

“suspension or prohibition” for “suspension and/or prohibition”, and “removal and prohibition” for “removal and/or prohibition”, and in par. (4) “or to prohibit” for “and/or to prohibit”, “removal or prohibition” for “removal and/or prohibition”, and “or prohibition” for “and/or prohibition”.

Subsec. (h). Pub. L. 95-630, §§111(d)(1), 502(b), among other changes, substituted “Board” for “Administrator” wherever appearing, in par. (1) substituted “Crime” for “felony” in two places and “subsection (g) of this section” for “paragraph (1) or (2) of subsection (g) of this section”, inserted “which is punishable by imprisonment for a term exceeding one year under State or Federal law” after “or breach of trust” and “, if continued service or participation by the individual may pose a threat to the interests of the credit union’s members or may threaten to impair public confidence in the credit union” after “the Board may” in two places, and inserted provision that any notice of suspension or order of removal issued under this paragraph remain effective and outstanding until the completion of any hearing or appeal authorized under paragraph (3) hereof unless terminated by the Board, and added par. (3).

Subsec. (i). Pub. L. 95-630, §§111(d)(2), (3), 502(b), substituted “Board” for “Administrator” wherever appearing, in par. (1) substituted “its” for “his” and “it” for “he” and “him” and inserted “(other than the hearing provided for in subsection (h)(3) of this section)” after “provided for in this section”, and in par. (2) substituted “subsection (h)(1)” for “subsection (h)”.

Subsec. (j). Pub. L. 95-630, §§107(e)(4), 502(b), designated existing provisions as par. (1), added par. (2), and substituted “Board” for “Administrator” wherever appearing and “its” for “his” in par. (1).

Subsecs. (k) to (o). Pub. L. 95-630, §502(b), substituted “Board” for “Administrator” wherever appearing.

1977—Subsec. (g)(1). Pub. L. 95-22, §307(a), struck out “and that such violation or practice or breach of fiduciary duty is one involving personal dishonesty on the part of such director, officer, or committee member” after “or breach of fiduciary duty”.

Subsec. (g)(2). Pub. L. 95-22, §307(b), substituted “dishonesty or unfitness” for “dishonesty and unfitness” wherever appearing.

1974—Subsec. (a). Pub. L. 93-383, §728(a), designated existing provisions as par. (1) and added par. (2).

Subsec. (c). Pub. L. 93-383, §728(b), inserted “(1)” after “(a)”.

Subsec. (d). Pub. L. 93-383, §728(c), designated existing provisions as par. (1) and added pars. (2) and (3).

Statutory Notes and Related Subsidiaries

CHANGE OF NAME

Oversight Board redesignated Thrift Depositor Protection Oversight Board, effective Feb. 1, 1992, see section 302(a) of Pub. L. 102-233, formerly set out as a note under section 1441a of this title. Thrift Depositor Protection Oversight Board abolished, see section 14(a)-(d) of Pub. L. 105-216, formerly set out as a note under section 1441a of this title.

EFFECTIVE DATE OF 2010 AMENDMENT

Amendment by Pub. L. 111-203 effective on the transfer date, see section 351 of Pub. L. 111-203, set out as a note under section 906 of Title 2, The Congress.

EFFECTIVE DATE OF 2004 AMENDMENT

Pub. L. 108-458, title VI, §6303(d), Dec. 17, 2004, 118 Stat. 3754, provided that: “Notwithstanding any other effective date established pursuant to this Act [see Tables for classification], subsection (a) shall become effective on the date of enactment of this Act [Dec. 17, 2004], and the amendments made by subsections (b) and (c) [amending this section and section 1820 of this title] shall become effective at the end of the 12-month period beginning on the date of enactment of this Act [Dec. 17, 2004], whether or not final regulations are

issued in accordance with the amendments made by this section [amending this section and section 1820 of this title] as of that date of enactment.”

EFFECTIVE DATE OF 1992 AMENDMENT

Pub. L. 102-550, title XV, §1501(c), Oct. 28, 1992, 106 Stat. 4045, provided that: “The amendments made by this section [amending this section and section 1821 of this title] shall take effect on December 20, 1992.”

EFFECTIVE DATE OF 1989 AMENDMENT

Pub. L. 101-73, title IX, §903(e), Aug. 9, 1989, 103 Stat. 457, provided that: “The amendments made by this section [amending this section and section 1818 of this title] shall apply with respect to violations committed and activities engaged in after the date of the enactment of this Act [Aug. 9, 1989].”

EFFECTIVE DATE OF 1978 AMENDMENT

Amendment by sections 107(a)(4), (c)(4), (d)(4), and 111(d)(1)-(3) of Pub. L. 95-630 effective upon expiration of 120 days after Nov. 10, 1978, see section 2101 of Pub. L. 95-630, set out as an Effective Date note under section 375b of this title.

Amendment by section 107(e)(4) of Pub. L. 95-630 applicable to violations occurring or continuing after Nov. 10, 1978, see section 109 of Pub. L. 95-630, set out as a note under section 93 of this title.

Amendment by section 502(b) of Pub. L. 95-630 effective on expiration of 120 days after Nov. 10, 1978, and transitional provisions, see section 509 of Pub. L. 95-630, set out as a note under section 1752 of this title.

EFFECTIVE DATE OF REGULATIONS PRESCRIBED UNDER 1986 AMENDMENT

The regulations required to be prescribed under amendment by Pub. L. 99-570 effective at end of 3-month period beginning on October 27, 1986, see section 1364(e) of Pub. L. 99-570, set out as a note under section 1464 of this title.

