

Subsec. (c). Pub. L. 96-592, §308(2), inserted applicability to participation certificates and to borrowers to whom refunds are payable.

Statutory Notes and Related Subsidiaries

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.

§ 2133. Distribution of assets on liquidation or dissolution

In the case of liquidation or dissolution of any bank for cooperatives, after payment or retirement, first, of all liabilities; second, of all capital stock issued before January 1, 1956, at par, and all nonvoting stock at par; and third, all voting stock at par; any surplus and reserves existing on January 1, 1956, shall be paid to the holders of stock issued before that date, and voting stock pro rata; and any remaining allocated surplus and reserves shall be distributed to those entities to which they are allocated on the books of the bank, and any other remaining surplus shall be paid to the holders of outstanding voting stock. If it should become necessary to use any surplus or reserves to pay any liabilities or to retire any capital stock, unallocated reserves or surplus, allocated reserves and surplus shall be exhausted in accordance with rules prescribed by the Farm Credit Administration.

(Pub. L. 92-181, title III, §3.12, Dec. 10, 1971, 85 Stat. 608; Pub. L. 99-205, title II, §205(e)(9), Dec. 23, 1985, 99 Stat. 1705; Pub. L. 100-233, title VIII, §805(o), Jan. 6, 1988, 101 Stat. 1716.)

Editorial Notes

AMENDMENTS

1988—Pub. L. 100-233 inserted “the” before “Farm Credit Administration”.

1985—Pub. L. 99-205 struck out “, any stock held by the Governor of the Farm Credit Administration at par” before “, and all nonvoting stock at par”, and struck out “stock held by the Governor of the Farm Credit Administration,” before “and voting stock pro rata” in first sentence.

Statutory Notes and Related Subsidiaries

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.

§ 2134. Taxation

Each bank for cooperatives and its obligations are instrumentalities of the United States and as such any and all notes, debentures, and other obligations issued by such bank shall be exempt, both as to principal and interest from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by the United States or any State, territorial, or local taxing authority, except that interest on such obligations shall be subject to Federal income taxation in the hands of the holder.

(Pub. L. 92-181, title III, §3.13, Dec. 10, 1971, 85 Stat. 608; Pub. L. 99-205, title II, §205(e)(10), Dec. 23, 1985, 99 Stat. 1705; Pub. L. 100-233, title VIII, §805(p), Jan. 6, 1988, 101 Stat. 1716.)

Editorial Notes

AMENDMENTS

1988—Pub. L. 100-233 inserted before period at end “, except that interest on such obligations shall be subject to Federal income taxation in the hands of the holder”.

1985—Pub. L. 99-205 struck out last two sentences relating to exemption of banks for cooperatives and their property, franchises, capital, reserves, surplus, other funds, and income from Federal and non-Federal taxation except for Federal income taxation of interest on obligations of such banks and for Federal and non-Federal taxation of real and tangible personal property of such banks to same extent as similar property is taxed, and making such exemption provisions applicable only for any year or part thereof in which stock in such banks was held by the Governor of the Farm Credit Administration.

Statutory Notes and Related Subsidiaries

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.

PART B—NATIONAL BANKS FOR COOPERATIVES

Editorial Notes

CODIFICATION

Pub. L. 115-334, title V, §5411(12), Dec. 20, 2018, 132 Stat. 4680, struck out “United and” before “National” in part heading.

§ 2141. Charter, powers, and operation

(a) Charter

The National Bank for Cooperatives (hereinafter in this part referred to as the “consolidated bank”), established under section 413 of the Agricultural Credit Act of 1987, shall be a federally chartered instrumentality of the United States and an institution of the Farm Credit System.

(b) Powers

The consolidated bank and the board of directors of such bank shall have all of the powers, rights, responsibilities, and obligations of the constituent banks described in section 413(b) of the Agricultural Credit Act of 1987 (12 U.S.C. 2121 note; Public Law 100-233) and the boards of directors of such banks, except as otherwise provided for in this chapter.

(c) Operation

The consolidated bank shall be organized and operated on a cooperative basis.

