

Pub. L. 93-383, §805(a), substituted “. The Corporation may hold” for “, and to hold” and inserted provisions relating to the servicing of any such mortgage by the seller or qualified financial institution.

Subsec. (a)(2). Pub. L. 93-383, §805(b), substituted “80” for “75” in two places and “not exceed 20” for “not exceed 10”, struck out “private” before “insurer” in cl. (C), and substituted provisions relating to limitations contained in first proviso of first sentence of section 1464(c) of this title, for provisions relating to limitations applicable if the mortgage were insured by the Secretary under section 1709(b) or 1713 of this title.

#### Statutory Notes and Related Subsidiaries

##### EFFECTIVE DATE OF 2018 AMENDMENT

Pub. L. 115-174, title III, §310(d), May 24, 2018, 132 Stat. 1355, provided that: “The amendments made by subsections (a) and (b) [amending this section and section 1717 of this title] shall take effect on the date that is 180 days after the date of enactment of this Act [May 24, 2018].”

##### EFFECTIVE DATE OF 2008 AMENDMENT

Pub. L. 110-289, div. A, title I, §1124(b)(3), July 30, 2008, 122 Stat. 2693, provided that: “The amendments made by paragraphs (1) and (2) of this subsection [amending this section] shall take effect upon the expiration of the date described in section 201(a) of the Economic Stimulus Act of 2008 (Public Law 110-185) [122 Stat. 619; probably means Dec. 31, 2008].”

##### EFFECTIVE DATE OF 1998 AMENDMENTS

Pub. L. 105-277, div. A, §122, Oct. 21, 1998, 112 Stat. 2681-546, provided that the amendment made by section 122 is effective upon enactment of Pub. L. 105-276 (Oct. 21, 1998).

Amendment by title V of Pub. L. 105-276 effective and applicable beginning upon Oct. 1, 1999, except as otherwise provided, with provision that Secretary may implement amendment before such date, except to extent that such amendment provides otherwise, and with savings provision, see section 503 of Pub. L. 105-276, set out as a note under section 1437 of Title 42, The Public Health and Welfare.

##### EFFECTIVE DATE OF 1981 AMENDMENT

Pub. L. 97-110, title II, §202(b)(2), Dec. 26, 1981, 95 Stat. 1514, provided that: “The amendment made by paragraph (1) [amending this section] shall take effect on January 1, 1982, and shall apply to commitments entered into on or after such date.”

##### EFFECTIVE DATE OF 1978 AMENDMENT

Pub. L. 95-557, title III, §321(c), Oct. 31, 1978, 92 Stat. 2102, provided: “The amendments made by this section [amending this section] shall become effective at the end of the two hundred and ten calendar days after enactment of this Act [Oct. 31, 1978], but not before January 31, 1979, or on such earlier date as the Federal Home Loan Mortgage Corporation may prescribe.”

##### SAVINGS PROVISION

Pub. L. 105-276, title V, §582(b), Oct. 21, 1998, 112 Stat. 2644, provided that: “Except to the extent otherwise provided in this Act [see Tables for classification], the repeals made by subsection (a) [amending this section and section 1717 of this title, repealing sections 1437a-1, 1437j-1, 1438, and 11903a of Title 42, The Public Health and Welfare, amending provisions set out as a note under section 1437f of Title 42, and repealing provisions set out as notes under section 1701z-6 of this title and sections 1437f, 1437g, and 1437t of Title 42] shall not affect any legally binding obligations entered into before the effective date under section 503(a) of this Act [set out as a note under section 1437 of Title 42].”

## § 1455. Obligations and securities of the Corporation

### (a) Authority to issue; terms and conditions; validity

The Corporation is authorized, upon such terms and conditions as it may prescribe, to borrow, to give security, to pay interest or other return, and to issue notes, debentures, bonds, or other obligations, or other securities, including without limitation mortgage-backed securities guaranteed by the Government National Mortgage Association in the manner provided in section 1721(g) of this title. Any obligation or security of the Corporation shall be valid and binding notwithstanding that a person or persons purporting to have executed or attested the same may have died, become under disability, or ceased to hold office or employment before the issuance thereof.

