

German Mortgage Bank Law of 1899, will mature not later than the maturity of the bonds and will bear interest at the rate of at least 7 per cent. Payment on account of the principal thereof will be collectible by the Trustees. The deposit of the mortgage documents under the Trust Indenture provides security equivalent to a pledge under German law.

Each of the agricultural credit organizations from which the deposited mortgage documents are acquired by the Bank will be individually respectively liable with respect to such mortgages to the full amount of the unamortized principal thereof.

The Bank covenants that it will not issue any other bonds or contract any indebtedness in any manner sharing in the specific security provided for the bonds of this issue.

The Bank also covenants at all times to maintain the value of the security provided by the trust indenture for the outstanding bonds at an amount at least equivalent to the aggregate principal amount of such bonds in dollars.

(b) *Saxon State Mortgage Institution (31, 66)*. The bonds are endorsed by the Free State of Saxony, which unconditionally guarantees the due and punctual payment of the principal at maturity and of the interest. They are direct credit obligations of the Mortgage Institution secured by its entire resources. They shall at all times be secured by the pledge of mortgages of an unamortized principal equivalent to the aggregate principal amount of the outstanding bonds, or, in lieu of such mortgages, cash of an equivalent amount. These mortgages shall constitute absolute first liens on industrial properties. They may not exceed 30 per cent of the conservatively appraised value of the real estate covered, together with improvements thereon, shall bear interest at a rate not less than 7 per cent (No. 66: 6½ per cent) and shall mature not later than December 1, 1945 (No. 66: December 1, 1946).

(c) *Municipal Bank of the State of Hessen (22)*. The bonds are endorsed by the State of Hessen which is unconditionally and unlimitedly liable for the due and punctual payment of the