(Pub. L. 92-181, title III, §3.20, as added Pub. L. 100-233, title IV, §415(2), Jan. 6, 1988, 101 Stat. 1642; amended Pub. L. 100-399, title IV, §407(a), (b), Aug. 17, 1988, 102 Stat. 1000; Pub. L. 115-334, title V, §5411(13), Dec. 20, 2018, 132 Stat. 4680.)

Editorial Notes

REFERENCES IN TEXT

Section 413 of the Agricultural Credit Act of 1987, referred to in subsecs. (a) and (b), is section 413 of Pub. L. 100-233, which is set out as a note under section 2121 of this title.

AMENDMENTS

2018—Subsec. (a). Pub. L. 115-334, §5411(13)(A), struck out “or the United Bank for Cooperatives, as the case may be” after “National Bank for Cooperatives”.

Subsec. (b). Pub. L. 115-334, §411(13)(B), substituted “the constituent banks described in section 413(b) of the Agricultural Credit Act of 1987 (12 U.S.C. 2121 note; Public Law 100-233)” for “the district banks for cooperatives and the Central Bank for Cooperatives”.

1988—Subsec. (a). Pub. L. 100-399, §407(a), struck out “in this section” after “referred to” and inserted “, established under section 413 of the Agricultural Credit Act of 1987,” before “shall”.

Subsec. (b). Pub. L. 100-399, §407(b), inserted “except” before “as otherwise”.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 1988 AMENDMENT

Amendment by Pub. L. 100-399 effective as if enacted immediately after enactment of Pub. L. 100-233, which was approved Jan. 6, 1988, see section 1001(a) of Pub. L. 100-399, set out as a note under section 2002 of this title.

§ 2142. Repealed. Pub. L. 115-334, title V, § 411(14), Dec. 20, 2018, 132 Stat. 4680

Section, Pub. L. 92-181, title III, §3.21, as added Pub. L. 100-233, title IV, §415(2), Jan. 6, 1988, 101 Stat. 1642; amended Pub. L. 100-399, title IV, §407(c), (d), Aug. 17, 1988, 102 Stat. 1000, related to provisions for the board of directors of a consolidated bank.

§ 2143. Credit delivery office

On a determination by the board of directors of the consolidated bank that the bank's loan portfolio is concentrated in any one district or districts (according to the district boundaries in effect immediately prior to the effective date of the establishment of the bank under section 413 of the Agricultural Credit Act of 1987), the bank may consider the creation of regional service centers to accommodate such loan concentrations.

(Pub. L. 92-181, title III, §3.22, as added Pub. L. 100-233, title IV, §415(2), Jan. 6, 1988, 101 Stat. 1643; amended Pub. L. 100-399, title IV, §407(e), Aug. 17, 1988, 102 Stat. 1000.)

Editorial Notes

REFERENCES IN TEXT

Section 413 of the Agricultural Credit Act of 1987, referred to in text, is section 413 of Pub. L. 100-233, which is set out as a note under section 2121 of this title.

AMENDMENTS

1988—Pub. L. 100-399 substituted “consolidated bank” for “United Bank for Cooperatives or the National Bank for Cooperatives” and “establishment of the bank under section 413 of the Agricultural Credit Act of 1987” for “merger”.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 1988 AMENDMENT

Amendment by Pub. L. 100-399 effective as if enacted immediately after enactment of Pub. L. 100-233, which was approved Jan. 6, 1988, see section 1001(a) of Pub. L. 100-399, set out as a note under section 2002 of this title.

§ 2144. Consolidation of functions

Subject to section 2143 of this title, to the greatest extent practicable, the functions of the consolidated bank shall be consolidated in the central office of the bank.

(Pub. L. 92-181, title III, §3.23, as added Pub. L. 100-233, title IV, §415(2), Jan. 6, 1988, 101 Stat. 1644.)

§ 2145. Exchange of ownership interests

On the establishment of the consolidated bank, ownership interests of the stockholders and subscribers to the guaranty funds of the constituent district banks for cooperatives (including stock, participation certificates, and allocated equities) shall be exchanged for like ownership interests in the consolidated bank on a book value basis.