### (b) Prohibitions and restrictions; creation of liens and charges; rank and priority; causes of action to enforce; jurisdiction; service of process

The Corporation may, by regulation or by writing executed by the Corporation, establish prohibitions or restrictions upon the creation of indebtedness or obligations of the Corporation or of liens or charges upon property of the Corporation, including after-acquired property, and create liens and charges, which may be floating liens or charges, upon all or any part or parts of the property of the Corporation, including after-acquired property. Such prohibitions, restrictions, liens, and charges shall have such effect, including without limitation on the generality of the foregoing such rank and priority, as may be provided by regulations of the Corporation or by writings executed by the Corporation, and shall create causes of action which may be enforced by action in the United States District Court for the District of Columbia or in the United States district court for any judicial district in which any of the property affected is located. Process in any such action may run to and be served in any judicial district or any place subject to the jurisdiction of the United States.

### (c) Purchase of obligations; funds, maximum amount of purchases, etc.

(1) The Secretary of the Treasury may purchase any obligations issued under subsection (a). For such purpose, the Secretary may use as a public debt transaction the proceeds of the sale of any securities issued under chapter 31 of title 31, and the purposes for which securities may be issued under such chapter are extended to include such purpose.

(2) The Secretary of the Treasury shall not at any time purchase any obligations under this subsection if the purchase would increase the aggregate principal amount of the outstanding holdings of obligations under this subsection by the Secretary to an amount greater than \$2,250,000,000.

(3) Each purchase of obligations by the Secretary of the Treasury under this subsection shall be upon terms and conditions established to yield a rate of return determined by the Secretary to be appropriate, taking into consider-

ation the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the making of the purchase.

(4) The Secretary of the Treasury may at any time sell, upon terms and conditions and at prices determined by the Secretary, any of the obligations acquired by the Secretary under this subsection.

(5) All redemptions, purchases and sales by the Secretary of the Treasury of obligations under this subsection shall be treated as public debt transactions of the United States.

**(d) Validity of provisions; validity of restrictions, prohibitions, liens, or charges**

The provisions of this section and of any restriction, prohibition, lien, or charge referred to in subsection (b) shall be fully effective notwithstanding any other law, including without limitation on the generality of the foregoing any law of or relating to sovereign immunity or priority.

**(e) Authority to purchase, hold, or invest by person, trust, or organization**

(1) Any person, trust, or organization created pursuant to or existing under the laws of the United States or any State shall be authorized to purchase, hold, and invest in mortgages, obligations, or other securities which are or have been sold by the Corporation pursuant to this section or pursuant to section 1454 of this title to the same extent that such person, trust, or organization is authorized under any applicable law to purchase, hold, or invest in obligations issued by or guaranteed as to principal and interest by the United States or any agency or instrumentality thereof. Where State law limits the purchase, holding, or investment in obligations issued by the United States by such a person, trust, or organization, such Corporation mortgages, obligations, and other securities shall be considered to be obligations issued by the United States for purposes of the limitation.

(2) The provisions of paragraph (1) shall not apply with respect to a particular person, trust, or organization or class thereof in any State which, after December 21, 1979, enacts a statute which specifically names the Corporation and either prohibits or provides for a more limited authority to purchase, hold, or invest in such securities by such person, trust, or organization or class thereof than is provided in paragraph (1). The enactment by any State of any statute of the type described in the preceding sentence shall not affect the validity of any contractual commitment to purchase, hold, or invest which was made prior thereto.

(3) Any authority granted by paragraph (1) and not granted by any other Federal statute shall expire as of the end of June 30, 1985. Such expiration shall not affect the validity of any contractual commitment to purchase, hold, or invest which was made prior thereto pursuant to paragraph (1), and shall not affect the validity of any contractual commitment or other action to purchase, hold, or invest pursuant to any other authorization.

**(f) Preferred stock**

The Corporation may have preferred stock on such terms and conditions as the Board of Direc-

tors shall prescribe. Any preferred stock shall not be entitled to vote with respect to the election of any member of the Board of Directors.

**(g) Securities exempt from regulation**

All securities issued or guaranteed by the Corporation (other than securities guaranteed by the Corporation that are backed by mortgages not purchased by the Corporation) shall, to the same extent as securities that are direct obligations of or obligations guaranteed as to principal or interest by the United States, be deemed to be exempt securities within the meaning of the laws administered by the Securities and Exchange Commission.

**(h) Securities backed by mortgages not purchased by Corporation**

(1) The Corporation may not guarantee mortgage-backed securities or mortgage related payment securities backed by mortgages not purchased by the Corporation.