EXTENSION OF EMERGENCY ACQUISITION AND NET WORTH GUARANTEE PROVISIONS OF PUB. L. 97-320

No amendment made by section 141(a) of Pub. L. 97-320, set out as a note under section 1464 of this title, as in effect before Aug. 10, 1987, to any other provision of law to be deemed to have taken effect before such date and any such provision of law to be in effect as if no such amendment had been made before such date, see section 509(c) of Pub. L. 100-86, set out as a note under section 1464 of this title.

No amendment made by section 141(a) of Pub. L. 97-320, set out as a note under section 1464 of this title, as in effect on the day before Oct. 8, 1986, to any other provision of law to be deemed to have taken effect before such date and any such provision of law to be in effect as if no such amendment had taken effect before such date, see section 1(c) of Pub. L. 99-452, set out as a note under section 1464 of this title.

Section 141(a) of Pub. L. 97-320, set out as a note under section 1464 of this title, as in effect on the day after Aug. 27, 1986, applicable as if included in Pub. L. 97-320 on Oct. 15, 1982, with no amendment made by such section to any other provision of law to be deemed to have taken effect before Aug. 27, 1986, and any such provision of law to be in effect as if no such amendment had taken effect before Aug. 27, 1986, see section 1(c) of Pub. L. 99-400, set out as a note under section 1464 of this title.

§ 1786a. Omitted

Editorial Notes

CODIFICATION

Section, act June 26, 1934, ch. 750, title II, §206A, as added Pub. L. 105-164, §3(b), Mar. 20, 1998, 112 Stat. 35; amended Pub. L. 109-351, title VII, §726(20), Oct. 13, 2006,

120 Stat. 2003, which related to regulation and examination of credit union organizations and service providers by the National Credit Union Administration Board, ceased to be effective as of Dec. 31, 2001, pursuant to subsec. (f) of the section.

§ 1787. Payment of insurance

(a) Liquidation by Board; bond; appointment of agent; fees to be fixed by Board

(1)(A) Upon its finding that a Federal credit union insured under this subchapter is bankrupt or insolvent, the Board shall close such credit union for liquidation and appoint itself liquidating agent therefor.

(B) Not later than 10 days after the date on which the Board closes a credit union for liquidation pursuant to paragraph (1), or accepts appointment as liquidating agent pursuant to subsection (b), such insured credit union may apply to the United States district court for the judicial district in which the principal office of such insured credit union is located or the United States District Court for the District of Columbia, for an order requiring the Board to show cause why it should not be prohibited from continuing such liquidation. Except as otherwise provided in this subparagraph, no court may take any action for or toward the removal of any liquidating agent or, except at the instance of the Board, restrain or affect the exercise of powers or functions of a liquidating agent.

(2) Notwithstanding any other provision of law, the Board as liquidating agent of a closed Federal credit union insured under this subchapter shall not be required to furnish bond and shall have the right to appoint an agent or agents to assist it in its duties as such liquidating agent. All fees, compensation, and expenses of liquidation and administration thereof shall be fixed by the Board and may be paid by them out of funds coming into its possession as such liquidating agent.

(3) LIQUIDATION TO FACILITATE PROMPT CORRECTIVE ACTION.—The Board may close any credit union for liquidation, and appoint itself or another (including, in the case of a State-chartered insured credit union, the State official having jurisdiction over the credit union) as liquidating agent of that credit union, if—

(A) the Board determines that—

(i) the credit union is significantly undercapitalized, as defined in section 1790d of this title, and has no reasonable prospect of becoming adequately capitalized, as defined in section 1790d of this title; or

(ii) the credit union is critically undercapitalized, as defined in section 1790d of this title; and

(B) in the case of a State-chartered insured credit union, the Board has complied with section 1790d(l) of this title.

(b) Powers and duties of Board as conservator or liquidating agent

(1) Rulemaking authority of Board

The Board may prescribe such regulations as the Board determines to be appropriate regarding the conduct of the Board as conservator or liquidating agent.

(2) General powers

(A) Successor to credit union

The Board shall, as conservator or liquidating agent, and by operation of law, succeed to—

(i) all rights, titles, powers, and privileges of the credit union, and of any member, accountholder, officer, or director of such credit union with respect to the credit union and the assets of the credit union; and

(ii) title to the books, records, and assets of any previous conservator or other legal custodian of such credit union.

(B) Operate the credit union

The Board may, as conservator or liquidating agent—

(i) take over the assets of and operate the credit union with all the powers of the members or shareholders, the directors, and the officers of the credit union and shall be authorized to conduct all business of the credit union;

(ii) collect all obligations and money due the credit union;

(iii) perform all functions of the credit union in the name of the credit union which is consistent with the appointment as conservator or liquidating agent; and

(iv) preserve and conserve the assets and property of such credit union.

(C) Functions of credit union's officers, directors, and shareholders

The Board may, by regulation or order, provide for the exercise of any function by any member or stockholder, director, or officer of any credit union for which the Board has been appointed conservator or liquidating agent.

(D) Powers as conservator

The Board may, as conservator, take such action as may be—

(i) necessary to put the credit union in a sound and solvent condition; and

(ii) appropriate to carry on the business of the credit union and preserve and conserve the assets and property of the credit union.

(E) Additional powers as liquidating agent

The Board may, as liquidating agent, place the credit union in liquidation and proceed to realize upon the assets of the credit union, having due regard to the conditions of credit in the locality.

(F) Payment of valid obligations

The Board, as conservator or liquidating agent, shall pay all valid obligations of the credit union in accordance with the prescriptions and limitations of this chapter.

(G) Attachment of assets and injunctive relief

Subject to subparagraph (H), any court of competent jurisdiction may, at the request of the Board (in the Board's capacity as conservator or liquidating agent for any insured credit union or in the Board's corporate capacity in the exercise of any authority under