(Pub. L. 92-181, title III, §3.24, as added Pub. L. 100-233, title IV, §415(2), Jan. 6, 1988, 101 Stat. 1644.)

§ 2146. Capitalization

In accordance with section 2154a of this title, each consolidated bank shall provide, through bylaws and subject to Farm Credit Administration regulations, for the capitalization of the bank and the manner in which bank stock shall be issued, held, transferred, and retired and bank earnings distributed.

(Pub. L. 92-181, title III, §3.25, as added Pub. L. 100-233, title IV, §415(2), Jan. 6, 1988, 101 Stat. 1644; amended Pub. L. 100-399, title IV, §407(f), Aug. 17, 1988, 102 Stat. 1000.)

Editorial Notes

AMENDMENTS

1988—Pub. L. 100-399 amended section generally. Prior to amendment, section read as follows: “The board of directors of the consolidated bank shall provide for the capitalization of such bank in accordance with the provisions of section 2154a of this title.”

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 1988 AMENDMENT

Amendment by Pub. L. 100-399 effective as if enacted immediately after enactment of Pub. L. 100-233, which was approved Jan. 6, 1988, see section 1001(a) of Pub. L. 100-399, set out as a note under section 2002 of this title.

§ 2147. Patronage pools

Under such terms and conditions as may be determined by its board of directors, the consolidated bank may—

(1) for a period of at least 3 years following January 6, 1988, establish separate patronage pools consisting of loans to eligible borrowers located in each constituent farm credit district (as such district existed on January 6, 1988); and

(2) allocate revenues, expenses, and net savings among such pools on an equitable basis.

(Pub. L. 92-181, title III, §3.26, as added Pub. L. 100-233, title IV, §415(2), Jan. 6, 1988, 101 Stat. 1644.)

§ 2148. Transactions to accomplish merger

The receipt of assets or assumption of liabilities by the consolidated bank, the exchange of stock, equities, or other ownership interests, and any other transaction carried out in accomplishing the merger of the banks for cooperatives shall not be treated as a taxable event under the laws of the United States or of any State or political subdivision thereof. The preceding sentence shall also apply to the receipt of

assets and liabilities by a cooperative to the extent that the net amount of the distribution is immediately reinvested in stock of a consolidated bank (and in such case the basis of such stock shall be appropriately reduced by the amount of gain not recognized by reason of this sentence).

(Pub. L. 92-181, title III, § 3.27, as added Pub. L. 100-233, title IV, § 415(2), Jan. 6, 1988, 101 Stat. 1644; amended Pub. L. 100-399, title IV, § 407(g), Aug. 17, 1988, 102 Stat. 1001.)

Editorial Notes

AMENDMENTS

1988—Pub. L. 100-399 substituted “cooperative” for “taxable institution”.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 1988 AMENDMENT

Amendment by Pub. L. 100-399 effective as if enacted immediately after enactment of Pub. L. 100-233, which was approved Jan. 6, 1988, see section 1001(a) of Pub. L. 100-399, set out as a note under section 2002 of this title.

§ 2149. Lending limits

The Farm Credit Administration may not establish lending limits for the consolidated bank with respect to any loans or borrowers that are more restrictive than the combined lending limits that were previously established by the Farm Credit Administration for the constituent banks described in section 413(b) of the Agricultural Credit Act of 1987 (12 U.S.C. 2121 note; Public Law 100-233) with respect to such loans or borrowers.

(Pub. L. 92-181, title III, § 3.28, as added Pub. L. 100-233, title IV, § 415(2), Jan. 6, 1988, 101 Stat. 1644; amended Pub. L. 115-334, title V, § 5411(15), Dec. 20, 2018, 132 Stat. 4680.)

Editorial Notes

AMENDMENTS

2018—Pub. L. 115-334 substituted “the constituent banks described in section 413(b) of the Agricultural Credit Act of 1987 (12 U.S.C. 2121 note; Public Law 100-233)” for “a district bank for cooperatives and the Central Bank for Cooperatives”.