(2) The Corporation shall insert appropriate language in all of the obligations and securities of the Corporation issued under this section and section 1454 of this title clearly indicating that such obligations and securities, together with the interest thereon, are not guaranteed by the United States and do not constitute a debt or obligation of the United States or any agency or instrumentality thereof other than the Corporation.

**(i) Prohibition on assessment or collection of fee or charge by United States**

Except for fees paid pursuant to sections 1452(c)<sup>1</sup> and 1455(c) of this title and assessments pursuant to section 4516 of this title, no fee or charge may be assessed or collected by the United States (including any executive department, agency, or independent establishment of the United States) on or with regard to the purchase, acquisition, sale, pledge, issuance, guarantee, or redemption of any mortgage, asset, obligation, or other security by the Corporation. No provision of this subsection shall affect the purchase of any obligation by any Federal home loan bank pursuant to section 1452(a) of this title.

**(j) Notes, debentures, or substantially identical types of unsecured obligations; issuance, maturities, interest rates, etc.**

(1) Any notes, debentures, or substantially identical types of unsecured obligations of the Corporation evidencing money borrowed, whether general or subordinated, shall be issued upon the approval of the Secretary of the Treasury and shall have such maturities and bear such rate or rates of interest as may be determined by the Corporation with the approval of the Secretary of the Treasury.

(2) Any notes, debentures, or substantially identical types of unsecured obligations of the Corporation having maturities of 1 year or less that the Corporation has issued or is issuing as of August 9, 1989, shall be deemed to have been approved by the Secretary of the Treasury as required by this subsection. Such deemed approval shall expire 365 days after August 9, 1989.

<sup>1</sup> See References in Text note below.

(3) Any notes, debentures, or substantially identical types of unsecured obligations of the Corporation having maturities of more than 1 year that the Corporation has issued or is issuing as of August 9, 1989, shall be deemed to have been approved by the Secretary of the Treasury as required by this subsection. Such deemed approval shall expire 60 days after August 9, 1989.

**(k) Securities in form of debt obligations or trust certificates of beneficial interest; issuance, maturities, interest rates, etc.**

(1) Any securities in the form of debt obligations or trust certificates of beneficial interest, or both, and based upon mortgages held and set aside by the Corporation, shall be issued upon the approval of the Secretary of the Treasury and shall have such maturities and shall bear such rate or rates of interest as may be determined by the Corporation with the approval of the Secretary of the Treasury.

(2) Any securities in the form of debt obligations or trust certificates of beneficial interest, or both, and based upon mortgages held and set aside by the Corporation, that the Corporation has issued or is issuing as of August 9, 1989, shall be deemed to have been approved by the Secretary of the Treasury as required by this subsection.

**(l) Temporary authority of Treasury to purchase obligations and securities; conditions**

**(1) Authority to purchase**

**(A) General authority**

In addition to the authority under subsection (c) of this section, the Secretary of the Treasury is authorized to purchase any obligations and other securities issued by the Corporation under any section of this chapter, on such terms and conditions as the Secretary may determine and in such amounts as the Secretary may determine. Nothing in this subsection requires the Corporation to issue obligations or securities to the Secretary without mutual agreement between the Secretary and the Corporation. Nothing in this subsection permits or authorizes the Secretary, without the agreement of the Corporation, to engage in open market purchases of the common securities of the Corporation.

**(B) Emergency determination required**

In connection with any use of this authority, the Secretary must determine that such actions are necessary to—

- (i) provide stability to the financial markets;
- (ii) prevent disruptions in the availability of mortgage finance; and
- (iii) protect the taxpayer.

**(C) Considerations**

To protect the taxpayers, the Secretary of the Treasury shall take into consideration the following in connection with exercising the authority contained in this paragraph:

- (i) The need for preferences or priorities regarding payments to the Government.
- (ii) Limits on maturity or disposition of obligations or securities to be purchased.

(iii) The Corporation's plan for the orderly resumption of private market funding or capital market access.

(iv) The probability of the Corporation fulfilling the terms of any such obligation or other security, including repayment.

(v) The need to maintain the Corporation's status as a private shareholder-owned company.

(vi) Restrictions on the use of Corporation resources, including limitations on the payment of dividends and executive compensation and any such other terms and conditions as appropriate for those purposes.

