

States district court. In such action, the validity and appropriateness of the final order imposing the penalty shall not be subject to review.

**(f) Rules and regulations**

The Farm Credit Administration shall promulgate regulations establishing procedures necessary to implement section 2267 of this title and this section.

**(g) Payment into Treasury**

All penalties collected under authority of this section shall be covered into the Treasury of the United States.

**(h) Directives as final orders**

For purposes of this section, any directive issued under section 2154(b)(2), 2154a(e), or 2202a(h) of this title shall be treated as an order that has become final and was issued under section 2261 of this title.

(Pub. L. 92-181, title V, §5.32, as added Pub. L. 99-205, title II, §204, Dec. 23, 1985, 99 Stat. 1700; amended Pub. L. 100-233, title IV, §423, title VIII, §§804(a)(2), 805(dd), Jan. 6, 1988, 101 Stat. 1656, 1714, 1717; Pub. L. 115-334, title V, §5411(33), Dec. 20, 2018, 132 Stat. 4683.)

**Editorial Notes**

**AMENDMENTS**

2018—Subsec. (h). Pub. L. 115-334 substituted “2202a(h)” for “2202a(i)”.

1988—Subsec. (a). Pub. L. 100-233, §423(a), substituted “continues. Any such institution or person who violates any provision of this chapter or any regulation issued under this chapter shall forfeit and pay a civil penalty of not more than \$500 per day for each day during which such violation continues. Notwithstanding the preceding sentences,” for “continues, but”.

Subsec. (b). Pub. L. 100-233, §423(b), inserted “Before determining whether to assess a civil money penalty and determining the amount of such penalty, the Farm Credit Administration shall notify the institution or person to be assessed of the violation or violations alleged to have occurred or to be occurring, and shall solicit the views of the institution or person regarding the imposition of such penalty.”

Subsec. (d). Pub. L. 100-233, §423(c), substituted “Final orders of the Farm Credit Administration issued under subsection (c) shall be reviewable under chapter 7 of title 5” for “The findings of the Farm Credit Administration shall be set aside if found to be unsupported by substantial evidence as provided by section 706(2)(E) of title 5”.

Subsec. (f). Pub. L. 100-233, §805(dd), substituted “section 2267 of this title and this section” for “sections 2267 and 2268 of this title”.

Subsec. (h). Pub. L. 100-233, §804(a)(2), added subsec. (h).

**Statutory Notes and Related Subsidiaries**

**EFFECTIVE DATE**

Section effective thirty days after Dec. 23, 1985, see section 401 of Pub. L. 99-205, set out as an Effective Date of 1985 Amendment note under section 2001 of this title.

**§ 2269. Further penalties**

Any director or officer, or former director or officer of a System institution, or any other person, against whom there is outstanding and effective any notice or order (which is an order which has become final) served upon such direc-

tor, officer, or other person under section 2264 or 2265 of this title, and who (1) participates in any manner in the conduct of the affairs of the institution involved, or directly or indirectly solicits or procures, or transfers or attempts to transfer, or votes or attempts to vote, any proxies, consents, or authorizations in respect of any voting rights in such institution, or (2) without the prior written approval of the Farm Credit Administration, votes for a director, serves or acts as a director, officer, or employee of any System institution, shall upon conviction be fined not more than \$5,000 or imprisoned for not more than one year, or both.

(Pub. L. 92-181, title V, §5.33, as added Pub. L. 99-205, title II, §204, Dec. 23, 1985, 99 Stat. 1701.)

**Statutory Notes and Related Subsidiaries**

**EFFECTIVE DATE**

Section effective thirty days after Dec. 23, 1985, see section 401 of Pub. L. 99-205, set out as an Effective Date of 1985 Amendment note under section 2001 of this title.

**§ 2270. Replacement of suspended or removed directors**

If at any time, because of the suspension or removal of one or more directors pursuant to section 2264 or 2265 of this title, there shall be on the board of directors of a System institution less than a quorum of directors not so suspended, the Chairman shall appoint persons to serve temporarily as directors in their place and stead so as to establish a quorum until such time as those who have been removed are reinstated or their respective successors are duly elected and take office.

(Pub. L. 92-181, title V, §5.34, as added Pub. L. 99-205, title II, §204, Dec. 23, 1985, 99 Stat. 1701.)

**Statutory Notes and Related Subsidiaries**

**EFFECTIVE DATE**

Section effective thirty days after Dec. 23, 1985, see section 401 of Pub. L. 99-205, set out as an Effective Date of 1985 Amendment note under section 2001 of this title.

