purposes of this act there is hereby appropriated from the General Fund of the State of Washington the sum of five million dollars (\$5,000,000) which shall constitute the Veterans' Loan Insurance Fund created by this act.

Appropriation.

SEC. 9. This act is necessary for the immediate preservation of the public peace, health and safety, support of the state government and its existing public institutions and shall take effect immediately.

Effective
immediately.

Passed the Senate March 1, 1945.

Passed the House March 7, 1945.

Approved by the Governor March 16, 1945.