**(D) Reports to Congress**

Upon exercise of this authority, the Secretary shall report to the Committees on the Budget, Financial Services, and Ways and Means of the House of Representatives and the Committees on the Budget, Finance, and Banking, Housing, and Urban Affairs of the Senate as to the necessity for the purchase and the determinations made by the Secretary under subparagraph (B) and with respect to the considerations required under subparagraph (C), and the size, terms, and probability of repayment or fulfillment of other terms of such purchase.

**(2) Rights; sale of obligations and securities**

**(A) Exercise of rights**

The Secretary of the Treasury may, at any time, exercise any rights received in connection with such purchases.

**(B) Sale of obligation and securities**

The Secretary of the Treasury may, at any time, subject to the terms of the security or otherwise upon terms and conditions and at prices determined by the Secretary, sell any obligation or security acquired by the Secretary under this subsection.

**(C) Deficit reduction**

The Secretary of the Treasury shall deposit in the General Fund of the Treasury any amounts received by the Secretary from the sale of any obligation acquired by the Secretary under this subsection, where such amounts shall be—

- (i) dedicated for the sole purpose of deficit reduction; and
- (ii) prohibited from use as an offset for other spending increases or revenue reductions.

**(D) Application of sunset to purchased obligations or securities**

The authority of the Secretary of the Treasury to hold, exercise any rights received in connection with, or sell, any obligations or securities purchased is not subject to the provisions of paragraph (4).

**(3) Funding**

For the purpose of the authorities granted in this subsection, the Secretary of the Treasury may use the proceeds of the sale of any securities issued under chapter 31 of Title 31, and the purposes for which securities may be issued under chapter 31 of Title 31 are extended to in-

clude such purchases and the exercise of any rights in connection with such purchases. Any funds expended for the purchase of, or modifications to, obligations and securities, or the exercise of any rights received in connection with such purchases under this subsection shall be deemed appropriated at the time of such purchase, modification, or exercise.

#### (4) Termination of authority

The authority under this subsection (I), with the exception of paragraphs (2) and (3) of this subsection, shall expire December 31, 2009.

#### (5) Authority of the Director with respect to executive compensation

The Director shall have the power to approve, disapprove, or modify the executive compensation of the Corporation, as defined under Regulation S-K, 17 C.F.R. 229.

(Pub. L. 91-351, title III, §306, July 24, 1970, 84 Stat. 455; Pub. L. 96-153, title III, §316(a), Dec. 21, 1979, 93 Stat. 1118; Pub. L. 97-289, §6, Oct. 6, 1982, 96 Stat. 1232; Pub. L. 98-35, §5, May 26, 1983, 97 Stat. 198; Pub. L. 98-440, title II, §§210, 211, Oct. 3, 1984, 98 Stat. 1697; Pub. L. 100-242, title IV, §441(b), Feb. 5, 1988, 101 Stat. 1921; Pub. L. 101-73, title VII, §731(g)-(i), Aug. 9, 1989, 103 Stat. 434; Pub. L. 102-550, title XIII, §1382(n), Oct. 28, 1992, 106 Stat. 4005; Pub. L. 110-289, div. A, title I, §§1117(b), 1161(c)(2), July 30, 2008, 122 Stat. 2684, 2780; Pub. L. 111-203, title XIII, §1304(b), July 21, 2010, 124 Stat. 2134.)

### Editorial Notes

#### REFERENCES IN TEXT

Section 1452(c) of this title, referred to in subsec. (i), was redesignated section 1452(d) of this title by Pub. L. 101-73, title VII, §731(c)(1), Aug. 9, 1989, 103 Stat. 431.

This chapter, referred to in subsec. (I)(1)(A), was in the original “this Act” and has been translated as reading “this title”, meaning title III of Pub. L. 91-351, to reflect the probable intent of Congress.

#### AMENDMENTS

2010—Subsec. (I)(2)(C), (D). Pub. L. 111-203 added subpar. (C) and redesignated former subpar. (C) as (D).

2008—Subsec. (c)(2). Pub. L. 110-289, §1161(c)(2)(A), inserted “the” after “Secretary of”.

Subsec. (i). Pub. L. 110-289, §1161(c)(2)(B)(ii), made technical amendment to reference in original act which appears in text as reference to section 4516 of this title.