**§ 2271. Definitions**

As used in this part—

(1) the terms “cease and desist order that has become final” and “order which has become final” mean a cease and desist order, or an order, issued by the Farm Credit Administration with the consent of the System institution or the director or officer or other person concerned, or with respect to which no petition for review of the action of the Farm Credit Administration has been filed and perfected in a court of appeals as specified in section 2266(b) of this title, or with respect to which the action of the court in which such petition is so filed is not subject to further review by the Supreme Court of the United States in proceedings provided for in section 2266(b) of this title, or an order issued under section 2265 of this title;

(2) the term “violation” includes without limitation any action (alone or with another

or others) for or toward causing, bringing about, participating in, counseling, or aiding or abetting a violation;

(3) the terms “institution in the System”, “System institution”, and “institution” mean all institutions enumerated in section 2002 of this title, any service organization chartered under part E of subchapter IV of this chapter, and the Financial Assistance Corporation;

(4) the term “institution-affiliated party” means—

(A) a director, officer, employee, shareholder, or agent of a System institution;

(B) an independent contractor (including an attorney, appraiser, or accountant) who knowingly or recklessly participates in—

(i) a violation of law (including regulations) that is associated with the operations and activities of 1 or more System institutions;

(ii) a breach of fiduciary duty; or

(iii) an unsafe practice that causes or is likely to cause more than a minimum financial loss to, or a significant adverse effect on, a System institution; and

(C) any other person, as determined by the Farm Credit Administration (by regulation or on a case-by-case basis) who participates in the conduct of the affairs of a System institution; and

(5) the term “unsafe or unsound practice” shall—

(A) have the meaning given to it by the Farm Credit Administration by regulation, rule, or order; and

(B) mean any significant noncompliance by a System institution (as determined by the Farm Credit Administration, in consultation with the Farm Credit System Insurance Corporation) with any term or condition imposed on the institution by the Farm Credit System Insurance Corporation under section 2277a-10 of this title.

(Pub. L. 92-181, title V, §5.35, as added Pub. L. 99-205, title II, §204, Dec. 23, 1985, 99 Stat. 1701; amended Pub. L. 100-233, title II, §§203, 207(d), Jan. 6, 1988, 101 Stat. 1605, 1608; Pub. L. 102-237, title V, §502(i), Dec. 13, 1991, 105 Stat. 1869; Pub. L. 102-552, title II, §202(b), Oct. 28, 1992, 106 Stat. 4106; Pub. L. 115-334, title V, §§5408, 5411(34), Dec. 20, 2018, 132 Stat. 4678, 4683.)

#### Editorial Notes

##### AMENDMENTS

2018—Pars. (4), (5). Pub. L. 115-334, §5408, added par. (4) and redesignated former par. (4) as (5).

Par. (5)(B), (C). Pub. L. 115-334, §5411(34), redesignated subpar. (C) as (B), struck out “after December 31, 1992,” before “mean any” and “by the Farm Credit System Assistance Board under section 2278a-6 of this title or” before “by the Farm Credit System Insurance Corporation”, and struck out former subpar. (B) which read as follows: “during the period beginning on January 6, 1988, and ending December 31, 1992, mean any non-compliance by a System institution, as determined by the Farm Credit Administration in consultation with the Assistance Board, with any term or condition imposed on the institution by the Assistance Board under section 2278a-6 of this title; and”.

1992—Par. (4)(C). Pub. L. 102-552 added subpar. (C).

1991—Par. (3). Pub. L. 102-237 substituted “part E” for “part D”.

1988—Par. (3). Pub. L. 100-233, §207(d), substituted “Financial Assistance Corporation” for “Capital Corporation”.

Par. (4). Pub. L. 100-233, §203, amended par. (4) generally. Prior to amendment, par. (4) read as follows: “the term ‘unsafe or unsound practice’ shall have the meaning given to it by the Farm Credit Administration by regulations, rule, or order.”

#### Statutory Notes and Related Subsidiaries

##### EFFECTIVE DATE OF 1991 AMENDMENT

Amendment by Pub. L. 102-237 effective as if included in the provision of the Food, Agriculture, Conservation, and Trade Act of 1990, Pub. L. 101-624, to which the amendment relates, see section 1101(b)(4) of Pub. L. 102-237, set out as a note under section 1421 of Title 7, Agriculture.

##### EFFECTIVE DATE

Section effective thirty days after Dec. 23, 1985, see section 401 of Pub. L. 99-205, set out as an Effective Date of 1985 Amendment note under section 2001 of this title.

#### § 2272. Notice of service

Any service required or authorized to be made by the Farm Credit Administration under this section may be made by registered mail, or in such other manner reasonably calculated to give actual notice as the Farm Credit Administration may by regulation or otherwise provide. Any such service by mail is complete upon mailing. Copies of any notice or order served by the Farm Credit Administration on any association or any director or officer thereof or other person participating in the conduct of its affairs, under the provisions of this part, shall also be sent to the supervisory bank.

(Pub. L. 92-181, title V, §5.36, as added Pub. L. 99-205, title II, §204, Dec. 23, 1985, 99 Stat. 1702.)

#### Statutory Notes and Related Subsidiaries

##### EFFECTIVE DATE

Section effective thirty days after Dec. 23, 1985, see section 401 of Pub. L. 99-205, set out as an Effective Date of 1985 Amendment note under section 2001 of this title.

#### § 2273. Ancillary provisions; subpoena power; etc.

In the course of or in connection with any proceeding under this part or any examination or investigation under this chapter, the Farm Credit Administration or any designated representative thereof, including any person designated to conduct any hearing under this part, shall have the power to administer oaths and affirmations, to take or cause to be taken depositions, and to issue, revoke, quash, or modify subpoenas and subpoenas duces tecum; and the Farm Credit Administration is empowered to make rules and regulations with respect to any such proceedings, examinations, or investigations. The attendance of witnesses and the production of documents provided for in this section may be required from any place in any State or in any territory or other place subject to the jurisdiction of the United States at any designated place where such proceeding is being conducted. The Farm Credit Administration or