

Statutory Notes and Related Subsidiaries**EFFECTIVE DATE OF 1988 AMENDMENT**

Amendment by Pub. L. 100-399 effective immediately after amendment made by section 401 of Pub. L. 100-233, which was effective 6 months after Jan. 6, 1988, see section 1001(b) of Pub. L. 100-399, set out as a note under section 2002 of this title.

EFFECTIVE DATE OF 1985 AMENDMENT

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

§ 2124. Stock of banks for cooperatives**(a) Amount**

The Capital stock of each bank for cooperatives shall be in such amount as its board determines is required for the purpose of providing adequate capital to permit the bank to meet the credit needs of borrowers from the bank and such amounts may be increased or decreased from time to time in accordance with such needs.

(b) Value

The capital stock of each bank shall be divided into shares of par value of \$100 each and may be of such classes as the board may determine. Such stock may be issued in fractional shares.

(c) Eligible holders of voting stock

Voting stock may be issued or transferred to and held only by (i) cooperative associations eligible to borrow from the banks¹ (ii) other categories of persons and entities described in sections 2128 and 2129 of this title eligible to borrow from the bank, as determined by the bank's board of directors; and (iii) other banks for cooperatives, and shall not be otherwise transferred, pledged, or hypothecated except as consented to by the issuing bank under regulations of the Farm Credit Administration.

(d) Entitlement to vote

Each holder of one or more shares of voting stock which is eligible to borrow from a bank for cooperatives shall be entitled only to one vote and only in the affairs of the bank in the district in which its principal office is located unless otherwise authorized under regulations issued by the Farm Credit Administration, except that if such holder has not been a borrower from the bank in which it holds such stock within a period of two years next preceding the date fixed by the Farm Credit Administration prior to the commencement of voting, it shall not be entitled to vote.

(e) Nonvoting investment stock

Nonvoting investment stock may be issued in such series and in such amounts as may be determined by the board and may be exchanged for voting stock or sold or transferred to any person subject to the approval of the issuing bank.

(f) Participation certificates

Participation certificates may be issued to parties to whom voting stock may not be issued. (Pub. L. 92-181, title III, §3.3, Dec. 10, 1971, 85 Stat. 603; Pub. L. 96-592, title III, §302, Dec. 24,

1980, 94 Stat. 3443; Pub. L. 99-205, title II, §205(e)(3), (4), Dec. 23, 1985, 99 Stat. 1705; Pub. L. 100-233, title VIII, §§802(o), 805(k), Jan. 6, 1988, 101 Stat. 1712, 1715; Pub. L. 110-234, title V, §§5402, 5403(a), May 22, 2008, 122 Stat. 1154; Pub. L. 110-246, §4(a), title V, §§5402, 5403(a), June 18, 2008, 122 Stat. 1664, 1915.)

Editorial Notes**CODIFICATION**

Pub. L. 110-234 and Pub. L. 110-246 made identical amendments to this section. The amendments by Pub. L. 110-234 were repealed by section 4(a) of Pub. L. 110-246.

AMENDMENTS

2008—Subsec. (b). Pub. L. 110-246, §5402, which directed substitution of “par” for “per”, could not be executed because “per” did not appear.

Subsec. (c)(ii), (iii). Pub. L. 110-246, §5403(a), added cl. (ii) and redesignated former cl. (ii) as (iii).

1988—Subsec. (a). Pub. L. 100-233, §802(o)(1), struck out “, with the approval of Farm Credit Administration,” after “board determines”.

Subsec. (b). Pub. L. 100-233, §802(o)(2), struck out “with the approval of the Farm Credit Administration” after “board may determine”.

Subsec. (d). Pub. L. 100-233, §805(k), substituted “by” for “by by” after “regulations issued”.

Subsec. (e). Pub. L. 100-233, §802(o)(3), struck out “and approved by the Farm Credit Administration” after “Board”.

1985—Subsec. (d). Pub. L. 99-205, §205(e)(3), inserted “under regulations issued by” after “authorized”.

Subsec. (e). Pub. L. 99-205, §205(e)(4), struck out “, except for stock held by the Governor,” before “may be exchanged”.

1980—Subsec. (f). Pub. L. 96-592 added subsec. (f).

Statutory Notes and Related Subsidiaries**EFFECTIVE DATE OF 2008 AMENDMENT**

Amendment of this section and repeal of Pub. L. 110-234 by Pub. L. 110-246 effective May 22, 2008, the date of enactment of Pub. L. 110-234, see section 4 of Pub. L. 110-246, set out as an Effective Date note under section 8701 of Title 7, Agriculture.

EFFECTIVE DATE OF 1985 AMENDMENT

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

§ 2125. Dividends

Dividends may be payable only on nonvoting investment stock, if declared by the board of directors of the bank, subject to the general direction of the Farm Credit Administration.

(Pub. L. 92-181, title III, §3.4, Dec. 10, 1971, 85 Stat. 604; Pub. L. 99-205, title II, §205(e)(5), title VI, §606, Dec. 23, 1985, 99 Stat. 1705, 1711; Pub. L. 100-233, title VIII, §805(l), Jan. 6, 1988, 101 Stat. 1715.)

Editorial Notes**AMENDMENTS**

1988—Pub. L. 100-233 struck out “other than stock held by the Farm Credit Administration,” after “investment stock,”.

1985—Pub. L. 99-205 struck out “the Governor of” before “the Farm Credit Administration” and inserted “, subject to the general direction of the Farm Credit Administration”.

¹ So in original. There probably should be a semicolon after “banks”.