Pub. L. 110-289, §1161(c)(2)(B)(i), made technical amendment to reference in original act which appears in text as reference to section 1455(c) of this title. Amendment was given effect, notwithstanding error in directory language which directed substitution of “section 306(c)” for “section 1316(c)” in the original.

Subsec. (j)(2). Pub. L. 110-289, §1161(c)(2)(C), substituted “or substantially” for “of substantially”.

Subsec. (I). Pub. L. 110-289, §1117(b), added subsec. (I). 1992—Subsec. (h). Pub. L. 102-550, §1382(n)(1), designated existing provisions as par. (1) and added par. (2).

Subsec. (i). Pub. L. 102-550, §1382(n)(2), substituted “sections 1452(c) and 1455(c) of this title and assessments pursuant to section 4516 of this title” for “section 1452(c) or 1455(c) of this title”.

1989—Subsec. (c). Pub. L. 101-73, §731(g), amended subsec. (c) generally. Prior to amendment, subsec. (c) read as follows: “The Federal home loan banks shall, to such extent as the Board of Directors may prescribe, guarantee the faithful and timely performance by the Corporation of any obligation or undertaking of the Cor-

poration on or with respect to any security (which term as used in this sentence shall not include the capital stock referred to in section 1453 of this title).”

Subsec. (f). Pub. L. 101-73, §731(h), amended subsec. (f) generally. Prior to amendment, subsec. (f) read as follows: “The Corporation may have preferred stock on such terms and conditions as the Board of Directors shall prescribe. Any preferred stock shall not affect the status of the capital stock issued under section 1453 of this title as nonvoting common stock, and shall not be entitled to vote with respect to the election of any member of the Board of Directors. Such preferred stock, or any class thereof, may have such terms as would be required for listing of preferred stock on the New York Stock Exchange, except that this sentence does not apply to any preferred stock, or class thereof, the initial sale of which is made directly or indirectly by the Corporation exclusively to any Federal Home Loan Bank or Banks.”

Subsecs. (j), (k). Pub. L. 101-73, §731(i), added subsecs. (j) and (k).

1988—Subsec. (i). Pub. L. 100-242 added subsec. (i).

1984—Subsec. (f). Pub. L. 98-440, §211, inserted provisions that preferred stock shall not be entitled to vote with respect to the election of any member of the Board of Directors and that such preferred stock, or any class thereof, may have such terms as would be required for listing of preferred stock on the New York Stock Exchange, except for any preferred stock, or class thereof, the initial sale of which is made directly or indirectly by the Corporation exclusively to any Federal Home Loan Bank or Banks.

Subsec. (h). Pub. L. 98-440, §210, added subsec. (h).

1983—Subsec. (g). Pub. L. 98-35 added subsec. (g).

1982—Subsec. (f). Pub. L. 97-289 added subsec. (f).

1979—Subsec. (e). Pub. L. 96-153 added subsec. (e).

### Statutory Notes and Related Subsidiaries

#### EFFECTIVE DATE OF 2010 AMENDMENT

Amendment by Pub. L. 111-203 effective 1 day after July 21, 2010, except as otherwise provided, see section 4 of Pub. L. 111-203, set out as an Effective Date note under section 5301 of this title.

#### REPAYMENT OF FEES

Pub. L. 111-203, title XIII, §1304(d), July 21, 2010, 124 Stat. 2134, provided that: “Any periodic commitment fee or any other fee or assessment paid by the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation to the Secretary of the Treasury as a result of any preferred stock purchase agreement, mortgage-backed security purchase program, or any other program or activity authorized or carried out pursuant to the authorities granted to the Secretary of the Treasury under section 1117 of the Housing and Economic Recovery Act of 2008 (Public Law 110-289; 122 Stat. 2683) [amending this section and sections 1431 and 1719 of this title], including any fee agreed to by contract between the Secretary and the Association or Corporation, shall be deposited in the General Fund of the Treasury where such amounts shall be—

“(1) dedicated for the sole purpose of deficit reduction; and

“(2) prohibited from use as an offset for other spending increases or revenue reductions.”

[For definitions of terms used in section 1304(d) of Pub. L. 111-203, set out above, see section 5301 of this title.]

### § 1456. Immunity of Corporation; audits and reporting requirements; data collection; Housing Advisory Council

#### (a) Rights and remedies of Corporation; State qualifications or similar statutes

All rights and remedies of the Corporation, including without limitation on the generality of