§ 2149a. Repealed. Pub. L. 115-334, title V, § 5411(16), Dec. 20, 2018, 132 Stat. 4680

Section, Pub. L. 92-181, title III, § 3.29, formerly title VII, § 7.5, as added Pub. L. 100-233, title IV, § 416, Jan. 6, 1988, 101 Stat. 1646; renumbered § 3.29, Pub. L. 100-399, title IV, § 408(e), Aug. 17, 1988, 102 Stat. 1001, related to reports by merged banks for cooperatives.

Section was classified to section 2279a-5 of this title prior to renumbering by Pub. L. 100-399.

SUBCHAPTER IV—PROVISIONS APPLICABLE TO TWO OR MORE CLASSES OF INSTITUTIONS OF THE SYSTEM

PART A—FUNDING

§ 2151. Repealed. Pub. L. 115-334, title V, § 5411(17), Dec. 20, 2018, 132 Stat. 4680

Section, Pub. L. 92-181, title IV, § 4.0, Dec. 10, 1971, 85 Stat. 609; Pub. L. 99-205, title I, § 101(1), Dec. 23, 1985, 99 Stat. 1678; Pub. L. 100-233, title II, § 202, Jan. 6, 1988, 101

Stat. 1605; Pub. L. 100-399, title II, § 202, Aug. 17, 1988, 102 Stat. 992, related to the revolving fund in effect immediately before Jan. 6, 1988.

§ 2152. Repealed. Pub. L. 100-233, title II, § 207(a)(1), Jan. 6, 1988, 101 Stat. 1607

Section, Pub. L. 92-181, title IV, § 4.1, as added Pub. L. 99-205, title I, § 104, Dec. 23, 1985, 99 Stat. 1687, contained requirements for purchase of stock and payment of assessments and contribution of capital to Capital Corporation.

A prior section 2152, Pub. L. 92-181, title IV, § 4.1, Dec. 10, 1971, 85 Stat. 609, related to revolving funds and government deposits, prior to repeal, effective thirty days after Dec. 23, 1985, by Pub. L. 99-205, title I, § 101(2), Dec. 23, 1985, 99 Stat. 1678.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF REPEAL

Pub. L. 100-233, title II, § 207(b), Jan. 6, 1988, 101 Stat. 1607, provided that: “The repeals made by subsection (a) [repealing this section and sections 2216 to 2216k, and 2252(a)(8) of this title] shall take effect 15 days after the date of the enactment of this Act [Jan. 6, 1988].”

§ 2153. Power to borrow; issuance of notes, bonds, debentures, and other obligations

Each of the banks of the System, in order to obtain funds for its authorized purposes, shall have power, subject to regulation by the Farm Credit Administration, and subject to the limitations of paragraph (e) of this section, to—

(a) Borrow money from or loan to any other institution of the System, borrow from any commercial bank or other lending institution, issue its notes or other evidence of debt on its own individual responsibility and full faith and credit, and invest its excess funds in such sums, at such times, and on such terms and conditions as it may determine.

(b) Issue its own notes, bonds, debentures, or other similar obligations, fully collateralized as provided in section 2154(c) of this title by the notes, mortgages, and security instruments it holds in the performance of its functions under this chapter in such sums, maturities, rates of interest, and terms and conditions of each issue as it may determine with approval of the Farm Credit Administration.

(c) Join with any or all banks organized and operating under the same subchapter of this chapter in borrowing or in issuance of consolidated notes, bonds, debentures, or other obligations as may be agreed with approval of the Farm Credit Administration.

(d) Join with other banks of the System in issuance of System-wide notes, bonds, debentures, and other obligations in the manner, form, amounts, and on such terms and conditions as may be agreed upon with approval of the Farm Credit Administration. Such System-wide issue by the participating banks and such participations by each bank shall not exceed the limits to which each such bank is subject in the issuance of its individual or consolidated obligations and each such issue shall be subject to approval of the Farm Credit Administration: *Provided, however*, There shall be no issues of System-wide obligations without the concurrence of the boards of directors of each bank and the ap-